

TTK PRESTIGE LIMITED

ANNUAL REPORT 2003-2004

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BOARD OF DIRECTORS

Shri. T.T. Jagannathan	<i>Executive Chairman</i>
Shri. T.T. Raghunathan	<i>Vice Chairman</i>
Shri. S. Ravichandran	<i>Managing Director</i>
Shri. Ajay I. Thakore	<i>Director</i>
Shri R. Srinivasan	<i>Director</i>
Dr. (Smt.) Latha Jagannathan	<i>Director</i>
Dr. (Smt.) Vandana R. Walvekar	<i>Director</i>
Shri R. Rajagopalachari	<i>Director</i>
Shri K. Shankaran	<i>Director</i>

STATUTORY AUDITORS

M/s. S. Viswanathan
Chartered Accountants
27/34, II Floor, Nandi Durg Road, Jayamahal Extension, Bangalore - 560 046.

COMPANY SECRETARY

K. Shankaran

REGISTERED OFFICE

No. 78, Old Madras Road
Dooravaninagar
Bangalore - 560 016.

CORPORATE OFFICE

11th Floor, Brigade Towers
35, Brigade Road
Bangalore - 560 025.

FACTORIES

No. 78, Old Madras Road Dooravaninagar,
Bangalore - 560 016.
82 & 85, Sipcot Industrial Complex, Hosur
Tamil Nadu - 635 126

BANKERS

1. Bank of Baroda
Corporate Banking Branch, HJS Complex, 1st Floor
No. 26, Richmond Road, Bangalore - 560 025.
2. Canara Bank
M.G. Road, Bangalore

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare (P) Limited
51/2, T.K.N. Complex
Vanivilas Road
Basavangudi
Bangalore - 560 004.

BRANCHES

Ahmedabad, Bangalore, Chennai, Cuttack, Delhi, Ernakulam,
Ghaziabad, Goa, Guwahati, Hyderabad, Indore, Jaipur,
Jamshedpur, Kolkata, Ludhiana, Mumbai, Patna, Pune, Raipur,
Trichy & Vijayawada

TTK Prestige LIMITED

Registered Office: No. 78, Old Madras Road, Dooravaninagar, Bangalore - 560 016.

Notice to Shareholders

NOTICE is hereby given that the Forty Eighth Annual General Meeting of **TTK PRESTIGE LIMITED** will be held at the registered office at 78, Old Madras Road, Dooravaninagar, Bangalore 560 016 on **Monday the 27th September, 2004 at 11.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. T T Raghunathan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. Rajagopalachari who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint the Auditors of the Company for the ensuing year and to fix their remuneration.

By Order of the Board
For TTK Prestige Limited
K. SHANKARAN
Director & Secretary

Place: Bangalore

Dated: 26th July, 2004

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM, 21st

SEPTEMBER, 2004 TO 27th SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE)

3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. Members are requested to intimate the Company, changes if any, in their registered address at an early date.
5. Those members who have so far not encashed their Dividend Warrants for the below mentioned financial years, may claim or approach the Company's Share Transfer Agents for the payment thereof 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 dates mentioned there against. **Kindly note that after such date, the members will not be entitled to claim such dividend.**

Financial Year Ended	Due Date of Transfer
31st March, 1997	21-9-2004
31st March, 1998	24-9-2005
31st March, 1999	14-9-2006
31st March, 2000	08-5-2007
31st March, 2001	20-9-2008

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

ITEM No. 2 - Re-appointment of Mr. T.T. Raghunathan

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

Mr. T.T. Raghunathan is a Commerce Graduate. He has been on the Board of your Company since 1995.

Mr. T.T. Raghunathan is also on the Board of TTK Healthcare Limited, TTK-LIG Limited, SSL-TTK Limited, TTK Tantex Limited, TTK Healthcare Services (P) Ltd. and TTK Services (P) Limited.

The Resolution is commended for adoption.

Mr. T.T. Raghunathan, Mr. T.T. Jagannathan and Mrs. Latha Jagannathan are deemed to be interested in this Resolution.

ITEM No. 3 - Re-appointment of Mr. R. Srinivasan

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

Mr. R. Srinivasan holds the qualification B.E. (Hons.) and is a Management Consultant. He has been on the Board of the Company for the last 3 years.

