

TTK HEALTHCARE LIMITED

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BOARD OF DIRECTORS

Mr T T Jagannathan	<i>Chairman</i>
Mr T T Raghunathan	<i>Executive Vice Chairman</i>
Mr R K Tulshan	<i>Director</i>
Dr K R Srimurthy	<i>Director</i>
Mr B N Bhagwat	<i>Director</i>
Mr J Srinivasan	<i>Director</i>
Mr R Srinivasan	<i>Director</i>
Mr K Vaidyanathan	<i>Director</i>
Mr K Shankaran	<i>Director</i>

COMPANY SECRETARY

Mr S Kalyanaraman

REGISTERED & ADMINISTRATIVE OFFICE

6, Cathedral Road
Chennai 600 086.

BANKERS

Bank of Baroda
Corporation Bank

STATUTORY AUDITORS

M/s Aiyar & Co.

Chartered Accountants
New No. 2 (Old No. 184), Rangarajapuram Main Road (1st Floor)
Kodambakkam, Chennai 600 024.

M/s S Viswanathan

Chartered Accountants
New No.17 (Old No. 8A), Bishop Wallers Avenue (West)
Mylapore, Chennai 600 004.

REGISTRARS & TRANSFER AGENTS

M/s Data Software Research Co. Pvt. Ltd.
Shree Sovereign Complex
No.22, 4th Cross Street, Trustpuram
Kodambakkam, Chennai 600 024.

FACTORIES

- i) No.5, Old Trunk Road, Pallavaram, Chennai 600 043.
- ii) No.3, Tiruneermalai Main Road, Chromepet, Chennai 600 044.
- iii) No.2-B, Hosakote Industrial Area, 8th Kilometre
Hosakote Chinthamani Road, Hosakote Taluk
Bangalore 562 114.
- iv) Site No.A28, KINFRA International Apparel Parks Ltd.,
St. Xavier's College P.O., Thumba, Trivandrum 695 586

DEPOTS

Ahmedabad, Bangalore, Bhiwandi, Chandigarh, Chennai, Cuttack, Dehradun, Ernakulam, Ghaziabad, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Jammu, Kolkata, Lucknow, Madurai, Meerut, Mumbai, Nagpur, New Delhi, Panchkula, Patna, Pune, Raipur, Ranchi, Siliguri, Thane, Vijayawada and Zirakpur.

Notice to Shareholders

NOTICE is hereby given that the 50th Annual General Meeting of the Company will be held at **11.00 a.m. on Wednesday, the 27th August, 2008 at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014** to transact the following:

Ordinary Business :

- To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
- To declare Dividend.
- To elect a Director in the place of Mr T T Jagannathan, who retires by rotation and being eligible, offers himself for re-election.
- To elect a Director in the place of Mr R K Tulshan, who retires by rotation and being eligible, offers himself for re-election.
- To elect a Director in the place of Mr K Vaidyanathan, who retires by rotation and being eligible, offers himself for re-election.
- To elect a Director in the place of Mr R Srinivasan, who retires by rotation and being eligible, offers himself for re-election.
- To appoint Auditors and fix their remuneration.

The Register of Members of the Company will remain closed from 19th August, 2008 to 27th August, 2008 (Both days inclusive).

Place : Bangalore
Date : 12th June, 2008

BY ORDER OF THE BOARD
S KALYANARAMAN
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- The Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Shareholders whose names appear in the Register of Members on **27th August, 2008.**
- Members are requested to kindly keep the Company informed of any change in their respective mailing addresses immediately.
- Members are requested to bring their copy of the Annual Report to the Meeting.
- Pursuant to Section 205A of the Companies Act, 1956, **all Unclaimed Dividends upto the financial year ended 31st March 1994 have been transferred to the General Reserve Account of the Central Government.** Shareholders who have not encashed the Dividend Warrants for the aforesaid period(s) are requested to claim the same from the Central Government by applying in the prescribed form.
- Pursuant to Section 205C of the Companies Act, 1956, **all Unclaimed Dividends in respect of financial years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99 & 1999-2000 (10-month period) have been credited to the Investor Education and Protection Fund of the Central Government and the members are not entitled to claim these dividends.**

Those members who have so far not encashed their Dividend Warrants for the subsequent financial year(s) mentioned below, may approach the Company for the payment thereof immediately as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956, on the respective due date(s) mentioned there against. Kindly note that after such date, the members will not be entitled to claim such dividend.

Financial Year Ended	Dividend Declared on	Due Date of Transfer
31.03.2006	24.08.2006	24.08.2013
31.03.2007	23.08.2007	23.08.2014

- Information required under Clause 49 VI A of the Listing Agreement with the Stock Exchanges with respect to the Directors retiring by rotation and being eligible, seeking reappointment is as under:

1. Mr T T Jagannathan

Mr T T Jagannathan retires by rotation and is eligible for re-election.
Mr Jagannathan is the Chairman of the Company. He is a Gold Medallist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 24 years. He is also a Director and the Chairman of the following Companies:

- TTK Prestige Ltd. ● TTK-LIG Ltd. ● TTK Tantex Ltd. ● SSL TTK Ltd. ● Prestige Housewares India Ltd. ● Mantra, Inc. ● TTK Services Pvt. Ltd. ● TTK Healthcare Services Pvt.Ltd. ● Cables & Wireless Networks India (P) Ltd. (Director).

He holds 7,30,048 Equity Shares in the Company.

The Resolution is commended for adoption.

None of the Directors other than Mr T T Jagannathan and Mr T T Raghunathan are deemed to be interested in this Resolution.

2. Mr R K Tulshan

Mr R K Tulshan retires by rotation and is eligible for re-election.

Mr Tulshan is a Commerce Graduate. He has an experience of nearly three decades in Business and has been a Director of the Company for the last 24 years.

He is also a Director on the Board of the following Companies:

- Kanishka Enterprises Ltd. ● Lotus Cine Pvt. Ltd. ● Rajiv Investments (India) Pvt. Ltd. ● ISO Therm Cargo Products Pvt. Ltd. ● Microgenetic Systems Pvt. Ltd. ● Grand Slam Overseas Pvt. Ltd.

He is also actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.

He is the Chairman of the Audit Committee and Member of the Shareholders / Investors Grievance Committee and Remuneration Committee of the Company.

He holds 220 Equity Shares in the Company.

The Resolution is commended for adoption.

None of the Directors other than Mr R K Tulshan is deemed to be interested in this Resolution.

3. Mr K Vaidyanathan

Mr K Vaidyanathan retires by rotation and is eligible for re-election.

Mr Vaidyanathan is a post-graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India. He is also a Corporate Member of the National Institute of Personnel Management.

He has more than three decades of experience (out of which, over two decades at the Board level) in the areas of Corporate Finance, Corporate Restructuring and Advisory Services, Joint Ventures and Collaborations, Strategic Management, Internal Audit, Project Management, etc.

He worked for a number of reputed Companies like Liptons (Unilever), Tatas, Modi Rubber, Birlas, Essar/Swiss Telecom & Samsons Group.

He was inducted into the Board of your Company in the year 2002.

He is the Chairman of the Shareholders / Investors Grievance Committee of the Company.

He does not hold any shares in the Company.

The Resolution is commended for adoption.

None of the Directors other than Mr K Vaidyanathan is deemed to be interested in this Resolution.

4. Mr R Srinivasan

Mr R Srinivasan retires by rotation and is eligible for re-election.

Mr Srinivasan is B.E. (Hons.) and is an independent professional having vast industrial experience and is also a Management Consultant.

He was inducted into the Board of your Company in the year 2005.

He is the Managing Director of RAS Transformation Technologies Pvt. Ltd.

He is also a Director on the Board of the following Companies:

- ACE Designers Ltd. ● Cholamandalam MS General Insurance Co. Ltd. ● Kirloskar Oil Engines Ltd. ● Murugappa Morgan Thermal Ceramics Ltd. ● Nettur Technical Training Foundation ● TTK Prestige Ltd. ● Tube Investments of India Ltd. ● Sundram Fasteners Ltd. ● Yuken India Ltd. ● MindTree Consulting Ltd. ● NTTF Industries Pvt. Ltd. ● Dakshin Foundries Pvt. Ltd. ● TaeguTec India Pvt. Ltd. ● Edutech NTTF India Pvt. Ltd.

He does not hold any shares in the Company.

The Resolution is commended for adoption.

None of the Directors other than Mr R Srinivasan is deemed to be interested in this Resolution.

Place : Bangalore
Date : 12th June, 2008

BY ORDER OF THE BOARD
S KALYANARAMAN
Company Secretary

Registered Office:
No.6, Cathedral Road, Chennai 600 086.

Directors' Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the 50th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2008. The Management Discussion and Analysis Report, which is required to be furnished as per Stock Exchange requirements has been included in the Directors' Report to avoid duplication and overlap.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	2007 - 08	2006 - 07
Profit before Depreciation, Extraordinary Item(s) & Tax	2,499.75	916.25
Less : Depreciation	196.04	288.12
	2,303.71	628.13
Less : VRS Amortised	104.60	43.74
Profit before tax	2,199.11	584.39
Less : Provision for tax		
Current Tax	272.44	54.30
Deferred Tax	617.83	130.00
Fringe Benefit Tax	90.00	100.00
	980.27	284.30
Profit after tax	1,218.84	300.09
Appropriations:		
Proposed Dividend	243.31	202.76
Provision for tax on Dividend	41.35	34.46
Amount transferred to General Reserve	130.00	62.87
Balance transferred to Balance Sheet	804.18	-
	1,218.84	300.09

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.3.00 (30%) per Equity Share of Rs.10/- each.

REVIEW OF PERFORMANCE

During the year under review, the sales turnover was Rs.200.46 crores as against the previous year's turnover of Rs. 214.30 crores. The drop in sales was mainly due to discontinuation of the distribution arrangement with M/s Sara Lee Household & Bodycare India Pvt. Ltd., consequent to their re-organization / consolidation plans in India. On the rest of the sales operations, there was a growth of around 18% over the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) ECONOMIC AND BUSINESS ENVIRONMENT:

The GDP growth for 2007-08 was 9% as compared to 9.6% in the previous year. The Industrial Sector recorded a growth of 8.9% and the Services Sector grew by 10.7%. The Industrial Sector witnessed a moderate slowdown as compared with the growth in the earlier years. The Forex Reserves (excluding Gold and SDRs) stood at a robust level of USD 299.23 billion at the end of March, 2008. Rising inflation and galloping crude oil prices are real concerns.

Despite the slowdown in the growth over last year, the economy is poised to sustain and move to the next phase of growth provided the Government is able to accelerate the reforms and contain the inflation.

The Indian Pharmaceutical Industry grew by 13% during the year under review. As in the previous year, the growth has been predominantly driven by the launch of new products. The Anti-diabetic, Anti-infective and Cardiac Segments reported healthy growth.

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Since Pharmaceutical Industry is growing reasonably well, there is an opportunity for your Company to grow the business. Further, opening up of the Health Insurance Sector and the expected growth in per capita income would drive expansion of the Healthcare Industry of which Pharma Industry is a part.
- With the increasing awareness and wider acceptance of herbal therapy, particularly for life style related ailments like stress, diabetes, etc., herbal formulations also provide an opportunity for growth for your Company, as it is already present in this segment.
- Your Company has the unique advantage of an exclusive network for distribution of OTC products that can be leveraged for launch of new products under own brands which will not only provide improved profitability but also ensure building of brands for long term sustenance.
- On Bio-Medical Devices, due to the gap between domestic demand and supply, there is continued dependence on import of quality surgical implants. Therefore, the increase in demand could be advantageously met through increased supply of Heart Valves manufactured by your Company and through the launch of other niche products. These products also have export potential and your Company is exporting these products to neighbouring countries in the last two years.
- Considering the size of the market for food products, the Foods Business provides good opportunity for growth through launch of value added ready to eat products, etc.
- Since GIS / GPS related services are gaining momentum, the capabilities available at the Publications Division will present an opportunity for entering into this new and growing business.

Threats:

- The recent Product Patent Regime has restricted the access for Indian Pharma Companies to the latest molecules which were hitherto available. However, there may be opportunities for these companies to launch products that are out of patents regimentation.
- There have been rapidly changing new drug discovery technologies and processes at the global level and the Indian Pharmaceutical Industry being fiercely competitive requires huge capital investment to upgrade facilities to match international standards. MNCs and Foreign companies have an edge over the domestic companies in this area.

(C) SEGMENTWISE PERFORMANCE:

Your Company has three Strategic Business Units (SBUs) viz., Pharmaceuticals, Consumer Products and Medical Devices.

Your Company is also engaged in Foods and Publishing Businesses.

A look at the performance of individual Business Segments:

Pharmaceutical Business:

The Ethical Products Business of your Company deals in Pharmaceutical Formulations, both Herbal and Allopathic, in various therapeutic segments. Pharmaceuticals also include Woodward's Gripewater. Since the product is distributed through the Consumer Products Division, the same has been covered under the head Consumer Products Business.

Ethical Products Division

This Division covers Gynaecologists, Physicians, Orthopaedists, Cardiologists and General Practitioners and our representatives cover

Directors' Report (Contd.)

about 60,000 doctors every month, across the country with a product range encompassing Calcium Supplements, Haematinics, Cervical Dilators, Anti-infertility Products, Rejuvenators, Multimineral Supplements, Galactagogues, Liver Correctives, Pain Management Products, Anti-Ulcerants, etc.

The performance of this Division in the latter part of the year under review was affected due to the directive of the Drug Controller General of India (DCGI) to withdraw a number of Fixed Dose Combinations (FDCs) marketed by Pharma Companies which were licenced by the State Drug Control Authorities. As per this directive, Pharma Companies were prohibited from further producing / selling these FDCs and that has created confusion in the market. In addition to loss of further sales, there were also stock returns of these products from the trade. The Trade Associations have subsequently moved the Court and obtained a stay, which provided a breather for Companies to dispose of their stocks.

The products of your Company affected by this decision are Oford LB, Dolobest SP, Dolobest MR and Nurobest XL and the loss of sale of these products had its impact on the overall sales and profitability of the Division.

Your Company has suspended the sourcing of these FDCs and liquidated the stocks available in the pipeline. Your Company has also taken action to reformulate the products conforming to the DCGI's requirements.

During the year under review, a calcium supplement under the brand name **Ossopan MCM** has been launched and the initial response is encouraging

Ventura Division

Ventura Division was established for enhancing the focus on herbal products and speciality products. It is now present in 13 Regions across the country, with a coverage of around 30,000 doctors every month.

The Division has been making steady progress. But for attrition of Representatives, the performance would have been much better. Your Company has been taking necessary steps for retaining the people.

