TTK Healthcare
LIMITED

TTKH:SECL:GJ:159:21

August 20, 2021

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

SCRIP CODE: 507747

SCRIP CODE: TTKHLTCARE

Dear Sirs,

Re : Chairman's Speech

We are forwarding herewith a copy of the Speech delivered by our Chairman at the 63rd Annual General Meeting of our Company held today through Video Conferencing / Other Audio Visual Means (VC / OAVM).

We request you to kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Wholetime Director & Secretary

Encl. : a/a

Regd. Office : No. 6, Cathedral Road, Chennai - 600 086, INDIA
Phone : 91-44-28116106 - 08, Fax : 91-44-28116387
Email : info@ttkhealthcare.com Website : www.ttkhealthcare.com
CIN : L24231TN1958PLC003647

TTK HEALTHCARE LIMITED
Regd. Office: No.6, Cathedral Road, Chennai 600 086
CIN: L24231TN1958PLC003647 Website: www.ttkhealthcare.com

CHAIRMAN'S SPEECH

[63rd ANNUAL GENERAL MEETING – 20th August, 2021]

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this 63rd Annual General Meeting of your Company. This meeting is being held virtually due to the CoVID-19 pandemic. I hope you and your family members are safe and in sound health.

Impact of CoVID-19:

- The outbreak of the CoVID-19 pandemic since March, 2020 and the ensuing lockdowns imposed across the country, though helped flatten the outbreak curve, affected the business operations.
- The health of the employees and workers became a priority; stoppage of operations and lower sales performance across businesses seriously impacted the First Quarter performance.
- However, from the Second Quarter, due to the opening of the economic activities across the nation, most businesses of your Company staged a smart recovery, resulting in a decent performance for the year as a whole.
- The second wave of Covid-19 in India was more intense than the first wave in terms of infections and deaths seen in the country. However, it did not have a material impact on the operations of your Company for the year 2020-21.
- The Indian economy is likely to grow in the range of 8.4 - 10.1% during the current financial year, as against the contraction of 7.3% in the last year [Source – NCAER].

FINANCIAL YEAR 2020-21:

The Annual Report for the year has already been circulated. I would like to touch upon the salient features of the Company's performance during the year under review.

Financial Highlights:

- ❖ Revenue from Operations amounted to Rs.636.53 crores, marginally lower than the previous year's figure of Rs.645.77 crores.
- ❖ The Pre-tax Profit stood at Rs.37.05 crores, inclusive of Rs.8.10 crores of Interest on Tax Refund. (Previous year - Rs.19.42 crores).
- ❖ Earnings per Share (EPS) was Rs.32.87 as against the previous year's figure of Rs.8.72.
- ❖ Your Company carries a Cash Balance of around Rs.200 crores.

BUSINESSWISE PERFORMANCE:

Let me now provide a quick brief on the performance of the various businesses of the Company during 2020-21 and also the plans for the year 2021-22.

(1) PHARMA / ANIMAL WELFARE BUSINESSES:

The **Pharma Business** registered a growth of around 1%. Though the year started on a very challenging note due to the pandemic situation, there had been a smart recovery from Q2.

The new product launches too contributed to the turnover.

The strategy for the year 21-22 would be to further strengthen the position amongst Gynaecologists and Infertility Specialists, focus on flagship brands, establish new products and constantly work on improving the people productivity, to grow the business.

The **Animal Welfare Business** registered a growth of around 9%. This Division too had a challenging Q1 due to CoVID-19 pandemic.

The performance of the newly launched Aquanim Division has been satisfactory.

The focus is to relentlessly work on growing the flagship brands, launch new products and take the Companim and Acquanim Divisions to the next level.

(2) CONSUMER PRODUCTS BUSINESS:

The Consumer Products Division reported a turnover marginally lower than that of the previous year.

Woodward's Gripewater (WGW) crossed the milestone of Rs.100 crores in sales with a healthy growth, driven by optimal brand investment and allied marketing activities, despite the pandemic situation and loss of sales in seasonal markets during Q1.

The strategy for the year 21-22 would be to focus on consumption increase in well penetrated Southern markets and build the Non-South markets via trial generation activities.

EVA as a brand was significantly impacted due to the pandemic and the consequent closure of cosmetics stores, etc., during Q1. The Deodorant as a category itself has been going through a challenging time.

Though there was some revival from Q2 onwards, the overall performance was not upto expectations.

The performance of EVA Talc was satisfactory.

The immediate focus is to gain share of voice by aggressive digital presence, TV commercials and media, rationalize and build robust product portfolio, build strong hold in MT Channels and e-Comm platforms and plan limited edition launches to keep the excitement and buzz amongst the consumers.

Skore brand's performance too was impacted due to CoVID-19 pandemic.

However, the brand witnessed a decent increase in sales through e-Commerce Channels and thus reduced the overall negative impact.

The strategy for the year 21-22 would be to increase the shelf space in the top towns, expand thin condom portfolio by launching a few more variants and focus on further strengthening the e-Commerce Channel with exclusive launches and pleasure products.

Good Home as a brand reported a moderate growth, driven by good performance from Eastern markets.

Launch of Germ Protection Range has been a positive initiative for the brand. Aroma and Drain Cleaner too performed well.

The focus would be to further strengthen the distribution and build visibility for the existing products and to launch differentiated and innovative products to grow the brand.

(3) MEDICAL DEVICES BUSINESS:

As most of the hospitals were treating only CoVID patients, regular surgeries like Valve Replacement Surgery, being an elective one, were postponed and this impacted the performance of **Heart Valve Division**.

Though there was some amount of revival in the later part of the year, the performance for the year as a whole was below expectations.

The Single Centric Clinical Trial for the new model Titanium Valve would commence during the first-half of the current year.