He is a Director on the Board of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Murugappa Morgan Thermal Ceramics Ltd., Cholamandalam Gen Insurance Co. Ltd., Yuken India Ltd, NTTF Industries Ltd, Krishna Fabrications Ltd, SAI India Ltd., Ace Designers Ltd and Nettur Technical Training Foundation.

He is a member of Remuneration Committee of the Company. He chairs Audit Committee of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Yuken India Ltd. and Ace Designers Ltd. He is a member of Audit Committee of Cholamandalam Gen. Insurance Co. Ltd.

The Resolution is commended for adoption.

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

ITEM No. 4 - Re-appointment of Mr. R. Rajagopalachari

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

Mr. R. Rajagopalachari is a qualified Engineer holding A.M.I.E. degree. He has been on the Board of the Company for the last 3 years.

He is the Chairman of the Audit Committee & a member of Remuneration Committee of the Company.

The Resolution is commended for adoption.

None of the Directors except Mr. R. Rajagopalachari is deemed to be interested in this Resolution.

By the Order of the Board
K.Shankaran
Director & Secretary

Bangalore
Dated: 26th July, 2004

DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Forty-Eighth Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March 2004 as follows:

FINANCIAL RESULTS

	(Rupees in lakhs)	
	2003-04	2002-03
Sales (inclusive of excise duty)	14611	11352
Other income	635	(21)
Profit/(Loss) before tax	55	(1742)
Net Tax Provision/(Tax credit)	34	(595)
Net Profit/(Loss)	21	(1147)
Surplus brought forward	0	348
Surplus Carried forward	21	-
Deficit adjusted against General Reserve	-	799

REVIEW OF PERFORMANCE

Your company registered a marked turnaround during the year under report both in terms of sales and operating performance. The overall sales performance registered an impressive growth of over 30% both in volume and value. As outlined in our earlier reports, several measures were initiated and implemented for reducing various elements of costs. After recognising an income of Rs. 497 lakhs based on property development agreement, your company registered a pre-tax profit of Rs. 55 lakhs against a pre tax loss of Rs. 1742 lakhs in the previous year. Though the profit was achieved after recognizing such income, the operational swing from a negative of Rs. 17 Crores to a positive figure in just one operating year must be regarded as a vastly improved performance in the most adverse circumstances.

MANAGEMENTS' DISCUSSION AND ANALYSIS

A. Industry Scenario

After three years of recessionary trend, 2003-04 saw a general turnaround in the domestic economic scenario. However, the global economic scenario continued to reflect the past recessionary trends. While southern parts of the country continued to have spells of drought, other parts of the country received a good monsoon resulting in better purchasing power with the public.

Your company's main stay is pressure cookers which market is equally shared by organized and unorganized sectors, the share of the latter being on the increase. Your company's other main product categories are non-stick cookware and Kitchen Electrical Appliances. These have similar market and competition structure like pressure cookers.

After three years of high Excise Duty regime of 16%, the pressure cooker industry saw some recovery during 2003-04 due to reduction of duty from 16% to 8%. But the industry has to go a long way to recoup the losses suffered during the three years of high excise duty impact as well as other recessionary factors.

B. Opportunities and Threats

Your Company's strengths are derived from its brand, manufacturing and developing expertise in Pressure Cookers and Non Stick Cookware, distribution and service capabilities.

The organised players like your company continue to experience adverse impacts now and then on account of mushrooming unorganized players and regional players. However the brand mortality of such players is also frequent. Your company banks on its brand reputation and streamlined manufacturing set up to be competitive in the market. Your company's strategy is to continue to deliver well-differentiated high quality products and introduce new features and new models from time to time. Continuous efforts are made to make the customer to realise the value for money your company's products deliver. To ensure that the trade is not weaned away by un-organised players and some regional brands, your company makes sustained efforts to keep the trade whole heartedly engaged in dealing with the products of your company to enjoy a better return by dealing with your company's products.

Your company brought in the Prestige Gallery (Prestige Smart Kitchen) concept to entrench the public with your company's brand image. The efforts made during the last year by establishing 18 Prestige Galleries mostly in the southern states has largely achieved this purpose. The galleries offer the entire range of your company's brands and products in a modern ambience and hence are able to draw significant customer footfalls. Your company will be pursuing the expansion of this chain aggressively.