During the year, this Division has launched five new products viz., **Lycoprost-SP** (for treating prostate enlargement); **Dolout-P** (pain killer); **Krease** (pancreatin enzyme); **Elcarim IQ** (IQ enhancer); and **Calzibor** (calcium supplement).

Animal Welfare Division

The Pharmaceutical Business also has a Veterinary Formulations Division which caters to the requirements of Veterinarians, Hatcheries, Poultry Farms and Dairy Farms. Around 9,000 Veterinarians are met every month and this Division reaches the customers through a network of 750 stockists across the country and in Nepal.

This Division deals with Liver Correctives, Calcium and Phosphorus Supplements, Anthelmintics, Antibiotics, Ectoparasiticides, Cocktail Enzymes, etc.

During the year under review, the performance was in line with the industry performance despite the adverse impact on account of Bird Flu outbreak in West Bengal and the resultant Pan India fallout in the last Quarter. Tefroli, Gentamycin, Ossomin and Piperazine have recorded a healthy growth.

This Division has also launched four new products viz., **Prophytase** (enzyme preparation); **Rumibest** (digestive powder); **Lavitone Liquid**

& **Lavitone-H Injection** (vitamin supplement); and **Melobest-P** (anti-inflammatory / analgesic Injection).

Consumer Products Business:

This Division deals with distribution of products marketed under Company's own brands viz., Woodward's Gripe Water (WGW), EVA Range of Cosmetics, etc. Additionally, also handles the National Distribution of Durex/Kohinoor Brand of Condoms manufactured by TTK LIG Limited.

One major event that happened during the year under review was the discontinuation of the Distribution Arrangement with Sara Lee Household & Bodycare India Pvt. Ltd, consequent to their re-organization / consolidation in India. The impact of this was to a great extent absorbed by the growths in other categories.

Woodward's Gripewater (WGW) recorded a growth of 12% during the year under review as against 7% growth in the previous year. Similarly, the Condoms business achieved a growth of 8% as against the 7% in the previous year. To cap it all, the growth in the EVA category was around 55%. Two more SKUs in EVA deodorant category were also added.

The year under consideration also saw the introduction of a new range of products under the umbrella name "GOOD HOME". Three different household products were launched in this range:

(1) Air Freshners (two SKUs); (2) Scrub Pads (two SKUs); and (3) Drain Block Removers in sachet form (one SKU).

All the products handled by this Division showed good growths in turnover and contribution. It is anticipated that this trend would continue in the financial year 2008-09 too. More product lines are also under evaluation for launch.

MEDICAL DEVICES / DISPOSABLES BUSINESS:

Heart Valve Division:

The performance of the Heart Valve Division has been impressive with a sale of 7490 valves including export sale of around 300 valves during the year under review.

The state-of-the-art Manufacturing Facility with R&D Infrastructure for Heart Valves and other Medical Devices has been commissioned and is fully functional. The Facility has been ISO certified by TUV NORD CERT GmbH for "Design, Development, Manufacturing and Supply of Biomedical Devices". The facility also has received the drug licence for the manufacture of Heart Valves. Action is also being taken for obtaining CE marking for Heart Valves and other Bio-medical Devices.

The animal trials relating to the improved Heart Valve have been completed and the initial observation is that the new valve has a few improvements over the existing valve. The pilot production for manufacture of the new valves for clinical trials is in progress. The improved valve is expected to get the Ethics Committee clearance soon for controlled clinical trial.

As regards the Vascular Graft, action is initiated for completing the required number of implantations. This is necessary for obtaining the Drug Licence and the process is on. Steps have also been taken for developing coated graft which will avoid the need for pre-clotting the graft prior to its use.

The project for the development of the Coronary Stent under the New Millennium Indian Technology Leadership Initiative (NMITLI) is in progress. The design of the new Stent and its validation have been completed. Titanium Nitride coated stents are going through initial in-vitro evaluation.

Directors' Report (Contd.)

Medical Devices Division

In accordance with the approval provided by the Board of Directors and the Shareholders of your Company, the sale transaction relating to the Medical Devices / Disposables Undertaking at Waluj (Medical Devices Division), stands fully completed.

PUBLICATIONS BUSINESS:

The operations of the Publications Business have been fully streamlined/ rationalized by enforcing stricter working capital / credit norms and this has affected the performance of the Division during the year under review. With the various initiatives in place, the performance during 2008-09 is expected to be better. The Digital Cartography / GIS Section have been further strengthened in terms of additional manpower / infrastructure and is now capable of delivering a wide range of services in these areas. Your Company is also constructing a full-fledged facility for this Division at Mahindra City near Chennai.

FOODS BUSINESS:

The performance during the year under review has been reasonably good. The profitability was marginally affected due to escalation in the input costs and lower realizations on exports due to the strengthening of the Indian Rupee against US Dollar. However, the selling prices were subsequently revised upwards to absorb the increased costs. Your Company is also considering the launch of ready-to-eat snack products under the brand name "Yummies".

The outlook for 2008-09 appears promising.

(D) RISKS AND CONCERNS:

The analysis presented under the Industry Scenario and Opportunities and Threats section of this Report throws light on the important risks and concerns faced by your company. The strategy of your Company to de-risk against such factors is also outlined in the said sections.

(E) FINANCIAL PERFORMANCE:

	(Rs.in lakhs)	
	2007-08	2006-07
Sales	20,046.02	21,429.53
Less : Excise Duty relating to Sales	141.98	315.64
	19,904.04	21,113.89
Other Income	2,599.83	291.67
Total Income	22,503.87	21,405.56
Goods Consumption	11,305.05	13,083.60
Expenses	8,507.84	7,251.76
Profit before Interest, Depreciation and Extraordinary Item(s)	2,690.98	1,070.20
Interest	191.23	153.95
Depreciation	196.04	288.12
Operating profit for the year	2,303.71	628.13
Less : VRS Amortised	104.60	43.74
Profit before Tax	2,199.11	584.39
Less: Provision for tax		
Current Tax	272.44	54.30
Deferred Tax	617.83	130.00
Fringe Benefit Tax	90.00	100.00
Profit after Tax	1,218.84	300.09

Income:

Sales:

During the year under review, the Company registered a turnover of Rs.200.46 crores as against the previous year's turnover of Rs. 214.30 crores. The drop was due to the discontinuation of the distribution arrangement with M/s Sara Lee Household & Bodycare India Pvt. Ltd. The growth achieved in other products during the year under review was around 18% over the previous year.

Other Income:

The other income was Rs.26.00 crores as against the previous year's figure Rs. 2.92 crores. The increase mainly represents the-

	(Rs. in crores)
Profit made on the sale of the Printing Division's property	- 20.16
Increase in Interest received on Fixed Deposits	- 1.38
Amount received from M/s Sara Lee towards Settlement of Claims	- 2.83

Expenditure:

Goods Consumption:

The goods consumption as a percentage of sales for the year works out to 56.79% as against the previous year's figure of 61.96%. The reduction in goods consumption is mainly because of the higher proportion of own manufactured products in the sales mix where the material cost as a percentage of sales is lower as compared to the traded lines. The reduction in trading turnover is mainly on account of to the discontinuation of the distribution arrangement for Sara Lee products.

Expenses:

The increase in the contribution to gratuity and superannuation was on account of gratuity provision of Rs.249.46 lakhs made in the books towards the employees retirement benefits in line with the revised Accounting Standard 15 (AS-15) (revised).

The increase in carriage outwards to the extent of Rs.62.66 lakhs was on account of increase in volumes and freight rates.

The increase in interest of Rs.37.28 lakhs was mainly on account of higher utilization of cash credit and partly due to increase in rate of interest.

The loss on sale of assets of Rs.551.43 lakhs was mainly because of the lower realization from the sale of Medical Devices Undertaking at Waluj, Aurangabad.

The increase in the other heads of expenses is in line with the operations of the Company and the general inflationary trend.

Fixed Assets:

The Net Fixed Assets were at Rs.17.97 crores during the year under review as against Rs.28.54 crores in the previous year. The addition of Rs.5.73 crores represents the cost of the new manufacturing facility for Heart Valves (Rs.3.72 crores) at KINFRA, Trivandrum and amounts incurred for the acquisition of Plant & Machinery, Vehicles, Computers, etc. The deletion to the extent of Rs.11.62 crores mainly represents the assets of the Medical Devices Division sold during the year.

Investments:

During the year under review, the Investments were at Rs.315.37 lakhs as against Rs.13.37 lakhs in the previous year. The increase of Rs.302.00 lakhs represents the investments made during the year under review in Mutual Funds / Companies.

Directors' Report (Contd.)

Inventories:

During the year under review, there has been an increase in the Inventories from Rs.11.76 crores to Rs.16.07 crores. The increase in finished goods is mainly on account of build-up of condom stocks for operational convenience.

Sundry Debtors:

There has been reduction in Sundry Debtors from Rs.21.65 crores to Rs.18.45 crores on account of the discontinuation of distribution of Sara Lee products. Further, the reduction is also on account of write-off of the non-recoverable debts to the extent of Rs.1.32 crores.

Cash and Bank Balances:

During the year under review, there has been an increase in cash and bank balances from Rs.26.02 crores to Rs.49.85 crores representing mainly the sale proceeds of the Printing Division's property, kept in fixed deposits.

Loans and Advances:

During the year under review, there has been an increase in the Loans and Advances from Rs.647.35 lakhs to Rs.1217.72 lakhs representing mainly the payment of Advance Fringe Benefit Tax amounting to Rs.85.00 lakhs and Advance Income Tax of Rs.271.30 lakhs and payment of Rs.149.16 lakhs towards pre-deposit in connection with the Sales Tax classification dispute relating to Foods Division.

Current Liabilities:

The increase in liabilities from Rs.34.61 crores to Rs.37.61 crores during the year under review is mainly on account of higher purchases of condoms.

(F) INTERNAL CONTROL SYSTEMS:

Your Company has necessary Internal Control Systems in place. Internal Audits are regularly conducted through In-house Audit Department and through External Audit Firms. The reports are periodically discussed and corrective measures taken.

The scope of audit covers the operations at the various Branches / Depots/ C&FA locations and the functional areas at Factory / Head Office.

(G) INFORMATION TECHNOLOGY:

The Oracle ERP implemented nationally is fully operational and is working satisfactorily. Your Company has expanded the ERP to the Satellite Divisions viz., Foods and Publications. Your Company has also successfully completed the "Version Upgrade" (from 11.5.5 to 11.5.10.2) of the Oracle ERP through in-house human resources.

Your Company is now in the process of implementing the HR module, so as to integrate the HR / Pay Roll functions within the main ERP using in-house human resources.

(H) HUMAN RESOURCES:

Your Company attaches significant importance to continuous development of Human Resources to achieve the highest levels of efficiency, customer satisfaction and growth.

As part of the overall HR Strategy, training programmes were organized for employees at all levels with internal and external faculties.

As on 31st March, 2008, the employee strength was 1175.

(I) FUTURISTIC STATEMENTS:

This analysis may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts

being put in by them to realize certain goals. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

FINANCE

The total Secured and Unsecured borrowings stood at Rs.13.23 crores as against Rs.13.75 crores in the previous year.

During the year under review, your Company has repaid the last instalment of Secured Term loan of Rs.1.25 crores to Axis Bank Limited (formerly UTI Bank Limited).

FIXED DEPOSITS

As on 31st March, 2008, your Company was holding an aggregate sum of Rs.6.20 lakhs under Fixed Deposits Account relating to ten deposits.

All these ten deposit accounts remained unclaimed as on that date. During the current year, three deposits totalling to Rs.45,000/- were refunded in May 2008 and the rest of the seven deposits continue to remain unclaimed.

EMPLOYEES

Your Directors wish to place on record their appreciation for the excellent services rendered by the Employees at all levels.

The particulars as required under Section 217(2A) of the Companies Act, 1956, are furnished in the Statement annexed hereto.

DIRECTORS

Mr T T Jagannathan, Mr R K Tulshan, Mr K Vaidyanathan and Mr R Srinivasan, Directors of the Company, retire by rotation and being eligible, offer themselves for re-election.

Mr I Ravindran ceased to be the Director of the Company with effect from 24th October, 2007, consequent to the expiry of his contractual term of 5 years. The Board places on record its deep appreciation for the valuable services rendered by Mr Ravindran during his tenure as the Wholetime Director of the Company. Mr Ravindran continues to serve the Company as President – in-charge of Consumer Products Business.

AUDITORS

The retiring Auditors, M/s Aiyar & Co., and M/s S Viswanathan, Chartered Accountants, are eligible for re-appointment.

LISTING

Your Company's shares are listed with –

- Madras Stock Exchange Limited, Chennai (Regional Stock Exchange)
- Bombay Stock Exchange Limited, Mumbai

The Listing Fees have been paid for the financial year 2008-09.

CORPORATE GOVERNANCE

As per the provisions of the Listing Agreement, your Company has complied with the various requirements of the Corporate Governance Code.

A detailed Compliance Note on Corporate Governance is attached to this Report.

CONSERVATION OF ENERGY

The prescribed particulars under Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in the Annexure to this Report.

Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that—

- ❖ In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ❖ The accounting policies are consistently applied and reasonable, prudent judgements and estimates are made, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that year.
- ❖ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- ❖ These Annual Accounts have been prepared on a “going concern” basis.

ACKNOWLEDGEMENT

Your Directors place on record their grateful thanks to the Bankers and Financial Institutions for their continued support and patronage.

For and on behalf of the Board

T T JAGANNATHAN
Chairman

Place : Bangalore
Date : 12th June, 2008

Registered Office:

No.6, Cathedral Road
Chennai 600 086

Annexure to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 for the financial year ended 31st March, 2008

A. Conservation of Energy:

Majority of the Company's operations are not power-intensive and hence the energy costs are not significant. Nevertheless, steps are initiated to achieve possible improvements:

FORM A		
	2007 - 08	2006 - 07
Power and Fuel Consumption		
1. Electricity:		
(a) Purchased		
Units	16,45,461	18,15,362
Total Amount (Rs.)	85,44,496	1,00,14,575
Rate per Unit (Rs.)	5.19	5.52
(b) Own Generation		
Units	93,897	92,877
Unit per litre of Diesel Oil	1.60	2.22
Cost per Unit (Rs.)	19.33	14.17
2. Furnace Oil / Light Diesel Oil:		
Quantity (litres)	1,73,262	1,97,504
Total Amount (Rs.)	43,21,059	45,58,064
Average rate per litre (Rs.)	24.94	23.08

In view of the heterogeneous product range of the Company, viz, liquids, powders, granules, injectables, etc., of numerous varieties and packs and the energy cost being negligible, it is impracticable to allocate the same to production units.