The focus would be to grow the volumes of TTK Chitra Heart Valves, to gain further volumes through Bi-Leaflet valves and to venture into the Cardiology market through the launch of Coronary Catheters.

Ortho Division's performance too was below expectations due to the postponement of surgeries.

Hip Replacement Products were launched in the second-half of the year in select markets and the response was encouraging. Further, the line extensions in the Hinge Knee Range is getting traction and helping penetration in more markets.

The strategy for 21-22 would be to continue expansion into new geographies, grow revenues from new products such as Hip range and Knee portfolio extensions and explore export opportunities.

(4) PROTECTIVE DEVICES BUSINESS:

The **Protective Devices Division** registered a satisfactory performance.

Your Company was able to extend the supply arrangement with the International Aid Agency for another 3 years and also entered into a new contract with another International Agency for 3 years.

Your Company continues to hold the various Certifications viz., BSI, CE Mark, SABS, etc., by successful completion of Quality Audits and Social Compliance requirements.

A few innovative and differentiated products developed by your Company's R&D Division were launched during the year under review and some more are in the pipeline.

The focus for 21-22 would be to grow the business through differentiated and innovative products, to develop and strengthen relationships with third party contract manufacturing customers for increasing the volumes and to work on cost optimization to be more competitive in bid business.

(5) FOODS BUSINESS:

The **Foods Division** reported a robust growth, both in volume and value.

A few new product extensions were developed and launched commercially. The R&D Team is working on tweaking recipes and shapes of the existing products for better marketing appeal, customer satisfaction and cost optimization and also developing products for different applications considering the evolving trend of healthy snacks.

The Jaipur facility has become more versatile with the commissioning of the new high capacity cooker extruder, which is capable of producing a number of new products.

Despite the challenges posed by the pandemic, the Division generated a decent cash profit and brought down the losses through reduction in expenses and improving the operational efficiencies and net realizations.

Current year plans include further increase in the capacity utilization at the Jaipur facility through enhanced focus on domestic / institutional and export businesses and also work on developing and launching innovative and differentiated products to improve volumes / margins.

DIVIDEND:

Your Directors recommend a dividend of Rs.6.00 per share (i.e.) 60%. [Previous Year – Rs.3.00 per share (i.e.) 30%].

GOING FORWARD – 2021-22:

Despite the disruption during most part of Q1 due to CoVID-19 second wave, the Revenue from Operations of your Company stood at Rs.170.79 crores, as against the Revenue of Rs.116.40 crores during the corresponding Quarter of the previous year. The Profit before Tax for Q1 stood at Rs.8.49 crores as against the loss of Rs.2.92 crores during Q1 of the previous year.

I would also like to briefly provide an update on the current status of the various businesses, post second wave of CoVID-19:

- The performance of WGW and Good Home would be on the expected lines.

  Though EVA and Skore did face challenges in Q1, the subsequent months are likely to witness revival in demand, resulting in improved performance.

- The performance of both the Human and Animal Pharma Businesses would be more or less as per plan.

- While both the Heart Valve / Ortho Businesses were severely impacted during Q1, it is expected that the performance would be better from now on with the resumption of regular surgeries and also opening up of the pent-up demand.

- Though there are challenges like huge escalation in the prices of oil, etc., impacting the offtake from Fryers, the performance of the Foods Division is expected to improve in the coming Quarters.

- The performance of Non-Skore OEM business is on course.

To sum up, though the second wave did have an impact on the operations during Q1, your Company is confident of delivering an improved performance as a whole in the remaining Quarters of the year.

ACKNOWLEDGEMENT:

I acknowledge the valuable contributions of Banks, Business Associates, Shareholders and Employees at all levels who have supported the Company in all its endeavours.

Thank you.

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Dear Sirs,

Re : Outcome of the 63rd Annual General Meeting

We hereby inform you that the 63rd Annual General Meeting of the Company was held today through Video Conferencing / Other Audio Visual Means (VC / OAVM).

Mr T T Jagannathan, Chairman of the Company chaired the proceedings of the Meeting.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder, the Company had extended the e-Voting facility to the members in respect of the businesses to be transacted at the said Meeting. The e-Voting commenced at 9.30 a.m., on 16th August, 2021 and ended at 5.00 p.m., on 19th August, 2021.

The Chairman informed the members that the Company has also arranged for e-Voting during the AGM on all the items to be transacted at the said Meeting.

The following businesses have been transacted at the 63rd Annual General Meeting of the Company:

Item No.	Particulars
1.	Adoption of the Audited Financial Statements for the year ended 31st March, 2021 together with the Reports of Directors and Auditors thereon.
2.	Declaration of Dividend of Rs.6.00 per share (60%) on the Equity Shares of the Company for the year ended 31st March, 2021.
3.	Reappointment of Mr T T Jagannathan (DIN 00191522) as Non-Executive Director, liable to retire by rotation.
4.	Continuation of Directorship of Mr T T Jagannathan (DIN 00191522) as Non-Executive Director, beyond the age of 75 years.
5.	Reappointment of Mr T T Raghunathan (DIN 00043455) as Executive Vice Chairman, for a further term of 5 years and his continuation of office beyond the age of 70 years.
6.	Ratification of remuneration payable to M/s Geeyes & Co., Cost Auditors of the Company, for the financial year ending 31st March, 2022.

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The Chairman informed that the results of voting on each of the above resolution will be determined by adding the votes cast by the Members electronically during the AGM and also through remote e-Voting. The results would be declared within 48 hours of the conclusion of the Meeting.

Further, the said results along with the Scrutinizer's Report will be uploaded in the Company's Website and would also be available at the Registered Office of the Company.

Kindly take the above information on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Wholetime Director & Secretary

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