The rural market presents a great opportunity. Your company is still in the pilot stage as the Southern States continue to be affected by drought. In fact during the year under report the situation worsened in the three key states of Karnataka, Andhra Pradesh and Tamil Nadu. Your company will continue to direct significant thrust in this market in the years to come.

While exports present a great opportunity, continued stressed economic scenario in international markets will have to ease before your company can achieve substantial penetration. Your company's ability to make new product offerings has opened several new avenues for exports in Europe and USA which can help your company to register improved performance in the coming years. Your company's efforts are directed to significantly improve the contribution from exports to sales and profits.

Your company's manufacturing and design facilities have received PED certification from TUV Rhineland which means that the pressure cookers manufactured by these facilities will automatically qualify for CE marking, which is important for the export market. Your company is the first company in India in the household appliances sector to receive this certification.

C. Performance by Sector and Products

Your company operates in a single segment-Kitchen Appliances. The products include Pressure Cookers, Non-stick Cookware, Kitchen Electrical Appliances and Gas Stoves. The turnover of these product categories is given in the following table.

(In Rupees Lakhs)

	2003-04			2002-03		
	Domestic	Export	Total	Domestic	Export	Total
Pressure Cookers	7880	1590	9470	5525	1791	7316
Non-stick Cookware	1916	18	1934	1374	20	1394
Kitchen Electric Appliances	1025	—	1025	893	-	893
Gas Stoves	762	—	762	507	-	507
Others	1337	83	1420	1111	131	1242
Total	12920	1691	14611	9410	1942	11352

Your company registered a substantial volume as well as value growth in 2003-04 over the preceding year 2002-03 in the domestic market. This dramatic turnaround in domestic market was achieved owing most importantly to the introduction of several new products and models both in Pressure Cooker, Non stick cookware as well as Domestic Kitchen Electrical Appliances and equally importantly to the reduction in excise duty from 16% to 8%. These were supported by sustained efforts to keep the trade engaged with your company's products and brand and building of the strong brand image through sustained advertising and by establishing 18 Prestige Galleries in rapid succession in the four southern states.

The new Deluxe range of pressure cookers in Aluminum, Hard anodized, Stainless Steel and Duo metal form, Handi range of Pressure Cookers and Omega Select range of non-stick cookware were all received well in the market place. With the newer models in place, Stoves and Kitchen Electrical Appliances saw impressive growth during the year.

The number of new variants and stock keeping units introduced by your company in all its product categories during the year 2003-04 was more than fifty.

Your company's revitalised trade and distribution policy also has given impressive results in the form of reduced receivable cycle, improved retail off take thus reducing the market stocks etc.

As regards exports, in spite of the continued recessionary trend in the international market your company managed to maintain its export performance at 91% of previous year's level in dollar terms. A strong rupee throughout the year 2003-04 saw a little more drop in terms of rupees. Further, pending market stock corrections in USA your company reduced its exports to the US subsidiary during the year 2003-04.

As a result of the various factors mentioned above, your company registered an impressive turnaround in increasing volume, value and market share.

D. Outlook

During the year 2003-04, your company recouped most of its market share lost in the previous years to unorganized players and regional brands. Your company will more aggressively pursue its revamped domestic product and market policy to get better growth. With aggressive efforts being put in getting new customers in export market both in USA and Europe your company expects to have an impressive performance in the exports front too. Subject to the statutory levies not being adversely changed, your company is expected to register an improved performance both in sales and profit during the year 2004-05.

E. Risks and Concerns

The various facts presented in the Industry Scenario and Opportunities and Threats section represents the risks and

concerns faced by your company. The broad strategy to overcome these risks and concerns has also been outlined in the section Opportunities and Threats.

F. Finances/Interest rate restructuring

During the year there was no change in the equity capital. Your company reduced its borrowings by Rs. 7.4 Crores including utilization of securitisation of receivables limit.

During the later half of the year your company switched over a large part of its debt from high cost to low cost, and achieved an interest saving of more than Rs. 20 lakhs per month from the first quarter of 2004-05. Your company's debt portfolio has a well-balanced mixture of foreign currency and rupee borrowings both long-term and short-term.