B. Technology Absorption :

(1) (i) Specific areas in which R&D was carried out by the Company:

- (a) Development of –
- Smooth muscle relaxant containing Drotaverine Hydrochloride;
 - Injection containing Vitamin A, D3, E and Biotin;
 - Enzyme Preparation for Veterinary use;
 - Pain killer containing Tremedol;
 - Anti-Inflammatory and Analgesic Injection for Veterinary use containing Meloxicam.
- (b) Final assessment of the results of animal trials on the improved Heart Valve is over. The results confirm the improvement in biocompatibility of the new valve.
- (c) The R&D facility at Trivandrum has been commissioned.

(ii) Benefits derived as a result of R&D:

The Company has launched the following products:

- Epiverin Injection
- Lavitone Injection
- Prophytase Powder
- Dolout P Tablet
- Melobest Injection
- Krease Tablet

Your Company achieved improved productivity with better control of the clean room facilities at Trivandrum as a result of the R&D efforts.

(iii) Future Plan of Action:

At present, work is being carried out on the following products which will be commercialized after the trials:

- Poly Herbal tonic to improve memory, intelligence and alertness;
- Poly Herbal feed supplement for poultry containing protein and anti-oxidant;
- Improved version of herbal dog skin spray;
- Development of minerals with carbohydrate suspension;
- Development of Uterine Tonic for Veterinary use.

(iv) Expenditure on R&D:

		2007 - 08	2006 - 07
		Rs.	Rs.
(a) Capital		1,91,079	6,88,060
(b) Recurring		23,06,805	28,29,238
(c) Total		24,97,884	35,27,298
(d) % of R&D expenses to sales		0.13%	0.16%

(2) Efforts, in brief, made towards technology absorption, adaptation and innovation:

Some innovative equipment for speeding up some of the critical operations have been designed, fabricated and commissioned at the new manufacturing facility at Trivandrum.

(3) Benefits derived from the above efforts:

This would enable larger production of valves projected for 2008-09 without major addition to the workforce.

(4) Details of Imported Technology:

None

(5) Foreign Exchange Earnings & Outgo:

	2007 - 08	2006 - 07
Foreign Exchange Earnings		
• Exports	2,35,86,138	1,80,05,235
Foreign Exchange Outgo		
• Imports	2,67,98,944	1,34,65,626
• Travel, Consultancy & Analytical Charges	4,76,651	12,07,202
Total	2,72,75,595	1,46,72,828

For and on behalf of the Board

Place : Bangalore
Date : 12th June, 2008

T T JAGANNATHAN
Chairman

Registered Office :
No.6, Cathedral Road,
Chennai 600 086

Annexure to the Directors' Report (Contd.)

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the financial year ended 31st March, 2008.

Name	Designation	Gross Remuneration (Rs.)	Experience (Years)	Age (Years)	Qualifications	Date of Employment	Previous Employment
Mr T T Raghunathan	Executive Vice Chairman	49,92,207	36	56	B.Com.	01.11.2001	Managing Director TTK Tantex Limited
Mr I Ravindran	Wholetime Director (upto 23.10.07) President-Consumer Products Division (w.e.f. 24.10.07)	33,79,635	33	59	M.Sc., M.M.S.	25.02.1988	Regional Sales Manager TTK Prestige Limited

- Notes : 1. Gross Remuneration includes Salary, Dearness Allowance, House Rent Allowance / House Rent Paid, Bonus, Commission, Incentive, Contribution to Provident Fund, Gratuity and Superannuation Funds, LTA paid and other applicable perquisites.
2. Designation denotes nature of duties.
3. Term of employment is contractual.
4. Mr T T Raghunathan is related to Mr T T Jagannathan, Chairman of the Company.

Place : Bangalore
Date : 12th June, 2008

For and on behalf of the Board

T T JAGANNATHAN
Chairman

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

In line with the tradition of the **TTK Group**, the Board of Directors of TTK Healthcare Limited view their role as trustees of the various stakeholders and the society at large and it is their endeavour to observe the best corporate governance practices which *inter alia* include transparency, accountability and fairness in all dealings and pursuing a policy of appropriate disclosures and communication.

BOARD OF DIRECTORS:

The Board consists of 9 Directors. The composition of the Board conforms to Clause 49 of the Listing Agreement, as per the details given below:

Name of Director	Category	Position
Mr T T Jagannathan	Promoter / Non-Executive	Chairman
Mr T T Raghunathan	Promoter / Executive	Executive Vice Chairman
Mr R K Tulshan	Non-Promoter / Non-Executive / Independent	Director
Dr K R Srimurthy	Non-Promoter / Non-Executive / Independent	Director
Mr B N Bhagwat	Non-Promoter / Non-Executive / Independent	Director
Mr J Srinivasan	Non-Promoter / Non-Executive / Independent	Director
Mr R Srinivasan	Non-Promoter / Non-Executive / Independent	Director
Mr K Vaidyanathan	Non-Promoter / Non-Executive	Director
Mr K Shankaran	Non-Promoter / Non-Executive	Director

Mr T T Jagannathan is the brother of Mr T T Raghunathan

BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS:

The Board of the Company met five times during the financial year ended 31st March, 2008, on the following dates:

- 28th May, 2007
- 27th July, 2007
- 29th January, 2008
- 28th June, 2007
- 30th October, 2007

The Company placed before the Board the Annual Plans and Budget, Performance of the various Divisions, Unaudited Quarterly Financial Results, Audited Annual Financial Results and various other information as specified under Annexure 1A of the Listing Agreement, from time to time.

The attendance particulars at the Board Meetings & the Annual General Meeting and the details of Other Directorships and Committee Member / Chairmanships held are as follows:

Name of the Director	Attendance Particulars		No. of Other Directorships & Committee Member/Chairmanships		
	Board Meetings	Last AGM (23.08.07)	Other Directorships	Committee Memberships	Chairmanships
Mr T T Jagannathan	4	Yes	6 ⁵	-	-
Mr T T Raghunathan	5	Yes	4	-	-
Mr R K Tulshan	5	Yes	1	-	-
Dr K R Srimurthy	3	Yes	-	-	-
Mr B N Bhagwat	4	Yes	-	-	-
Mr J Srinivasan	5	Yes	1	-	-
Mr R Srinivasan	4	Yes	10	8	4
Mr K Vaidyanathan	5	Yes	-	-	-
Mr K Shankaran	5	Yes	3 ⁵	1	-
Mr I Ravindran [@]	3	Yes	-	-	-

Other Directorships do not include Private Companies.

⁵ Includes Directorship of one Overseas Entity.

[@] Ceased to be the Director with effect from 24th October, 2007.

None of the Directors is a member of more than 10 Board-level Committees of Public Companies or is a Chairman of more than 5 such Committees.

AUDIT COMMITTEE:

The Audit Committee was originally constituted on 6th April, 2001, comprising of three Non-Executive Independent Directors – Mr K Shankaran as Chairman, Mr R K Tulshan and Mr B N Bhagwat as Members and Mr S Kalyanaraman, Company Secretary, as the Secretary of the Committee.

In line with the revised Clause 49 [Corporate Governance] of the Listing Agreement, the Audit Committee was reconstituted effective 9th December, 2005 with Mr R K Tulshan as Chairman and Mr B N Bhagwat and Mr K Shankaran as Members of the Committee. Mr S Kalyanaraman, Company Secretary, is the Secretary of the Audit Committee.

Further, Dr K R Srimurthy was inducted as Member into the Committee with effect from 28th May, 2007.

Terms of reference of the Audit Committee include the following:

- ❖ Review of Quarterly / Annual Financial Statements before submission to the Board;
- ❖ Overseeing all Financial Reporting Processes;
- ❖ Recommendation of appointment / removal of Auditors and their remuneration;
- ❖ Review of reports furnished by the Statutory Auditors and ensuring suitable follow-up thereon;
- ❖ Review of adequacy of Management Audit, Internal Audit and Internal Control Systems;
- ❖ Looking into reasons for substantial defaults in repayment of deposits or non-payment of declared dividends; and
- ❖ Review of periodical details of material individual transaction with related parties or others which are not in the ordinary course of business / which are not in an arm's length basis together with the management's justification for the same.

The Audit Committee met four times during the year under review, on the following dates:

- 28th June, 2007
- 27th July, 2007
- 30th October, 2007
- 29th January, 2008

All the above meetings were attended by all the Members of the Committee except Dr K R Srimurthy, who did not attend the Audit Committee Meeting held on 28th June, 2007.

The Audit Committee Meetings were also attended by the Statutory / Cost / Internal Auditors, wherever necessary.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders / Investors Grievance Committee was originally constituted on 30th January, 2002, with Mr K Vaidyanathan as Chairman, Mr D Srinivasan and Mr K Shankaran as Members and Mr S Kalyanaraman as Secretary and Compliance Officer.

The said Committee was reconstituted on 25th May, 2006 by inducting Mr I Ravindran as Member consequent to the cessation of the directorship of Mr D Srinivasan.

Further, consequent to the cessation of the directorship of Mr I Ravindran, the said Committee was once again reconstituted by inducting Mr R K Tulshan as Member, with effect from 30th October, 2007.

The scope of the Committee is to look into the Shareholders / Investors Complaints / Grievances relating to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, issue of Duplicate Share Certificates and the performance of the Registrars and Share Transfer Agents. In addition, the Board shall also from time to time provide requisite guidelines / scope of work for the Grievance Committee and the Committee will discharge such other functions as are required

Report on Corporate Governance (Contd.)

under the provisions of the Listing Agreement and the Companies Act, 1956. The Committee met twice during the year under review – on 27th July, 2007 and 29th January, 2008 and reviewed the status of various complaints received from the Shareholders / Investors and the redressal measures taken by the Company. Both the above meetings were attended by all the members of the Grievance Committee.

The following table shows the nature of complaints received from Shareholders during the year:

Nature of Complaints	2007-08
Non-receipt of Dividends	8
Non-receipt of Shares sent for transfer/transmission	2
Non-receipt of Balance Sheet	-
Others	-
Total	10

All the complaints were resolved satisfactorily and there has been no pending complaint as on 31st March, 2008.

DIRECTORS' REMUNERATION:

The details of remuneration paid to the Wholetime Directors for the year 2007-08 are as follows:

Name & Designation	Salary	HRA & Other Allowances	Contribution to PF & Other Funds	Total	Tenure of Appointment
	Rs.	Rs.	Rs.	Rs.	
Mr T T Raghunathan Executive Vice Chairman	18,00,000	25,84,863	6,07,344	49,92,207	5 years with effect from 1 st November, 2006.
Mr I Ravindran® Wholetime Director	6,76,667	10,96,531	1,94,000	19,67,198	5 years with effect from 24 th October, 2002.

® Ceased to be the Director of the Company with effect from 24th October, 2007.

The managerial remuneration paid to the Wholetime Directors is in line with the provisions of Schedule XIII to the Companies Act, 1956.

The Company currently does not have Stock Options Scheme.

The Company paid Sitting Fees of Rs.5,000/- per meeting attended (Both Board Meetings & Committee Meetings) to each of the Non-Executive Directors during the year 2007-08. No other payment was made to the Non-Executive Directors.

The details of the shares held by the Non-Executive Directors in the Company are furnished below:

(1)	Mr T T Jagannathan	-	7,30,048 Equity Shares
(2)	Mr R K Tulshan	-	220 Equity Shares
(3)	Mr K Shankaran	-	247 Equity Shares

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

1. Mr T T Jagannathan

Mr T T Jagannathan retires by rotation and is eligible for re-election.

Mr Jagannathan is the Chairman of the Company. He is a Gold Medallist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 24 years. He is also a Director and the Chairman of the following Companies:

- TTK Prestige Ltd.
- TTK-LIG Ltd.
- TTK Tantex Ltd.
- Prestige Housewares India Ltd.
- SSL TTK Ltd.

- Mantra, Inc.
- TTK Services Pvt. Ltd
- TTK Healthcare Services Pvt. Ltd.
- Cables & Wireless Networks India (P) Ltd. (*Director*)

He holds 7,30,048 Equity Shares in the Company.

2. Mr R K Tulshan

Mr R K Tulshan retires by rotation and is eligible for re-election.

Mr Tulshan is a Commerce Graduate. He has an experience of nearly three decades in Business and has been a Director of the Company for the last 24 years.

He is also a Director on the Board of the following Companies:

- Kanishka Enterprises Ltd.
- Lotus Cine Pvt. Ltd.
- Rajiv Investments (India) Pvt. Ltd.
- ISO Therm Cargo Products Pvt. Ltd.
- Microgenetic Systems Pvt. Ltd.
- Grand Slam Overseas Pvt. Ltd.

He is also actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.

He is the Chairman of the Audit Committee and Member of the Shareholders / Investors Grievance Committee and Remuneration Committee of the Company. He holds 220 Equity Shares in the Company.

3. Mr K Vaidyanathan

Mr K Vaidyanathan retires by rotation and is eligible for re-election.

Mr Vaidyanathan is a post-graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India. He is also a Corporate Member of the National Institute of Personnel Management.

Mr Vaidyanathan brings with him over three decades of experience (out of which, over two decades at the Board level) in the areas of Corporate Finance, Corporate Restructuring and Advisory Services, Joint Ventures and Collaborations, Strategic Management, Internal Audit, Project Management, etc.

He worked for a number of reputed Companies like Liptons (Unilever), Tatas, Modi Rubber, Birlas, Essar/Swiss Telecom & Samsons Group.

He was inducted into the Board of your Company in the year 2002.

He is the Chairman of the Shareholders / Investors Grievance Committee of the Company.

He does not hold any shares in the Company.

4. Mr R Srinivasan

Mr R Srinivasan retires by rotation and is eligible for re-election.

Mr Srinivasan is B.E. (Hons.) and is an independent professional having vast industrial experience and is also a Management Consultant.

He was inducted into the Board of your Company in the year 2005.

He is the Managing Director of RAS Transformation Technologies Pvt. Ltd.

He is also a Director on the Board of the following Companies:

- ACE Designers Ltd.
- Cholamandalam MS General Insurance Co. Ltd.
- Kirloskar Oil Engines Ltd.
- Murugappa Morgan Thermal Ceramics Ltd.
- Nettur Technical Training Foundation
- TTK Prestige Ltd.
- Tube Investment of India Ltd.
- Sundram Fasteners Ltd.
- Yuken India Ltd.
- MindTree Consulting Ltd.
- NTTF Industries Pvt. Ltd.
- Dakshin Foundries Pvt. Ltd.
- TaeguTec India Pvt. Ltd.
- Edutech NTTF India Pvt. Ltd.

He does not hold any shares in the Company.

Report on Corporate Governance (Contd.)

CODE OF CONDUCT:

The Board of Directors at their meeting held on 9th December, 2005 discussed and approved a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the website of the Company at www.ttkhealthcare.com

A report on the compliance aspect of the Code of Conduct given by the Executive Vice Chairman has been given at Page No.15 of this Annual Report.

GENERAL BODY MEETINGS:

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Year	Date	Time	Venue	No. of Special Resolutions passed
2005	9 th September, 2005	12.00 noon	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168 (Old No.306) TTK Road Chennai 600 014	1
2006	24 th August, 2006	12.00 noon	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168 (Old No.306) TTK Road Chennai 600 014	-
2007	23 rd August, 2007	11.00 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168 (Old No.306) TTK Road Chennai 600 014	-

No Resolutions were put through Postal Ballot during the year 2007-08.

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

DISCLOSURES:

● Related Party Disclosure:

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

The particulars of transactions between the Company and its related parties as per Accounting Standard 18 (AS-18) are set out on Page No.32 of this Annual Report.

● Compliances by the Company

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years and hence no penalties or strictures were imposed by SEBI, the Stock Exchanges or any statutory authorities.

● Accounting Treatment

In the preparation of financial statements, generally accepted accounting principles and policies were followed. The Mandatory Accounting Standards announced by the Institute of Chartered Accountants of India were followed in the preparation of financial statements.

● Board Disclosure – Risk Management

Risk assessment and its minimization procedures have been laid down by the Company and presented to the Board.

These procedures are periodically reviewed to ensure that the Executive Management control risks through means of a properly defined framework.

● Compliance of Mandatory / Non-Mandatory Requirements

(i) Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Clause 49 of the Listing Agreement with the Stock Exchanges.

(ii) Non-Mandatory Requirements

The details are furnished under the heading "Non-Mandatory Requirements" on Page No.15 of this Annual Report.

MEANS OF COMMUNICATION:

- The Unaudited Financial Results (Provisional) for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges. The same are published, within 48 hours, in "News Today" and "Makkal Kural".
- The Quarterly / Annual Results are also put on the Company's website at www.ttkhealthcare.com and Electronic Data Information Filing and Retrieval (EDIFAR) site of SEBI at www.sebidifar.nic.in
- Management Discussion & Analysis Report forms part of this Annual Report.

GENERAL SHAREHOLDERS INFORMATION:

a) Date, Time and Venue of the Annual General Meeting:

Date	- 27th August, 2008
Day	- Wednesday
Time	- 11.00 a.m.
Venue	- The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306), TTK Road, Chennai 600 014

b) Particulars of Financial Calendar:

Financial Year	April – March
Unaudited First Quarter Results	End July
Unaudited Second Quarter Results	End October
Unaudited Third Quarter Results	End January
Audited Annual Results	End June

c) Date of Book Closure - 19th August, 2008 To 27th August, 2008 (Both Days Inclusive)

d) Dividend Payment Date - On or before 25th September, 2008

e) Listing on Stock Exchanges:

Your Company's shares are listed with –

- Madras Stock Exchange Limited (MSE), Chennai (Regional Stock Exchange)
- Bombay Stock Exchange Limited (BSE), Mumbai

f) Stock Code : MSE - TTKHEALTH BSE - 507747

g) Demat Arrangement with NSDL and CDSL

Demat ISIN - INE910C01018

Report on Corporate Governance (Contd.)

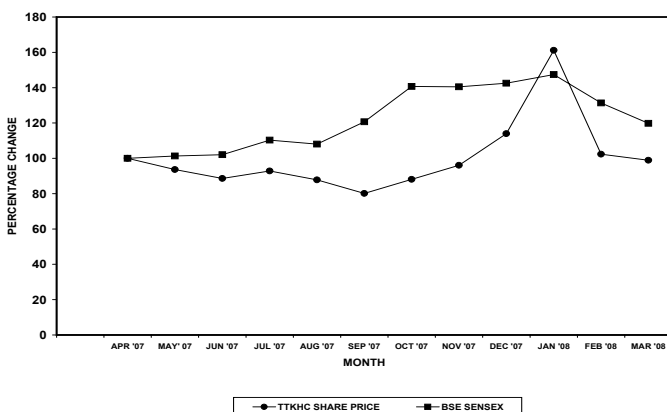
h) Stock Price Data:

MONTH	BSE (2007-08)			BSE (2006-07)		
	High	Low	Volume	High	Low	Volume
April	81.75	75.15	20,727	93.45	84.70	1,97,958
May	76.55	66.80	76,234	95.90	70.10	1,20,302
June	72.45	67.10	84,411	67.40	49.90	60,283
July	79.70	64.10	1,04,739	71.70	55.00	1,21,541
August	71.80	61.15	62,643	75.85	70.30	59,448
September	65.50	59.60	2,34,841	81.95	71.05	2,84,735
October	72.00	60.35	2,85,482	90.50	78.00	1,60,548
November	78.55	60.05	2,13,812	101.85	79.00	4,68,083
December	93.15	75.35	1,56,648	100.80	89.70	6,68,585
January	131.75	75.00	5,71,534	96.50	90.25	96,414
February	83.65	74.10	34,225	92.75	75.15	70,362
March	80.85	70.00	1,12,288	83.65	69.00	1,23,042

i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price		BSE Sensex	% Change
	(High)	% Change	(High)	
April '07	81.75	-	14,383.72	-
May '07	76.55	-6%	14,576.37	1%
June '07	72.45	-11%	14,683.36	2%
July '07	79.70	-3%	15,868.85	10%
August '07	71.80	-12%	15,542.40	8%
September '07	65.50	-20%	17,361.47	21%
October '07	72.00	-12%	20,238.16	41%
November '07	78.55	-4%	20,204.21	40%
December '07	93.15	14%	20,498.11	43%
January '08	131.75	61%	21,206.77	47%
February '08	83.65	2%	18,895.34	31%
March '08	80.85	-1%	17,227.56	20%

TTKHC SHARE PRICE VS BSE SENSEX



j) Registrars & Share Transfer Agents

M/s Data Software Research Co. Pvt. Ltd.
Shree Sovereign Complex
No.22, 4th Cross Street
Trustpuram, Kodambakkam
Chennai 600 024
Tel : (91) (44) 24833738
(91) (44) 24834487
Fax: (91) (44) 24834636

k) Share Transfer System:

- In Compliance of SEBI requirement, Share Transfers are entertained, both under Demat Form and Physical Form.
- Share Transfers in respect of physical shares are normally effected within a maximum of 30 days from the date of receipt, if all the required documentation is complete in all respects.
- Also the Company has made arrangements for simultaneous dematerialization of Share Certificate(s) lodged for transfer, subject to the regulations specified by SEBI in this regard.
- As at 31st March, 2008, no Equity Shares were pending for transfer.

l) Distribution of Shareholding as on 31st March, 2008:

Shareholding of Nominal Value of	Number of Shareholders		% to Total No. of Shareholders		Share Amount		% to Total	
	Phy- sical Mode	Elect- ronic Mode	Phy- sical Mode	Elect- ronic Mode	Phy- sical Mode	Elect- ronic Mode	Phy- sical Mode	Elect- ronic Mode
Rs.					Rs.	Rs.		
1	2	3	4	5	6	7	8	9
Upto 5000	7,526	4,332	61.40	35.34	53,47,740	52,18,560	6.59	6.43
5001 - 10000	27	154	0.22	1.26	1,95,870	12,76,390	0.24	1.57
10001 - 20000	24	72	0.19	0.59	3,13,840	10,65,340	0.39	1.31
20001 - 30000	8	28	0.07	0.23	1,88,400	7,02,820	0.23	0.87
30001 - 40000	2	13	0.02	0.11	72,600	4,58,810	0.09	0.57
40001 - 50000	1	9	0.01	0.07	48,000	4,22,960	0.06	0.52
50001 - 100000	5	19	0.04	0.16	4,29,400	14,48,510	0.53	1.79
100001 & Above	5	31	0.04	0.25	12,44,000	6,26,70,900	1.54	77.27
Total	7,598	4,658	61.99	38.01	78,39,850	7,32,64,290	9.67	90.33
Grand Total	12,256		100.00		8,11,04,140		100.00	

m) Categories of Equity Shareholders as on 31st March, 2008:

Category Code	Category of Shareholder	Number of Shareholders / Folios	Total Number of Shares	Number of Shares held in Dematerialized Form	Total Shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group ²					
(1)	Indian					
(a)	Individuals / Hindu Undivided Family / Partnership	14	5070920	4969408	62.524	62.524
(b)	Central Government / State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	2	10080	-	0.124	0.124
(d)	Financial Institutions / Banks	-	-	-	-	0.000
(e)	Any Other (specify)	-	-	-	-	-
	Sub-Total (A)(1)	16	5081000	4969408	62.648	62.648

Report on Corporate Governance (Contd.)

(2) Foreign					
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-
(c) Institutions	-	-	-	-	-
(d) Any Other (specify)	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	16	5081000	4969408	62.648	62.648
(B) Public Shareholding³					
(1) Institutions					
(a) Mutual Funds / UTI	7	6372	-	0.079	0.079
(b) Financial Institutions / Banks	6	716	200	0.009	0.009
(c) Central Government / State Government(s)	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-
(e) Insurance Companies	2	3764	3764	0.046	0.046
(f) Foreign Institutional Investors	4	125205	124245	1.544	1.544
(g) Foreign Venture Capital Investors	-	-	-	-	-
(h) Any Other (specify)	-	-	-	-	-
Sub-Total (B)(1)	19	136057	128209	1.678	1.678
(2) Non-Institutions					
(a) Bodies Corporate	193	258479	246586	3.187	3.187
(b) Individuals -					
(i) Individual Shareholders holding nominal share capital up to Rs.1 lakh					
Resident Indians	11951	1648733	1026092	20.329	20.329
Non-Resident Indians	52	42273	37729	0.521	0.521
Total	12003	1691006	1063821	20.850	20.850
(ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh					
Resident Indians	20	943405	918405	11.632	11.632
Non-Resident Indians	-	-	-	-	-
Total	20	943405	918405	11.632	11.632
(c) Any Other (specify) [Represents the Shareholdings of the Independent / Professional Directors who are not in control of the Company]	5	467	-	0.006	0.006
Sub-Total (B)(2)	12221	2893357	2228812	35.675	35.675
Total Public Shareholding (B) = (B)(1) + (B)(2)	12240	3029414	2357021	37.352	37.352
TOTAL (A) + (B)	12256	8110414	7326429	100.000	100.000
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	12256	8110414	7326429	100.000	100.000

Note:

Indian Promoters include M/s T T Krishnamachari & Co., represented by its Partners and constituents of TTK Group. The constituents of TTK Group include T T Krishnamachari & Co., TTK Prestige Limited, TTK Tantex Limited and Partners & Relatives of the Partners of T T Krishnamachari & Co.

* "Any Other" represents the Shareholdings of the Independent / Professional Directors who are not in control of the Company.

n) Dematerialisation of Shares and Liquidity as on 31st March, 2008:

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	7,598	7,83,985	9.67
No. of Shareholders in Electronic Mode	4,658	73,26,429	90.33
Total	12,256	81,10,414	100.00

Days taken for Dematerialisation	No. of Requests	No. of Shares	% of Shares
15 days	365	51,789	0.64%

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2007-08	2006-07	2007-08	2006-07
Number of Shares Dematerialized	38,844	47,01,988	12,945	11,407
Number of Shares Rematerialized	-	-	-	-

- o) **Outstanding GDRs / ADRs/ Warrants or any convertible Instruments** : The Company has not issued any GDRs / ADRs / Warrants or Convertible Instruments.
- p) **Plant Locations** : 5, Old Trunk Road, Pallavaram, Chennai 600 043
3, Tiruneermalai Main Road, Chromepet Chennai 600 044
2-B, Hosakote Industrial Area, 8th Kilometre, Hosakote Chinthamani Road, Hosakote Taluk Bangalore 562 114
Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Trivandrum 695 586
- q) **Registered Office** : 6, Cathedral Road, Chennai 600 086
Tel: 044-28116106 to 28116110
Fax: 044-28114307
- r) **Administrative Office & Investor Correspondence Address** : Secretarial Department. No.6, Cathedral Road Chennai 600 086
Tel: 044-28116106 to 28116110
Fax: 044-28114307
E-mail: investorcare@ttkhealthcare.com
- s) **Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:**
- T T Krishnamachari & Co., and its Partners & Relatives of the Partners
 - TTK Prestige Limited
 - TTK-LIG Limited
 - TTK Healthcare Services (P) Limited
 - TTK Services (P) Limited
 - TTK Tantex Limited

Report on Corporate Governance (Contd.)

- SSL-TTK Limited
- Cables & Wireless Networks India (P) Limited
- Packwell Packaging Products Limited
- Prestige Housewares India Limited
- Pharma Research & Analytical Laboratories
- Peenya Packaging Products

CEO / CFO CERTIFICATION:

As required under Clause 49 (Corporate Governance) of the Listing Agreement, the Executive Vice Chairman and Vice President – Finance have furnished necessary Certificate to the Board of Directors with respect to Financial Statements and Cash Flow Statement for the year ended 31st March, 2008.

NON-MANDATORY REQUIREMENTS:

(a) Chairman's Office (Non-Executive):

No reimbursement of expenses is made to the Non-Executive Chairman in connection with the maintenance of his office.

(b) Remuneration Committee:

The Remuneration Committee was originally constituted on 30th January, 2002, comprising of three Non-Executive Independent Directors, Mr B N Bhagwat as Chairman and Dr K R Srimurthy & Mr K Shankaran as Members and Mr S Kalyanaraman, Company Secretary as the Secretary of the Committee.

The Remuneration Committee was subsequently reconstituted on 21st July, 2006 with Mr B N Bhagwat as Chairman and Mr R K Tulshan, Dr K R Srimurthy &

Mr K Shankaran as Members. Mr S Kalyanaraman, Company Secretary is the Secretary of this Committee.

The scope of the Remuneration Committee *inter alia* includes the determination on behalf of the Board / Shareholders, with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

The Board shall from time to time provide requisite guidelines / scope of work for the Remuneration Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

During the year under review, no meeting was held by the Committee.

(c) Half-yearly Communication to Shareholders:

The Company does not mail the Unaudited Half-yearly Financial Results individually to its shareholders. However, these are published in "News Today" & "Makkal Kural" and are also posted on the website of the Company at www.ttkhealthcare.com

(d) Audit Qualifications:

There were no audit qualifications in the Financial Statements of the Company for the year ended 31st March, 2008.