During the year, your company disposed off most of its unrelated investments in group companies and brought in cash resources to the tune of Rs. 2.4 Crores. Further a sum of Rs. 5 crores was brought in through property development agreement for one of the properties.

G. Investments

The company made no fresh investments during the year. Your company disposed off its sizable investments in group companies.

H. Internal Control Systems

Your company is continuously improving the internal control system in all the areas of operation.

I. Developments in Human Resources

The direct employment strength stood at 704 as compared to 731 in the previous year. Revamped training and development programmes are being put in place to achieve improved productivity in all departments. Industrial relations were cordial throughout the year.

In spite of adverse business conditions over the last few years, your company maintained its morale of human resource at the highest level which enabled the turnaround possible.

MANTTRA INC.

Your wholly owned US subsidiary Manttra Inc. turned out an impressive performance during the year 2003-04 by registering a sale of Rs. 17.88 crores thus achieving a growth 28.5% over last year's sale of Rs. 13.91 crores. The operations of the subsidiary have also been rendered viable and profitable. The investment in the subsidiary is long term in nature and considering the fact that the subsidiary has been put on an improved operating platform, your Board of Directors do not consider it necessary to make any provision for investments made in the subsidiary.

The Annual Report of the subsidiary and the statement as required under Section 212 of the Companies Act, 1956 are annexed to this Annual Report.

DIRECTORS

Mr. T.T. Raghunathan Mr. R. Srinivasan and Mr. R. Rajagopalachari retire by rotation and are eligible for re-election. The information on these retiring directors is provided in the Notice calling the Annual General Meeting.

FIXED DEPOSIT

The Public Deposits aggregated to Rs. 315.60 lakhs as on 31st March 2004. There were three Deposits amounting to Rs. 3,36,000, which had matured but not claimed by the Depositors.

DIVIDEND

Though the company has turned around from a loss situation to a minor profit situation, your Directors consider it prudent not to declare any Dividend for the financial year 2003-04 to conserve financial resources.

FUTURISTIC STATEMENTS

This Directors Report and the Management Discussion and Analysis included there in 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.

CORPORATE GOVERNANCE

Report on Corporate Governance is separately presented as part of the Annual Report. Management Discussion and Analysis is included in this Directors' Report in the preceding sections.

EMPLOYEES

The provisions of Sec.217 (2A) of the Companies Act regarding furnishing particulars of employees are not applicable for the year under report.

AUDITORS

M/s. S.Viswanathan, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

LISTING

Pursuant to the permission given by the shareholders at the last General Meeting, your company made applications to the Bangalore, Chennai and Ahmedabad exchanges for voluntary de-listing. While Bangalore and Chennai exchanges have de-listed the shares, the application with the Ahmedabad exchange is still pending clearance. Your company's shares are continued to be listed in the Bombay Stock Exchange and National Stock Exchange and the listing fees for these two exchanges have been paid.

FOREIGN EXCHANGE EARNINGS

The details of foreign exchange earnings and outflow are given in the annexure to the Directors' Report.

CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT

The measures related to conservation of energy, etc., are covered in detail in annexure to this Report pursuant to Section 217(1)(e) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Sec 217(2AA) of the Companies Act, 1956 your directors confirm

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors deeply appreciate and acknowledge the significant and continued co-operation given to your Company by the Bankers, Financial Institutions and the employees of the Company.

Registered Office: For and on behalf of the Board
78, Old Madras Road
Dooravaninagar (T.T. JAGANNATHAN)
Bangalore 560 016 CHAIRMAN

Place : Bangalore

Dated : 25th June, 2004

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 for the year ended 31st March, 2004.

- A. CONSERVATION OF ENERGY AS PER FORM A - Not Applicable.
- B. PARTICULARS AS PER FORM B - RESEARCH & DEVELOPMENT
Constant efforts are made to improve the quality of the product and upgrade the Manufacturing Process of all the products of the Company. During the year five Design Applications have been made.
- C. FOREIGN EXCHANGE EARNINGS & OUTFLOW
 - 1) Inflow
Export of Goods (FOB) - Rs. 1591 Lakhs
 - 2) Outflow
Import of Goods & Others - Rs. 409 Lakhs

Registered Office: For and on behalf of the Board
78, Old Madras Road
Dooravaninagar (T.T. JAGANNATHAN)
Bangalore 560 016 CHAIRMAN

Place : Bangalore

Dated : 25th June, 2004

REPORT ON CORPORATE GOVERNANCE

1. Philosophy

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

It is the philosophy of the Board that the company continues to follow fair business and organisational practices to fulfill the mission of Quality Consumer Products at affordable prices and in the process deliver long term sustainable shareholder value. It is also the philosophy of the Board that practice of Corporate Governance should travel beyond statutory requirements and further encompass social responsibilities.