(e) Whistle Blower Policy:

The Company does not have a formal Whistle Blower Policy. However, access to Audit Committee is made available to every employee.

The other non-mandatory requirements have not been adopted at present.

DECLARATION BY THE EXECUTIVE VICE CHAIRMAN ON CODE OF CONDUCT

I, T T Raghunathan, Executive Vice Chairman of TTK Healthcare Limited, do hereby declare that a formal Code of Conduct has been laid down by the Board of Directors of TTK Healthcare Limited, which has been made applicable to all the Directors and the Senior Management Personnel of the Company.

The Code of Conduct has been affirmed to by all the Directors and Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the Website of the Company at www.ttkhealthcare.com

Place : Chennai

Date : 7th June, 2008

T T RAGHUNATHAN
Executive Vice Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of TTK Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by TTK Healthcare Limited for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above - mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore

Date : 12th June, 2008

For M/s AIYAR & CO.
Chartered Accountants

N SRIDHARAN
Proprietor
Membership No.20503

For M/s S VISWANATHAN
Chartered Accountants

C N SRINIVASAN
Partner
Membership No.18205

Auditors' Report

AUDITORS' REPORT TO THE MEMBERS OF TTK HEALTHCARE LIMITED

1. We have audited the attached Balance Sheet of TTK Healthcare Limited as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of The Companies Act, 1956 (the 'Act') and on the basis of such check of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors of the Company as on 31st March, 2008 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

M/s AIYAR & CO.,
Chartered Accountants

N SRIDHARAN
Proprietor
Membership No.20503

Place : Bangalore
Date : 12th June, 2008

M/s.S.VISWANATHAN
Chartered Accountants

C N SRINIVASAN
Partner
Membership No.18205

Annexure to Auditors' Report (Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of TTK Healthcare Limited on the Financial Statements for the year ended 31st March, 2008)

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the Management at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (c) During the year, the Medical Devices Manufacturing Undertaking (Medical Devices Division) at Waluj, Auragabad and Printing Division Property consisting of Land and Building at Chennai have been disposed of by the Company.
- (ii) (a) As explained to us, the inventories (excluding stocks with third parties and materials in-transit) have been physically verified during the year by the Management. In respect of inventories lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks have been properly dealt with in the books of accounts and were not material.
- (iii) The Company has neither granted nor taken any loans to / from any party covered in the Register maintained under Sec.301 of the Companies Act, 1956. Consequently, the requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies

Auditors' Report (Contd.)

- Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The provisions of Section 58 AA are not attracted, as there has been no default.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) On the basis of records produced to us, we are of the opinion that, *prima facie*, the cost records prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Wealth Tax, Fringe Benefit Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax, Sales Tax and Excise Duty as on 31st March, 2008

- (x) The Company does not have any accumulated losses as at 31st March, 2008 and has not incurred cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance Sheet date.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) During the year, no term loans have been availed by the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short term basis have not been used for long term investment and surplus in long term funds have been deployed in working capital.
- (xviii) According to the information and explanations given to us, the Company has no outstanding debentures at the end of the year.
- (xix) During the period covered by our Audit Report, the Company has not raised money by public issues.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Name of the Statute	Nature of the Dues	Amount under Dispute not yet deposited (Rs in Lakhs)	Periods to which the amounts relate	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	108.38	A.Y. 2000-01	Commissioner of Income Tax (Appeals), Chennai
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax with Interest and Penalty as applicable	212.84	1986-87, 1991-92, 1993-94, 1995-96 to 2006-07	Before various Authorities - Upto the Appellate Tribunal Level
The Central Excise Act, 1944	Excise Duty with Interest and Penalty, as applicable	146.37	1988-89 to 2000-01 2002-03 2004-05 to 2006-07	The Customs, Excise and Service Tax Appellate Tribunal
		0.74	1994-95 & 1995-96	The Deputy Commissioner of Central Excise, Aurangabad
		0.15	2004-05	The Commissioner of Central Excise, Chennai

M/s AIYAR & CO.,
Chartered Accountants

N SRIDHARAN
Proprietor
Membership No.20503

Place : Banagalore
Date : 12th June, 2008

M/s.S.VISWANATHAN
Chartered Accountants

C N SRINIVASAN
Partner
Membership No.18205

Balance Sheet
as at 31st March, 2008

Particulars	Schedule No.	As at 31.3.2008		As at 31.3.2007	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS :					
1. Shareholders' Funds					
a) Share Capital	1		8,11,04,140		8,11,04,140
b) Reserves & Surplus	2		49,21,26,226		39,92,10,834
2. Loan Funds					
a) Secured Loans	3A & 3B	13,16,96,519		13,68,63,890	
b) Unsecured Loans	3C	6,20,000	13,23,16,519	6,45,000	13,75,08,890
Total			<u>70,55,46,885</u>		<u>61,78,23,864</u>
II. APPLICATION OF FUNDS :					
1. Fixed Assets					
Gross Block	4	36,76,16,233		52,01,67,271	
Less : Depreciation		18,82,17,195		26,17,51,809	
		17,93,99,038		25,84,15,462	
Add : Capital Work-In-Progress		2,80,900		2,70,20,979	
Net Block			17,96,79,938		28,54,36,441
2. Investments	5		3,15,37,000		13,37,000
3. Deferred Tax					
Deferred Tax Asset		4,13,82,999		12,34,08,783	
Deferred Tax Liability		(2,70,32,247)		(4,72,75,206)	
			1,43,50,752		7,61,33,577
4. Current Assets, Loans & Advances:					
a) Inventories	6	16,07,44,683		11,75,99,598	
b) Sundry Debtors	7	18,44,90,638		21,64,62,150	
c) Cash & Bank Balances	8	49,84,94,439		26,01,79,280	
d) Loans & Advances	9	12,17,72,494		6,47,34,580	
		96,55,02,254		65,89,75,608	
Less : Current Liabilities & Provisions :					
a) Current Liabilities	10	37,60,88,586		34,60,73,030	
b) Provisions	10 A	10,94,34,473		6,84,46,083	
		48,55,23,059		41,45,19,113	
Net Current Assets			47,99,79,195		24,44,56,495
5. Miscellaneous Expenditure (To the extent not written off or adjusted)					
Voluntary Retirement Scheme			-		1,04,60,351
Total			<u>70,55,46,885</u>		<u>61,78,23,864</u>
Significant Accounting Policies	Page No. 33				
Notes on Accounts	Page Nos. 27 to 33				

Note : Schedules referred to above and the Notes attached form an integral part of the Balance Sheet.
Annexure to our Report of date

For M/s. AIYAR & CO.
Chartered Accountants

For M/s. S VISWANATHAN
Chartered Accountants

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No. 18205

Bangalore
12th June, 2008

T T Jagannathan, *Chairman*
R K Tulshan, *Director*
Dr K R Srimurthy, *Director*
B N Bhagwat, *Director*
J Srinivasan, *Director*
R Srinivasan, *Director*
K Vaidyanathan, *Director*
K Shankaran, *Director*
S Kalyanaraman, *Company Secretary*
B V K Durga Prasad, *Vice President - Finance*

Profit and Loss Account

for the year ended 31st March, 2008

Particulars	2007 - 08			2006 - 07		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME :						
Sales	11	200,46,02,568		214,29,53,367		
Less: Excise Duty relating to Sales		<u>1,41,97,998</u>		<u>3,15,64,339</u>		
			199,04,04,570		211,13,89,028	
Other Income	12		<u>25,99,82,992</u>		<u>2,91,67,524</u>	
			225,03,87,562			214,05,56,552
EXPENDITURE :						
Goods Consumption & Excise Duty	13		113,05,05,174		130,83,60,335	
Expenses	14		86,99,06,822		74,05,70,690	
Depreciation		2,01,06,661		2,93,14,470		
Less: Transfer from						
Revaluation Reserve		<u>5,02,210</u>	<u>1,96,04,451</u>	<u>5,02,410</u>	<u>2,88,12,060</u>	
			202,00,16,447			207,77,43,085
Profit Before Tax & Extraordinary Item(s)			23,03,71,115			6,28,13,467
Less: VRS Amortised			1,04,60,351			43,73,985
Profit Before Tax			21,99,10,764			5,84,39,482
Less : Provision for Tax						
Current Tax			2,72,44,000		54,30,338	
Deferred Tax			6,17,82,825		1,30,00,000	
Fringe Benefit Tax			<u>90,00,000</u>	<u>9,80,26,825</u>	<u>1,00,00,000</u>	<u>2,84,30,338</u>
Profit After Tax			<u>12,18,83,939</u>			<u>3,00,09,144</u>
Appropriations:						
Proposed Dividend			2,43,31,242			2,02,76,035
Provision for Tax on Dividend			41,35,095			34,45,912
Transferred to General Reserve			1,30,00,000			62,87,197
Balance transferred to Balance Sheet			<u>8,04,17,602</u>			-
			12,18,83,939			3,00,09,144
Basic & Diluted Earnings Per Share (EPS) (Face Value : Rs. 10 per share)			15.03			4.00
Significant Accounting Policies	Page No. 33					
Notes on Accounts	Page Nos. 27 to 33					
<p>Note: Schedules referred to above and the Notes attached form an integral part of the Profit & Loss Account Annexure to our Report of date</p>						
For M/s. AIYAR & CO. Chartered Accountants	For M/s. S VISWANATHAN Chartered Accountants				T T Jagannathan, <i>Chairman</i> R K Tulshan, <i>Director</i> Dr K R Srimurthy, <i>Director</i> B N Bhagwat, <i>Director</i> J Srinivasan, <i>Director</i> R Srinivasan, <i>Director</i> K Vaidyanathan, <i>Director</i> K Shankaran, <i>Director</i> S Kalyanaraman, <i>Company Secretary</i> B V K Durga Prasad, <i>Vice President - Finance</i>	
N. SRIDHARAN <i>Proprietor</i> Membership No. 20503	C N SRINIVASAN <i>Partner</i> Membership No. 18205		Bangalore 12th June, 2008			

Cash Flow Statement

for the year ended 31st March, 2008

(Rs.in Lakhs)

	2007-08		2006-07	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		2,199.11		584.39
Adjustments for:				
Depreciation	196.04		288.12	
(Profit) / Loss on Sale of Assets	(1,460.33)		(146.41)	
(Profit) / Loss on Sale of Investments	-		(1.75)	
Interest Paid	191.23		153.94	
Dividend Received	(0.45)	(1,073.51)	(0.41)	293.49
Operating Profit before Working Capital Changes:		1,125.60		877.88
Adjustments for:				
Trade and Other Receivables	105.65		(287.88)	
Inventories	(431.46)		52.30	
Trade Payables	300.15	(25.66)	(250.98)	(486.56)
Cash generated from operations		1,099.94		391.32
Direct Taxes Paid		(356.30)		(232.02)
Cash Flow before Extraordinary Item(s) & Deferred Revenue Expenditure		743.64		159.30
Deferred Revenue Expenditure		104.60		43.74
Cash Flow after Extraordinary Item(s)		848.24		203.04
B. CASH FLOW FROM INVESTMENT ACTIVITIES:				
Purchase of Fixed Assets	(305.25)		(366.73)	
Sale of Fixed Assets	2,622.08		488.86	
Interest/ Dividend Received	0.45		0.41	
Sale of Investments	(302.00)	2,015.28	2.25	124.79

Cash Flow Statement

for the year ended 31st March, 2008 (Contd.)

(Rs.in Lakhs)

	2007-08		2006-07	
	Rs.	Rs.	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds of Preferential Allotment (including Share Premium)	-		1,095.00	
Proceeds from Long Term Borrowings	(125.00)		(125.00)	
Bank Borrowings - Short Term	73.33		244.64	
Public Deposits / Other Loans	(0.25)		(100.15)	
Interest Paid	(191.23)		(153.94)	
Dividend Paid	(237.22)		(150.75)	
Net Cash used in Financing Activities		(480.37)		809.80
Net Increase in Cash and Cash Equivalents		2,383.15		1,137.63
Cash and Cash Equivalents as at the beginning of the year	2,601.79		1,464.16	
Cash and Cash Equivalents as at the end of the year	4,984.94	(2,383.15)	2,601.79	(1,137.63)

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) issued by The Institute of Chartered Accountants of India.
- The previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

Annexure to our Report of date

For M/s. AIYAR & CO.
Chartered Accountants

N. SRIDHARAN
Proprietor
Membership No 20503

For M/s. S VISWANATHAN
Chartered Accountants

C N SRINIVASAN
Partner
Membership No. 18205

Bangalore
12th June 2008

T T Jagannathan, *Chairman*
R K Tulshan, *Director*
Dr K R Srimurthy, *Director*
B N Bhagwat, *Director*
J Srinivasan, *Director*
R Srinivasan, *Director*
K Vaidyanathan, *Director*
K Shankaran, *Director*
S Kalyanaraman, *Company Secretary*
B V K Durga Prasad, *Vice President - Finance*

Schedules

Sch. No.		As at 31.3.2008		As at 31.3.2007	
	Rs.	Rs.	Rs.	Rs.	Rs.
1. CAPITAL:					
Authorised Capital :					
1,00,00,000 Equity Shares of 10/- each		10,00,00,000		10,00,00,000	
Issued, Subscribed and Paid-up Capital:					
81,10,414 Equity Shares of Rs. 10/- each fully paid-up (of which 9,42,600 Equity Shares of Rs 10/- each were issued as fully paid-up by way of Bonus Shares through Capitalisation of Reserves, 70,295 Equity Shares of Rs 10/- each allotted as fully paid-up, pursuant to the Scheme of Merger of TTK Chemicals Limited with this Company, 4,85,450 Equity Shares of Rs.10/- each allotted as fully paid-up, pursuant to the Scheme of Merger of TT Maps & Publications Limited with this Company, 13,45,294 Equity Shares of Rs.10/- each allotted as fully paid-up, pursuant to the Scheme of Merger of TTK Biomed Limited with this Company, 2,35,207 Equity Shares of Rs.10/- each allotted as fully paid-up, pursuant to the Scheme of Merger of TTK Medical Devices Limited with this Company and 15,00,000 Equity Shares of Rs.10/- each allotted to T T Krishnamachari & Co., the Promoters of the Company on Preferential basis).		8,11,04,140		8,11,04,140	
2. RESERVES AND SURPLUS :					
a) Capital Reserve:					
i) Subsidy received from:					
Karnataka State Government		9,99,500		9,99,500	
Andhra Pradesh State Financial Corporation		2,53,910		2,53,910	
Central Subsidy		15,00,000		15,00,000	
Maharashtra Energy Development Agency		4,52,760		4,52,760	
ii) Capital Reserve		6,49,26,337		6,49,26,337	
		6,81,32,507		6,81,32,507	
b) Revaluation Reserve:					
Balance as per last Balance Sheet	4,86,63,055		4,91,65,465		
Less: Transfer to Profit & Loss Account	5,02,210		5,02,410		
		4,81,60,845		4,86,63,055	
c) Share Premium Account :					
Balance as per last Balance Sheet	13,10,96,486		3,65,96,486		
Add: Received during the year	-		9,45,00,000		
		13,10,96,486		13,10,96,486	
d) General Reserve :					
Balance as per last Balance Sheet	15,13,18,786		14,50,31,589		
Add: Transfer from Profit & Loss Account	1,30,00,000		62,87,197		
		16,43,18,786		15,13,18,786	
e) Balance in Profit & Loss Account		8,04,17,602		-	
Total (a to e)		49,21,26,226		39,92,10,834	

Schedules (Contd.)

Sch. No.	As at 31.3.2008 Rs.	As at 31.3.2007 Rs.	Sch. No.	As at 31.3.2008 Rs.	As at 31.3.2007 Rs.					
3. LOANS:			C. UNSECURED LOANS :							
A. SECURED TERM LOANS :			Fixed Deposits	6,20,000	6,45,000					
Axis Bank Ltd. (Formerly UTI Bank Ltd.)*	-	1,25,00,000								
Total - A	-	1,25,00,000	Total - C	6,20,000	6,45,000					
B. OTHER SECURED BORROWINGS :			Total - (A + B + C)	13,23,16,519	13,75,08,890					
Working Capital Loans from Banks: (Against Hypothecation of Stocks and Book Debts)										
i) Cash Credit [@]	2,21,32,923	1,41,23,960								
ii) Demand Loan [@]	9,20,00,000	9,20,00,000								
iii) Bills of Exchange [@]	1,75,63,596	1,82,39,930								
Total - B	13,16,96,519	12,43,63,890								
Total - (A + B)	13,16,96,519	13,68,63,890								
4. FIXED ASSETS										
	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
Description of assets	As on 1-4-2007	Additions	Deletions	As on 31-3-2008	Up to 31-03-2007	Deletions	For the Year	Up to 31-03-2008	As on 31-3-2008	As on 31-3-2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	4,31,19,648	-	49,84,875	3,81,34,773	-	-	-	-	3,81,34,773	4,31,19,648
Leasehold Land	2,75,68,849	-	1,41,93,729	1,33,75,120	3,30,875	-	1,35,089	4,65,964	1,29,09,156	2,72,37,974
Buildings	11,29,55,853	2,62,95,866	6,80,00,306	7,12,51,413	4,68,57,834	2,52,79,183	21,31,119	2,37,09,770	4,75,41,643	6,60,98,019
Leasehold Buildings	96,03,482	22,80,483	-	1,18,83,965	78,97,189	-	8,14,791	87,11,980	31,71,985	17,06,293
Plant & Machinery	27,32,13,469	1,65,21,593	11,95,88,376	17,01,46,686	17,07,66,244	6,59,41,495	1,17,08,845	11,65,33,594	5,36,13,092	10,24,47,225
Furniture & Fittings	1,20,82,912	15,10,390	18,37,033	1,17,56,269	80,85,359	13,41,671	6,89,642	74,33,330	43,22,939	39,97,553
Patterns, Dies & Templates	1,17,52,691	40,75,049	-	1,58,27,740	80,10,324	-	10,41,376	90,51,700	67,76,040	37,42,367
Trade Marks	1,12,49,800	-	-	1,12,49,800	1,12,49,800	-	-	1,12,49,800	-	-
Vehicles	58,21,118	17,59,038	5,64,587	70,15,569	28,24,421	5,52,370	4,33,977	27,06,028	43,09,541	29,96,697
Total	50,73,67,822	5,24,42,419	20,91,68,906	35,06,41,335	25,60,22,046	9,31,14,719	1,69,54,839	17,98,62,166	17,07,79,169	25,13,45,776
LEASED ASSETS :										
Vehicles	1,27,99,449	48,23,541	6,48,092	1,69,74,898	57,29,763	5,26,556	31,51,822	83,55,029	86,19,869	70,69,686
Total	52,01,67,271	5,72,65,960	20,98,16,998	36,76,16,233	26,17,51,809	9,36,41,275	2,01,06,661	18,82,17,195	17,93,99,038	25,84,15,462
Add: Capital Work-in-Progress	2,70,20,979	2,80,900	2,70,20,979	2,80,900	-	-	-	-	2,80,900	2,70,20,979
GRAND TOTAL	54,71,88,250	5,75,46,860	23,68,37,977	36,78,97,133	26,17,51,809	9,36,41,275	2,01,06,661	18,82,17,195	17,96,79,938	28,54,36,441
Previous Year	59,26,16,278	3,66,73,454	8,21,01,482	54,71,88,250	28,02,94,165	4,78,56,826	2,93,14,470	26,17,51,809	28,54,36,441	31,23,22,113
Note :	Depreciation for the year amounting to Rs 5,02,210/- (previous year-Rs.5,02,410/-) in respect of increased value of Fixed Assets on account of revaluation has been directly debited to Revaluation Reserve and deducted from the total depreciation of Rs. 2,01,06,661/- for the year (previous year - Rs.2,93,14,470/-).									

Schedules (Contd.)

Sch. No.	As at 31.3.2008	As at 31.3.2007	Sch. No.	As at 31.3.2008	As at 31.3.2007
5. INVESTMENTS :			9. LOANS & ADVANCES :		
I. AT COST - TRADE			(Considered good)		
Quoted (Fully paid)			Lease & Rent Advances	46,17,076	49,67,774
14,800 Equity Shares of Rs 10/- each of TTK Prestige Ltd.- Market Value Rs. 116.05 each	13,32,000	13,32,000	Electricity & Other Deposits	2,29,78,046	1,11,72,256
500 Equity Shares of Rs.10/- each of Apollo Hospitals Enterprise Ltd.- Market Value Rs. 507.70 each	5,000	5,000	Advance Income Tax	3,84,44,330	1,13,13,817
			Advance Fringe Benefit Tax	2,88,32,947	2,03,32,947
			Advance for Others	2,69,00,095	1,69,47,786
				12,17,72,494	6,47,34,580
II. AT COST - NON TRADE			10. CURRENT LIABILITIES :		
Unquoted (Fully paid)			1. Acceptances	2,18,721	20,32,856
20 Unsecured Redeemable Optionally Convertible Debentures of Rs. 10,00,000/- each (Kotak Securities Limited)	2,02,00,000	-	2. Sundry Creditors :		
Kotak Indo World Infrastructure Fund (Kotak Mutual Fund)	1,00,00,000	-	a. Total outstanding dues of Micro Enterprises and Small Enterprises *	-	-
	3,15,37,000	13,37,000	b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
			for Goods	17,07,22,712	16,13,17,487
Aggregate Book Value - Quoted	13,37,000	13,37,000	for Expenses	13,85,57,815	11,53,33,323
Aggregate Book Value - Unquoted	3,02,00,000	-	for Others	6,57,14,483	6,65,71,002
Aggregate Market Value - Quoted	19,71,390	20,07,250	Unclaimed Dividend #	8,74,855	8,18,362
				37,60,88,586	34,60,73,030
6. INVENTORIES :			Notes :		
(Value as certified by the Management)			* The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts together with interest unpaid, at the year end has not been given.		
Raw & Packing Materials	1,88,53,012	1,99,78,650	# No amount is due to be credited to the Investor Education and Protection Fund.		
Work-in-Progress	57,84,651	55,79,437			
Finished Goods	13,45,01,039	9,01,60,933			
Stores & Spares	16,05,981	18,80,578			
	16,07,44,683	11,75,99,598			
7. SUNDRY DEBTORS :			10A PROVISIONS :		
(Considered good for which the Company holds no security other than Debtors' Personal Security)			Balance as per last Balance Sheet	6,84,46,083	4,43,68,847
Debts outstanding for a period exceeding Six Months	48,78,562	1,51,08,207	Add : Provision for the year		
Other Debts	17,96,12,076	20,13,53,943	Income tax	2,72,44,000	54,30,338
	18,44,90,638	21,64,62,150	Fringe Benefit Tax	90,00,000	1,00,00,000
			Proposed Dividend	2,43,31,242	2,02,76,035
8. CASH AND BANK BALANCES :			Provision for Tax on Dividend	41,35,095	34,45,912
Cash on Hand	33,79,010	14,54,508		13,31,56,420	8,35,21,132
In Current Account with Scheduled Banks	8,77,34,459	9,70,25,634	Less : Paid during the year		
In Deposit Account with Scheduled Banks	40,64,87,641	16,08,62,018	Dividend	2,02,76,035	1,32,20,828
In Interest Warrant Account	18,474	18,758	Tax on Dividend	34,45,912	18,54,221
In Dividend Warrant Account	8,74,855	8,18,362		10,94,34,473	6,84,46,083
	49,84,94,439	26,01,79,280			

Schedules (Contd.)

Sch. No.	Units	2007-08		2006-07	
		Quantity	Value Rs.	Quantity	Value Rs.
11. SALES :					
a. Orals	Lakhs	205.441	44,57,14,022	181.284	40,40,19,040
b. Tablets	Lakhs	878.482	19,84,32,188	844.406	19,39,62,656
c. Injectables	Lakhs	146.686	13,18,91,883	137.388	12,60,25,456
d. Capsules	Lakhs	325.688	10,12,49,413	305.821	9,41,86,696
e. Food Products	M.T	2,557.277	8,48,15,181	2,784.545	8,87,11,280
f. Granules	M.T	323.396	4,44,41,299	293.921	4,19,29,055
g. Hospital Care Products	-	-	18,02,35,967	-	11,03,64,888
h. Ointment	M.T	5.571	49,81,662	7.080	45,90,835
i. Shoe Care Products	M.T	87.500	2,30,87,422	312.890	10,29,50,835
	K.Ltrs	44.650	1,74,99,065	178.650	7,29,57,868
j. Hair Creams & Cosmetics	M.T	601.260	13,72,62,787	846.140	33,67,13,561
	K.Ltrs	361.490	14,92,49,465	266.170	11,58,14,331
k. Condoms	Millions	129.990	42,99,14,496	119.420	36,52,79,556
l. Maps & Atlases	Nos	4,87,896	1,50,76,415	5,72,157	2,47,02,118
m. Baby Soap	M.T	30.470	48,50,598	8.750	15,30,886
n. Others	-	-	3,59,00,705	-	5,92,14,306
			<u>200,46,02,568</u>		<u>214,29,53,367</u>
Less: Excise Duty			1,41,97,998		3,15,64,339
			<u>199,04,04,570</u>		<u>211,13,89,028</u>
12 OTHER INCOME :					
a. Dividend Income			45,400		40,750
b. Profit on Sale of Assets			20,16,17,200		1,51,72,007
c. Profit on Sale of Investments			-		1,75,000
d. Interest Receipts			2,14,72,413		76,62,281
e. Amount received from M/s. Sara Lee towards settlement of claims			2,82,87,000		-
f. Others			85,60,979		61,17,486
			<u>25,99,82,992</u>		<u>2,91,67,524</u>

Schedules (Contd.)

Sch. No.	2007-08		2006-07	
	Rs.	Rs.	Rs.	Rs.
13. GOODS CONSUMPTION :				
Opening Stock of -				
Raw & Packing Materials	1,99,78,650		2,27,79,424	
Work-in-Progress	55,79,437		65,56,304	
Finished Goods	9,01,60,933		9,15,11,502	
		11,57,19,020		12,08,47,230
Add: Purchase of -				
Raw & Packing Materials	10,57,35,128		14,19,18,536	
Finished Goods	106,62,76,784		115,85,67,196	
Excise Duty relating to Samples & others	19,12,944		27,46,393	
		117,39,24,856		130,32,32,125
		128,96,43,876		142,40,79,355
Less: Closing Stock of -				
Raw & Packing Materials	1,88,53,012		1,99,78,650	
Work-in-Progress	57,84,651		55,79,437	
Finished Goods	13,45,01,039		9,01,60,933	
		15,91,38,702		11,57,19,020
Total Consumption of Goods		113,05,05,174		130,83,60,335
14. EXPENSES :				
Salaries, Wages & Bonus		16,91,14,395		15,29,77,233
Contribution to PF & Other Funds		1,30,05,644		1,32,16,199
Gratuity & Superannuation		3,95,38,945		1,40,27,280
Contribution to E.S.I.		27,81,639		23,54,614
Welfare Expenses		1,42,31,485		1,34,25,109
Power & Fuel		1,47,54,902		1,60,37,309
Repairs & Maintenance				
Repairs to Building		3,02,420		5,69,565
Repairs to Plant & Machinery		1,01,52,769		1,03,92,968
Factory / Office Upkeep		49,39,938		53,95,676
Consumable Stores		9,45,706		20,33,921
General Insurance		14,02,082		18,75,309
Rates & Taxes		14,28,826		16,67,772
Rent		90,44,577		81,58,284
Electricity		48,35,541		43,63,985
Printing & Stationery		1,12,50,691		1,19,50,433
Postage, Telephones & Telegrams		1,75,83,941		1,85,59,930
Interest		1,91,22,769		1,53,94,237
Carriage Outwards		6,06,72,349		5,44,06,147
Transit Insurance		15,15,397		12,48,077
Advertisement & Sales Promotion		20,11,20,135		19,07,34,265
Travelling & Conveyance		11,31,89,089		10,34,25,150
Audit & Other Fees				
Audit Fees		4,53,934		4,65,796
Tax Audit Fees		36,236		39,284
Cost Audit Fees		33,708		33,672
Other matters		44,399		52,953
Donation		10,66,502		1,13,501
Depot Service Charges		4,31,08,680		4,58,63,700
Directors' Sitting Fees		2,75,000		3,35,000
Loss on Sale of Assets		5,51,43,770		5,31,401
Loss on obsolescence of assets		4,31,453		-
Conversion Charges		37,91,022		62,42,236
Bad debts written off		1,31,51,242		88,15,921
Non recoverable advances/deposits written off		18,97,494		3,53,447
Loss due to fire		11,771		-
Miscellaneous Expenses		3,95,28,371		3,55,10,316
		86,99,06,822		74,05,70,690

Notes on Accounts

Sl. No	Units	2007 - 08		2006 - 07	
		Quantity	Value Rs.	Quantity	Value Rs.
I.	MATERIALS CONSUMED :				
a.	K.L.	240.315	72,155	6.364	4,33,714
b.	M.T.	59.088	12,95,053	161.746	37,15,937
c.	M.T.	1.466	1,43,676	3.083	3,17,802
d.	M.T.	0.735	11,63,101	1.545	27,85,336
e.	M.T.	1.995	18,15,027	7.714	46,76,695
f.	M.T.	2.073	4,64,573	5.116	11,10,022
g.	M.T.	0.729	3,40,566	4.056	13,27,206
h.	M.T.	224.040	17,42,515	53.251	75,99,041
i.	M.T.	53.161	44,91,680	78.180	57,52,809
j.	M.T.	2,755.993	4,28,49,493	3,068.188	4,74,16,158
k.	M.T.	-	-	1.210	6,30,749
l.	-	-	25,28,985	-	62,12,630
m.	1000s	11,660.592	72,79,649	21,113.073	1,60,54,816
n.	-	-	4,26,74,293	-	4,66,86,395
			<u>10,68,60,766</u>		<u>14,47,19,310</u>
II.	VALUE OF MATERIALS, SPARE PARTS & COMPONENTS CONSUMED DURING THE YEAR :				
		%		%	
a.	MATERIALS :				
i)		3.32	35,52,727	3.27	47,38,765
ii)		96.68	10,33,08,039	96.73	13,99,80,545
		<u>100.00</u>	<u>10,68,60,766</u>	<u>100.00</u>	<u>14,47,19,310</u>
b.	SPARE PARTS & COMPONENTS :				
i)		5.70	53,951	2.50	50,772
ii)		94.30	8,91,755	97.50	19,83,149
		<u>100.00</u>	<u>9,45,706</u>	<u>100.00</u>	<u>20,33,921</u>
III.	VALUE OF IMPORTS : (C.I.F. Value)				
i)			2,65,71,303		1,28,20,006
ii)			-		5,91,728
iii)			2,27,641		53,892
			<u>2,67,98,944</u>		<u>1,34,65,626</u>
IV.	EARNINGS IN FOREIGN EXCHANGE :				
			2,35,86,138		1,80,05,235

Notes on Accounts (Contd.)