The Board of Directors believe that excellence in Corporate Governance Practices can be achieved only if the spirit of Corporate Governance is followed right from the top management to the last level employee of the company.

2. Board of Directors

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

Category	Name of the Director
Promoter /Executive Director	Mr. T.T. Jagannathan Executive Chairman
Promoter/Non-Executive Directors	Mr. T.T. Raghunathan Dr.(Mrs.) Latha Jagannathan
Non-Promoter/ Independent, Executive Directors	Mr.S. Ravichandran (Managing Director) Mr. K. Shankaran (Director & whole-time Secretary)
Non-Executive Independent Directors	Mr. Ajay I Thakore Mr. R. Srinivasan Mr.R. Rajagopalachari Dr(Mrs.) Vandana Walvekar

3. Board Meetings, Attendance and other directorships.

The company held 7 Board meetings during the period 1-4-2003 to 31.3.2004. The dates of the meetings are 25th April, 2003, 26th June, 2003, 25th July, 2003, 9th August 2003, 24th September, 2003, 28th October, 2003, 27th January, 2004. The attendance particulars are as follows:

Name of the Director	Attendance Particulars		No. of other directorships and committee member/chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. T.T. Jagannathan	7	Yes	6*		
Mr. T.T. Raghunathan	4	No	4		
Dr. (Mrs.) Latha Jagannathan	6	Yes	1		
Mr. Ajay I Thakore	3	No	2		
Mr. R. Srinivasan	6	Yes	10	1	5
Dr. (Mrs) Vandana Walvekar	4	No	1		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	2	1
Mr. R. Rajagopalachari	6	Yes	-		

Other directorship does not include private companies.

* includes directorship of one overseas subsidiary.

4. Audit committee

Audit Committee consists of three independent directors namely, Mr. R. Rajagopalachari, Mr. Ajay Thakore and Mrs. Vandana Walvekar. Mr. K. Shankaran - Director & Whole time Secretary is assisting this committee. Mr. R. Rajagopalachari is the Chairman and in his absence Mr. Ajay Thakore will chair the meetings. The composition of the committee meets with the requirements of Sec. 292A of the Companies Act, 1956 as well as with the provisions of the Listing Agreement.

The terms of reference to the Audit Committee include review of Annual financial statements before submission to the Board, overseeing all financial reporting process, recommendation of appointment/removal of Auditors and their remuneration, review of adequacy of Management Audit, Internal Audit and Internal control systems, and looking into reasons for substantial defaults in repayment of deposits or non-payment of declared dividends.

The Audit Committee met 5 times during the year. Mr. R. Rajagopalachari & Mrs. Vandana Walvekar attended all the meetings and Mr. Ajay Thakore attended 4 meetings.

5. Remuneration Committee

Remuneration Committee consists of four independent directors namely, Mr. Ajay Thakore, Mr. R. Srinivasan, Mr. R. Rajagopalachari, and Mrs. Vandana Walvekar. Mr. Ajay I Thakore is the Chairman.

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.

The Remuneration Committee met during June 2004 to consider re-appointment of Mr. T.T. Jagannathan as Executive Chairman and all the members were present.

6. Directors' Remuneration

The details of remuneration paid to whole-time directors for the year 2003-04 are as follows:

Name/Designation	Salary	HRA and other allowances	Contribution to PF and other funds	Total	Tenure of appointment
T.T. Jagannathan Executive Chairman	1200000	508880	434000	2142880	5 years from 1st July 2003.
S. Ravichandran Managing Director	960000	875923	347200	2183123	5 Years from 5th Feb 2002

The company paid sitting fees of Rs. 5,000/- per meeting of the Board/Committee, attended to each of the non-executive directors during the 2003-04.