V. PARTICULARS OF GOODS MANUFACTURED :									
PRODUCTS	Class of Goods	Base Unit	Licenced Capacity *	Installed Capacity **	PRODUCTION		STOCK OF GOODS		
					2007-08	2006-07	Opening	Closing	
1. Liquid Products	A	Lakhs	1.110	1.200	-	-	-	-	
	B	Lakhs	-	375.000	8.046	22.597	3.483	0.007	
2. Tablets	A	Lakhs	337.750	600.000	-	62.369	4.410	-	
	B	Lakhs	-	3,400.000	99.134	549.715	49.865	1.935	
3. Injectables	A	Lakhs	19.860	50.000	-	-	-	-	
	B	Lakhs	-	100.000	81.526	120.360	17.935	3.349	
4. Capsules	A	Lakhs	605.900	25.000	-	-	-	-	
	B	Lakhs	-	600.000	18.635	75.204	15.414	0.392	
5. Food Products	A	M.T.	10,000.000	5,800.000 +	2,532.580	2,819.040	46.060	5.059	
6. Granules	A	M.T.	-	135.000	-	-	-	-	
	B	M.T.	-	-	71.200	137.254	16.495	-	
7. Ointments	B	M.T.	-	15.000	-	-	0.000	-	
8. Basic Chemicals/Drugs	A	M.T.	330.788	3.800	-	0.084 ++	0.044	-	
	B	M.T.	-	47.244	-	-	-	-	
9. Heart Valves		Nos.	20,000	20,000 +	7,548	4602	1,079	1,091	
10. Hernia Repair Mesh		Nos.	5,00,000	5,00,000	7,397	7,013	2,062	2,546	

* Licenced Capacity : (A) Capacity Fixed (B) Capacity not Fixed

** Installed Capacity is based on 250 days' single shift working as certified by the Directors

+ Three Shift Basis

++ Includes Production for captive consumption

	2007-08	2006-07
	Rs.	Rs.
VI. EXPENDITURE IN FOREIGN CURRENCY:		
i) Travelling	3,43,941	10,14,693
ii) Consultancy & Analytical Charges	1,32,710	1,92,509
	4,76,651	12,07,202
VII. DIRECTORS' REMUNERATION:		
i) Salary and Perquisites	61,58,061	57,19,772
ii) Contribution to PF, Gratuity & Superannuation Funds	8,01,344	12,67,673
	69,59,405	69,87,445

The remuneration stated above is in accordance with the provisions of and Schedule XIII to the Companies Act, 1956

Since the remuneration stated above is the minimum remuneration paid to the managerial personnel, calculation of managerial remuneration under Section 198 of the Companies Act, 1956 is not applicable

Notes on Accounts (Contd.)

	2007-08 Rs.	2006-07 Rs.
VIII INTEREST COMPRISES OF:		
Interest on Debentures and other Fixed Loans	43,32,466	49,38,600
Interest - Others	1,47,90,303	1,04,55,637
	<u>1,91,22,769</u>	<u>1,53,94,237</u>
Note: There is no interest accrued and due as on 31st March, 2008.		
IX. CONTINGENT LIABILITIES NOT PROVIDED FOR:	2007-08 (Rs.In. Lakhs)	2006-07 (Rs.In. Lakhs)
Guarantees against letters of credit opened	26.71	-
Other Guarantees	11.31	35.74
Disputed Taxes/Claims, not acknowledged as debts	946.45	689.39
X. The Company has created a Trust which has taken a Group Gratuity Policy with the Life Insurance Corporation of India for future payment of gratuity to retired / resigned employees. Based on the actuarial valuation, provision has been made for the full value of the gratuity benefits as per the requirements of Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.		
XI. The Company contributes to a Superannuation Fund covering specified employees. The contributions are by way of annual premia payable in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired/ resigned employees based on policy norms. No other liabilities are incurred by the Company in this regard.		
XII. Leave Encashment benefit has been charged to Profit & Loss Account on the basis of actuarial valuation as at the year end in line with the Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India. As per Accounting Standard 15 (AS-15) (Revised) for Employee Benefits, the disclosures as defined in the Accounting Standard are given below :		
DEFINED CONTRIBUTION PLAN:		
Contributions to Defined Contribution Plan, recognised as expenses for the year are as under :		
	2007-08 Rs.	2006-07 Rs.
Employer's Contribution to Provident Fund	1,30,05,644	1,32,16,199
Employer's Contribution to Superannuation Fund	86,66,829	77,82,398
DEFINED BENEFIT PLAN :		
The Employees' Gratuity Fund Scheme managed by a Trust is a Defined Benefit Plan.		
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving raise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation as per para 65 of the Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.		
Reconciliation of the opening and closing balances of Defined Benefit obligation :		
	GRATUITY Funded	LEAVE ENCASHMENT Unfunded
	2007-08	2007-08
	Rs.	Rs.
Defined Benefit obligation at the beginning of the year	3,48,45,655	56,64,391
Current Service Cost	22,84,329	6,34,451
Interest Cost	29,85,865	4,24,829
Actuarial (gains) and losses on obligation	24,59,571	(4,81,505)
Benefits paid	33,38,751	-
Defined Benefit obligation at the end of the year	3,92,36,669	62,42,166
		2006-07 Rs.
		44,90,682
		6,38,926
		3,36,801
		1,97,982
		-
		56,64,391

Notes on Accounts (Contd.)

Reconciliation of the opening and closing balances of fair value of plan assets:

	GRATUITY Funded 2007-08 Rs.
Fair value of plan assets at the beginning of the year	1,18,85,284
Expected return on plan assets	10,60,786
Actuarial loss on plan assets	83,524
Contribution by the employer	31,41,212
Benefits paid	33,38,751
Fair value of plan assets at the end of the year	1,26,65,007

	GRATUITY Funded 2007-08	LEAVE ENCASHMENT Unfunded 2007-08
Fair value of plan assets	1,26,65,007	-
Present value of obligation	3,92,36,669	-
Amount recognised in Balance Sheet	2,65,71,662	62,42,166

Expenses recognised during the year :

Current Service Cost	22,84,329	6,34,451
Interest Cost	29,85,865	4,24,829
Expected return on plan assets	10,60,786	-
Actuarial loss (gain)	25,43,095	(4,81,505)
Net Cost	67,52,503	5,77,775

Actuarial Assumptions :

Mortality Table (LIC)

	1994-96 Ultimate	1994-96 Ultimate
Discount Rate (p.a)	9%	8%
Expected rate of return on plan assets (p.a)	9%	8%
Rate of Escalation in Salary (p.a)	2.50%	4.50%

The estimated rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The Group Gratuity Policy taken with the Life Insurance Corporation of India in the previous year was covering the liability partly. Hence, previous year figures have not been considered.

- XIII** During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard - 22 (AS-22) "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. As a result of the adoption of this Standard, the Profit is less by Rs. 617.83 Lakhs for the year 2007-08 as detailed below:-

	2007-08 (Rs. in Lakhs)	2006-07 (Rs. in Lakhs)
Deferred Tax Asset:		
Unabsorbed Losses/ Tax Credit/ Depreciation	318.35	1224.09
Others	95.48	10.00
Total	413.83	1234.09
Deferred Tax Liability:		
Depreciation Difference & Others	270.32	472.75
Net Deferred Tax Asset/ (Liability)	143.51	761.34

Deferred Tax Asset on account of unabsorbed depreciation / unabsorbed losses has been recognised, as the Company is of the opinion that there is virtual certainty of realisation of the same in view of the future profits of the Company.

- XIV** Your Company availed Carry Forward benefits u/s.72A of the Income Tax Act, 1961 relating to TTK Biomed Ltd, consequent to its merger with your Company. For availing these benefits, certain conditions have to be fulfilled under Rule 9C of the Income Tax Rules, 1962. Your Company could not fulfil one of the conditions and hence an application was made to CBDT for relaxation of the condition under the said Rule 9C. The CBDT while disposing of the application has advised your Company to refer the matter to the Specified Authority. Subsequently, your Company has filed necessary application with the Specified Authority.
- XV** Your Company availed certain Carry Forward benefits u/s.72A of the Income Tax Act, 1961 relating to TTK Medical Devices Ltd, consequent to its merger with your Company. For availing these benefits, certain conditions have to be fulfilled under Rule 9C of the Income Tax Rules, 1962. Your Company could not fulfil certain conditions and hence an application has been made to CBDT for relaxation of these conditions.

Notes on Accounts (Contd.)

XVI During the year, your Company has commenced commercial production of Heart Valves at its new facility in Trivandrum and the project cost amounting to Rs.372.25 lakhs has been capitalised.

XVII Out of the amount of Rs.126.48 lacs incurred towards Voluntary Retirement Scheme in respect of the employees of Chikalathana Factory during 2003-04 treated as Deferred Revenue Expenditure, a sum of Rs.86.43 lacs has already been written off and the balance amount of Rs.40.05 lacs has been debited to P&L Account during the year under review, in accordance with the Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.

Similarly, out of the amount of Rs.92.21 Lacs incurred towards Voluntary Retirement Scheme in respect of the employees of Waluj Factory during the year 2005-06 treated as Deferred Revenue Expenditure, a sum of Rs.27.66 lacs has already been written off and the balance amount of Rs.64.55 lacs has been debited to P&L Account during the year under review, in accordance with the Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.

XVIII During the year, the Company has written off non-recoverable debts to the extent of Rs.131.51 Lakhs.

XIX The Public Works Department increased the Water Charges for the water drawn by the Paper Division from the river Bhavani from Rs.60/- per 1000 Cu. Mtr to Rs.500/- per 1000 Cu. Mtr on the contracted quantity of water, with effect from 9th May, 1991. The Company filed a writ petition in the Madras High Court and as per the interim order dated 9th July, 1991, passed by the Court, the Company was paying water charges @ Rs.200/- per 1000 Cu. Mtr of water on the actual quantity of water drawn and with effect from 01.04.1993, on the contracted quantity. The Writ was disposed of by the Court by remanding the matter to the Public Works Department.

Subsequently, the Public Works Department reconfirmed the rate at Rs.500/- per 1000 Cu Mtr. Aggrieved by this, the Company again filed a writ petition in the Madras High Court and the High Court passed an interim order directing payment of water charges @ Rs.300/- per 1000 Cu Mtr prospectively.

The Court subsequently decided the case in favour of Public Works Department by passing an order for payment of Water Charges @ Rs.500/- per 1000 Cu. Mtr on the contracted quantity and consequently, Public Works Department has raised a demand for Rs.1.51 Crores (incl. interest upto 31.3.2006) towards the differential water charges on the contracted quantity of water drawn during the period 9th May, 1991 to 14th November, 1999.

The Company had subsequently filed a writ petition in the Honourable High Court of Judicature at Madras and the Court has passed an order staying the demand raised by the Public Works Department.

Since the Paper Division has been disposed off, the liability, if any, on this account upto the date of sale (i.e. 14.11.1999), will have to be borne by the Company. As a matter of prudence, the Company has made a provision of Rs.12 Lakhs during the year (Rs.57.51 Lakhs upto March,08) towards the liability by debiting the Profit and Loss Account, without prejudice to the right of the Company to contest the case in the Court.

XX During the year, the Printing Division's property consisting of Land and Building at Chrompet was sold to M/s.KKA Realty Pvt. Ltd. for a consideration of Rs.21 crores. Profit on this sale transaction amounting to Rs.20.16 crores has been considered under Other Income during the year.

XXI During the year, the Medical Devices Manufacturing Undertaking (Medical Devices Division) at Waluj, Aurangabad was sold to M/s.Atra Pharmaceuticals Pvt Ltd for a consideration of Rs.505 Lakhs. Loss on transfer of the said Undertaking amounting to Rs.543.89 lakhs has been considered under Loss on Sale of Assets during the year.

XXII Pursuant to discontinuation of the distribution arrangement, the Company received an amount of Rs.282.87 lakhs from M/s Sara Lee Household and Bodycare India Pvt. Ltd. towards settlement of various claims and the same has been considered under Other Income.

XXIII Earnings per Share as per Accounting Standard 20 (AS-20):

	2007-08 Rs.	2006-07 Rs.
Profit after Tax [Current/Deferred, Fringe Benefit Tax & Extraordinary item(s)] as per the Profit & Loss Account (Rs. In Lakhs)	1218.84	300.09
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	81.10	75.10
Earnings per share of Rs.10/-each	15.03	4.00

XXIV Fixed Assets taken on Finance Lease prior to 01.04.2001 amounted to Rs.53,45,805/- The outstanding lease payments against this lease was Rs.NIL as on 31.3.08. Future obligations towards lease rentals under the Lease Agreements as on 31.3.2008 amounted to Rs.NIL (previous year Rs.NIL)

	2007-08 Rs.	2006-07 Rs.
Within one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-

The Company has acquired certain vehicles on Finance Lease on or after April 1, 2001, amounting to Rs.1,69,74,898 /- (previous year Rs.1,27,99,449/-)

Notes on Accounts (Contd.)

The minimum lease rental outstandings as of 31st March, 2008 in respect of these assets were as follows:

Particulars	Total Minimum Lease Payments outstanding as on		Future Interest on Outstanding of Lease Payments as on		Present value of Minimum Lease Payments as on	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Within one year	42,30,820	34,56,420	10,86,537	8,67,077	31,44,283	25,89,343
Later than one year and not later than 5 years	76,77,705	61,95,340	12,96,505	8,96,252	63,81,200	52,99,088
Later than 5 years	-	-	-	-	-	-
Total	1,19,08,525	96,51,760	23,83,042	17,63,329	95,25,483	78,88,431

XXV Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation. Figures have been rounded off to the nearest rupee.

XXVI Related Party disclosures as per Accounting Standard 18 (AS-18):

List of Related Parties with whom transactions have taken place during the year:

Related Parties/ Firms

T.T.Krishnamachari & Co
Pharma Research & Analytical Laboratories
TTK Prestige Limited
TTK LIG Limited
Packwell Packaging Products Limited
TTK Healthcare Services Pvt Limited
SSL TTK Limited
Mr.T.T.Mukund

Key Management Personnel

Mr.T.T.Raghunathan,
Executive Vice Chairman
Mr. I. Ravindran
Wholtime Director / President - CPD

Summary of transactions with the above related parties is as follows:-

	(Rs. in Lakhs)	
	2007-08	2006-07
Purchase of Goods	4,606.20	3,433.59
Sale of Goods	-	2.32
Receiving Services	228.05	262.62
Interest Received on Deposits	2.00	2.80
Rental Charges Paid	44.78	43.84
Rental Charges Received	7.84	7.11
Logo Charges Paid	95.82	82.66
Sale of Investments	-	2.25
Proceeds of Preferential Allotment (including Share Premium)	-	1,095.00
Refund of Deposit	-	10.00
Outstanding Balance included in Current Assets	47.05	49.40
Outstanding Balance included in Current Liabilities	1,024.47	530.91
Managerial Remuneration	69.59	69.87

Notes on Accounts (Contd.)

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

The Company generally adopts the accrual basis of accounting. The financial statements are prepared under historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

Fixed Assets

Fixed Assets are normally stated at cost. In the case of Revaluation of any Fixed Assets, the same are stated at revalued amounts.

Depreciation

Depreciation is being charged at the rates prescribed in Schedule XIV to the Companies Act, 1956, under Written Down Value method in respect of assets purchased on or before 31st May, 1984 and under Straight Line Method in respect of other assets. In respect of the capital expenditure incurred on leasehold assets, the same is amortised over the duration of the lease.

The cost of acquisition of Trade Marks is being amortised over a period of 5 years in line with the opinion of the Expert Advisory Committee of The Institute of Chartered Accountants of India.

Investments

Current investments are carried at the lower of cost or quoted / fair value, categorywise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Value of Inventories

- Raw and Packing Materials and Consumables are valued at cost on FIFO basis.
- Finished Goods are valued at lower of cost or realizable value.
- Work-in-Progress is valued at Works cost.

Sales

Sales are stated net of returns, discounts and Sales Tax and exclusive of Excise Duty.

Treatment of Retirement Benefits

Based on the actuarial valuation, provisions have been made for the differential amounts in Gratuity / Leave Encashment obligations as per the requirements of Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.

Provisions & Contingencies

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

Contingent Liabilities are clearly disclosed while Contingent Assets, if any, are neither recognised nor disclosed.

Annexure to our Report of date

For M/s. AIYAR & CO.
Chartered Accountants

N. SRIDHARAN
Proprietor
Membership No 20503

For M/s. S VISWANATHAN
Chartered Accountants

C N SRINIVASAN
Partner
Membership No. 18205

T T Jagannathan, *Chairman*
R K Tulshan, *Director*
Dr K R Srimurthy, *Director*
B N Bhagwat, *Director*
J Srinivasan, *Director*
R Srinivasan, *Director*
K Vaidyanathan, *Director*
K Shankaran, *Director*
S Kalyanaraman, *Company Secretary*
B V K Durga Prasad, *Vice President - Finance*

Bangalore
12th June, 2008

Segmentwise Revenue, Results & Capital Employed:

Segmentwise Revenue & Results:

(Rs. in Lakhs)

Particulars	2007 - 08			2006 - 07		
	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Segment Revenue:						
Pharmaceuticals	9,758.77	141.98	9,616.79	8,923.79	315.64	8,608.15
Medical Devices	1,310.70	-	1,310.70	826.97	-	826.97
Consumer Products Distribution	7,938.42	-	7,938.42	10,536.87	-	10,536.87
Printing/ Maps	180.97	-	180.97	247.02	-	247.02
Others	857.17	-	857.17	894.88	-	894.88
Total Segment Revenue	20,046.03	141.98	19,904.05	21,429.53	315.64	21,113.89
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Sales	20,046.03	141.98	19,904.05	21,429.53	315.64	21,113.89
Segment Results:						
[Profit/ (Loss) before Interest & Tax]						
Pharmaceuticals			1,152.19			1136.71
Medical Devices			450.63			76.21
Consumer Products Distribution			(345.24)			(146.42)
Printing/ Maps			(64.55)			70.12
Others			26.51			52.66
Total Segment Results			1,219.54			1,189.28
Less: Interest Expenses			191.23			153.95
Less: Unallocable Expenses (Net of Unallocable Income)			(1,275.40)			407.20
Total Profit/(Loss) before Tax and Extraordinary item(s)			2,303.71			628.13
Less: Extraordinary Item - VRS - Amortised			104.60			43.74
Total Profit/(Loss) before Tax and after Extraordinary item(s)			2,199.11			584.39

Segmentwise Revenue, Results & Capital Employed (Contd.)

Capital Employed (Segment Assets less Segment Liabilities) :

Particulars	(Rs. in Lakhs)	
	As on 31.3.2008	As on 31.3.2007
	Rs.	Rs.
Pharmaceuticals	1,793.39	1,954.76
Medical Devices	730.24	1,730.25
Consumer Products Distribution	273.31	17.43
Printing/ Maps	58.54	189.91
Others	297.94	212.37
Total Capital Employed in Segments	3,153.42	4,104.72
Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	3,727.82	1,431.43
Total Capital Employed in Company	6,881.24	5,536.15
Total Assets Exclude:		
Investments	315.37	13.37
Deferred Tax Asset	413.83	1,234.09
Miscellaneous Expenditure to the extent not written off	-	104.60
Total Liabilities Exclude:		
Secured Loans	1,316.97	1,368.64
Unsecured Loans	6.20	6.45
Deferred Tax Liability	270.32	472.75
Proposed Dividend including Dividend Tax	284.66	237.22

Notes:

- 1 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) considering the organisation structure and the differential risks and returns of these segments.
- 2 Segment Sales is net of Excise Duty related to the Sales of own manufactured goods for the current as well as for the previous year.
- 3 Details of products included in each of the segments are as below:
 - * Pharmaceuticals include products for both Human and Veterinary use. It also includes OTC Brands like Woodward's Gripewater distributed by Consumer Products Division.
 - * Medical Devices include Artificial Heart Valves, Hernia Repair Mesh, etc.,
 - * Consumer Products Distribution consists of marketing and distribution of EVA range of Cosmetics, Good Home range of Scrubbers, Air Freshners, etc. and Woodward's Baby Bath Soap (Own Brands) and also trading of Branded Condoms, Shoe Care, Hair Care and Toiletry Products.
 - * Printing/ Maps comprise of Printing and Publishing of Maps and Atlases.
 - * Others" comprise of ready-to-fry Cereal Snack Foods and Paper Products.
- 4 The segment-wise revenue, results and capital employed figures relate to respective amounts directly identifiable to each of the segments. The unallocable expenditure includes expenses incurred on common services at the corporate level and all those expenses not identifiable to any specific segment.
- 5 The previous year's figures have been regrouped and reclassified, wherever necessary to conform to the current year's presentation.

Balance Sheet Abstract and Company's General Business Profile

PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956, IN TERMS OF DEPARTMENT OF COMPANY AFFAIRS NOTIFICATION DATED 15-5-95

I. REGISTRATION DETAILS		
Registration Number		003647
State Code		18
Balance Sheet Date		31-3-2008
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)		
Public Issue		Nil
Rights Issue		Nil
Private Placement		Nil
III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)		
Total Liabilities		12,18,102
Total Assets		12,18,102
Sources of Funds		
Paid-up Capital		81,104
Reserves & Surplus		4,92,126
Secured Loans		1,31,697
Unsecured Loans		620
Application of Funds		
Net Fixed Assets		1,79,680
Investments		31,537
Net Current Assets		4,79,979
Deferred Tax Asset (Net)		14,351
IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)		
Turnover (Total Income)		22,50,387
Total Expenditure		20,20,016
Profit(+)/Loss(-) before Tax and Extraordinary Item(s)		2,30,371
Extraordinary Item - VRS Amortised		10,460
Profit(+)/Loss(-) before Tax		2,19,911
Provision for Tax		27,244
Deferred Tax		61,783
Fringe Benefit Tax		9,000
Profit(+)/Loss(-) after Tax		1,21,884
Earning Per Share [(after Extraordinary Item(s))] (In Rs.)		15.03
Dividend Rate		30%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description
300390.27	Gripewater
330720.00	Deodorants
300450.03	Calcium Supplement

Annexure to our Report of date

For M/s. AIYAR & CO.
Chartered Accountants

For M/s. S VISWANATHAN
Chartered Accountants

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No.18205

Bangalore
12th June, 2008

T T Jagannathan, *Chairman*
R K Tulshan, *Director*
Dr K R Srimurthy, *Director*
B N Bhagwat, *Director*
J Srinivasan, *Director*
R Srinivasan, *Director*
K Vaidyanathan, *Director*
K Shankaran, *Director*
S Kalyanaraman, *Company Secretary*
B V K Durga Prasad, *Vice President - Finance*

Financial Highlights

(Rs. in lakhs)

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
	(10 Months)									
Sales & Other Income*	22,645.86	21,721.21	19,233.95	16,000.26	15,403.93	14,811.96	13,984.71	15,027.18	11,610.11	13,675.32
Profit Before Tax	2,199.11	584.39	498.31	(237.64)	106.02	61.02	(883.52)	(456.88)	262.04	300.43
Current Tax	272.44	54.30	32.98	-	8.20	19.32	-	(9.48)	55.00	95.00
Deferred Tax	(617.83)	(130.00)	(159.00)	30.61	(56.75)	263.92	1,076.17	-	-	-
Fringe Benefit Tax	90.00	100.00	106.00	-	-	-	-	-	-	-
Profit After Tax	1,218.84	300.09	200.33	(207.03)	41.07	305.62	192.65	(447.40)	207.04	205.43
Dividend	243.31	202.76	132.21	-	-	-	-	-	125.75	125.75
Tax on Dividend	41.35	34.46	18.54	-	-	-	-	-	27.66	13.83
Retained Earnings	934.18	62.87	49.58	(207.03)	41.07	305.62	192.65	(447.40)	53.63	65.85
Net Block	1,796.80	2,854.36	3,123.22	3,176.08	3,306.58	3,438.50	3,386.06	1,927.78	1,676.41	1,913.90
Investments	315.37	13.37	13.87	163.22	211.01	211.01	263.88	2,036.60	579.33	668.87
Net Current Assets	4,799.79	2,444.57	829.13	1,166.71	1,799.02	2,241.21	3,297.42	5,974.08	6,337.76	5,006.74
Deferred Tax Asset	413.83	1,234.09	1,397.29	1,621.47	1,662.18	1,748.10	1,568.90	-	-	-
Deferred Tax Liability	(270.32)	(472.75)	(505.95)	(571.13)	(642.45)	(671.62)	(756.35)	-	-	-
Miscellaneous Expenditure	-	104.60	148.34	90.65	115.95	-	280.30	266.79	126.44	-
Total Assets	7,055.47	6,178.24	5,005.90	5,647.00	6,452.28	6,967.20	8,040.21	10,205.25	8,719.94	7,589.51
Share Capital	811.04	811.04	661.04	661.04	661.04	661.04	661.04 **	637.52	502.99	502.99
Reserves	4,921.26	3,992.11	2,989.26	2,945.72	3,297.60	3,393.16	3,975.42	4,036.51	3,041.57	2,994.00
Borrowings	1,323.17	1,375.09	1,355.60	2,040.24	2,493.64	2,913.00	3,403.75	5,531.22	5,175.38	4,092.52
Total Liabilities	7,055.47	6,178.24	5005.90	5,647.00	6,452.28	6,967.20	8,040.21	10,205.25	8,719.94	7,589.51

* Inclusive of Excise Duty.

** Includes Rs. 23.52 lakhs, being the value of shares pending allotment as on 31-3-02; subsequently allotted during 2002-03.



TTK HEALTHCARE LIMITED
 Regd. Office: 6, Cathedral Road, Chennai 600 086

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

NAME & ADDRESS OF THE SHAREHOLDER

.....

FOLIO NO.

*DP. ID

*CLIENT ID

* Applicable to investors holding shares in electronic form

I hereby record my presence at the 50th ANNUAL GENERAL MEETING OF THE COMPANY at THE MUSIC ACADEMY, KASTURI SRINIVASAN HALL (Mini Hall), New No. 168 (Old No. 306), TTK Road, Chennai-600 014 on Wednesday, the 27th August, 2008 at 11.00 a.m.

SIGNATURE OF THE MEMBER OR PROXY

NO. OF SHARES HELD



TTK HEALTHCARE LIMITED
 Regd. Office: 6, Cathedral Road, Chennai 600 086

PROXY

I / We of

in the district of

being a member / members of TTK HEALTHCARE LIMITED, hereby appoint

of in the

district of or failing him,

of

in the district of

as my / our proxy to vote for me / us on my / our behalf at the 50th Annual General Meeting of the Company to be held on Wednesday, the 27th August, 2008 at 11.00 a.m. at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168 (Old No. 306), TTK Road, Chennai-600 014, or at any adjournment thereof.

Signed this day of 2008.

FOLIO NO.:

NO. OF SHARES HELD:

*DP.ID:

*CLIENT ID:

* Applicable to investors holding shares in electronic form

NOTES:

PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY SHOULD BE SIGNED ACCORDING TO THE SPECIMEN SIGNATURE/S OF THE MEMBER/S RECORDED WITH THE COMPANY.

Please affix
 1.00 Rupee
 Revenue
 Stamp