7. Particulars of Directors appointed/re-appointed

1. Mr. T.T. Raghunathan

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

Mr. T.T. Raghunathan is a Commerce Graduate. He has been on the Board of your Company since 1995.

Mr. T.T. Raghunathan is also on the Board of TTK Healthcare Limited, TTK-LIG Limited, SSL-TTK Limited, TTK Tantex Limited, TTK Healthcare Services (P) Ltd., TTK Services (P) Limited.

2. Mr. R. Srinivasan

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

Mr. R. Srinivasan holds the qualification B.E. (Hons.) and is a Management Consultant. He has been on the Board of the Company for the last 3 years.

He is a Director on the Board of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Murugappa Morgan Thermal Ceramics Ltd., Cholamandalam Gen Insurance Co. Ltd., Yuken India Ltd., NTTF Industries Ltd., Krishna Fabrications Ltd., SAI India Ltd., Ace Designers Ltd..

He is a member of Remuneration Committee of the Company. He chairs Audit Committee of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Yuken India Ltd., Ace Designers Ltd. He is a member of Audit Committee of Cholamandalam Gen. Insurance Co. Ltd.

3. Mr. R. Rajagopalachari

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

Mr. R. Rajagopalachari is a qualified Engineer holding A.M.I.E. degree. He has been on the Board of the Company for the last 3 years.

He is the Chairman of the Audit Committee & a member of Remuneration Committee of the Company.

8. Shareholders'/Investors' Grievance Committee

This committee consists of Mr. T.T. Jagannathan, Mr. S. Ravichandran, Mrs. Latha Jagannathan and Mr. K. Shankaran. This committee is chaired by Mrs. Latha Jagannathan, a non-executive director. The committee's scope includes issue of duplicate share certificates, overseeing of process of redressal of investor grievances and the performance of the Registrars and Share Transfer Agents. The power to approve share transfers is delegated to Mr. K. Shankaran, Director and a few other executives of the company. Share transfers are approved on a weekly basis.

The Board has designated Mr. K. Shankaran, Director and Company Secretary, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, was 33. No requests for dematerialisation were pending for approval as on 31st March, 2004.

The committee met once during the year.

9. General Body Meetings

Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time
2000-01	NDK Kalyana Mandira, 13th Main, HAL II Stage, Bangalore	20.9.2001	10.30 a.m.
2001-02	NDK Kalyana Mandira, 13th Main, HAL II Stage, Bangalore	23.9.2002	10.30 a.m.
2002-03	78, Old Madras Road, Dooravaninagar, Bangalore	24.9.2003	11.00 a.m.

No special resolutions requiring postal ballot were put through last year, or being put through in the ensuing General Meeting.

10. a. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large:
- None of the transactions with any of the related parties were in conflict with the interest of the Company. The Director interested contract, if any, is entered in the Register of Contracts and placed before the Board of Directors.
- b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:
- None

11. Means of Communication

While the Annual Report is sent to household address of shareholders, quarterly results are published in Economic Times (All India Edition) OR Business Standard (All India Edition) OR Financial Express OR Business Line OR Indian Express & Kannada Prabha and are also available on Company's website ttkprestige.com and SEBI's website sebidifar.nic.in

From the year 2002-03, we have started communicating the half-yearly results to the household address of the shareholders. All other communications of the company related to the developments of the company are communicated to Stock Exchanges, Press and also published on the website of the company.

Management Discussion Analysis Report is included in the Directors' Report.

12. General Shareholder Information.

12.1 Annual General Meeting

- Date and Time September 27, 2004 at 11.00 a.m.
- Venue 78, Old Madras Road, Dooravaninagar, Bangalore

12.2 Financial Calendar

- Annual General Meeting September 27, 2004
- Quarterly Results - 30.6.2004 Last week of July, 2004
- Quarterly Results - 30.9.2004 Last week of October, 2004
- Quarterly Results - 31.12.2004 Last week of January, 2005
- Quarterly Audited/Annual Results - 31.3.2005 Last week of June, 2005

12.3 Book Closure date

21st September 2004 to
27th September 2004 for AGM

12.4 Dividend payment date

N.A.

12.5 Listing of Equity Shares on the Stock Exchanges at

Pursuant to the permission given by the shareholders at the last General Meeting, your company made applications to the Bangalore, Chennai and Ahmedabad exchanges for voluntary de-listing. While Bangalore and Chennai exchanges have de-listed the shares, the application with Ahmedabad exchange is still pending clearance. Your Company's shares are continued to be listed Mumbai Stock Exchange and National Stock Exchanges and the annual listing fees for these two stock exchanges have already been paid.

12.6 (a) Stock Code

Trading Symbol & Code

Bombay Stock Exchange

Trading Symbol N.S.E

- TTK PRESTIGE - 517506

- TTKPRESTIG EQ

(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares

- ISIN No. **INE690A01010**

12.7 Stock Market Data (National Stock Exchange)

Month	High	Low	Volume
April 2003	9.45	6.75	60942
May 2003	10.50	8.40	116755
June 2003	12.60	8.90	397964
July 2003	12.25	9.20	218749
August, 2003	18.60	9.90	911057
September 2003	15.75	13.35	124033
October 2003	12.60	10.25	38680
November 2003	13.90	10.00	75850
December 2003	18.65	16.25	17689
January 2004	22.10	15.50	468938
February 2004	17.90	14.15	117396
March 2004	17.90	12.25	119639

Stock Market Data (Mumbai Stock Exchange)

Month	High	Low	Volume
April 2003	11.45	7.10	10451
May 2003	10.25	7.10	22821
June 2003	12.60	9.00	49795
July 2003	13.25	8.54	88855
August, 2003	18.50	9.25	264361
September 2003	16.45	9.75	122656
October 2003	12.40	9.62	96608
November 2003	14.00	9.51	88064
December 2003	19.66	12.77	161039
January 2004	22.00	14.50	199893
February 2004	17.85	14.00	44514
March 2004	17.50	11.20	53022

12.8 Registrars & Transfer Agents

Share transfer and communication regarding share certificates, dividends and change of address

Karvy computershare (P) Limited
51/2, T.K.N. Complex, Vanivilas Road,
Opp. National College,
Basavanagudi, Bangalore 560 004
Mr. S. Kannan - AGM
E-mail Bangalore@karvy.com

12.9 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 10-15 days from the date of receipt.

12.10 Shareholding Pattern as on 31st March, 2004:

CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A. Promoter's holding*		
Promoters, Directors & Relatives	8217908	72.41%
B Non-Promoters Holding		
1. INSTITUTIONAL INVESTORS	84100	0.74%
2. OTHERS		
a. Private Corporate Bodies	193460	1.71%
b. Indian Public	2836683	25.00%
c. NRIs**	16233	0.14%
GRAND TOTAL	11348384	100.00%

* Promoters include TT Krishnamachari & Co. represented by its partners and constituents of TTK Group. The constituents of TTK Group include TTK Healthcare Limited, and partners and relatives of TT Krishnamachari & Co.

** The Company has not issued any GDRs/ADRs.Warrants & Convertible Instruments

12.11 Dematerialization of Shares

Category	Total Count	Physical share	De-mated share	Total Shares	Total %
0-500	12359	754039	772141	1526180	13.45
501-1000	337	40044	244841	284885	2.51
1001-2000	137	22800	191589	214389	1.89
2001-3000	53	7016	127379	134395	1.18
3001-4000	18	0	64415	64415	0.57
4001-5000	23	4600	104197	108797	0.96
5001-10000	32	0	221821	221821	1.95
>10001	29	8244424	549078	8793502	77.49
TOTAL	12988	9072923	2275461	11348384	100.00

No. of shares held in dematerialized form - 2275461 (20%)

12.12 Plant Locations

1. No.78, Old Madras Road
Dooravaninagar,
Bangalore - 560 016
2. 82 & 85, Sipcot Industrial
Complex, Hosur
Dharmapuri District. TN

12.13 (i) Investor Correspondence for Shares held in physical form

For transfer/ de-materialization of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to shares and debentures of the Company.

Karvy Computershare (P) Ltd
51/2, T.K.N. Complex, Vanivilas Road
Opp. National College,
Basavanagudi
Bangalore

13 Other TTK Group Companies under the same Management

TT Krishnamachari & Co. and its partners & relatives of the partners
TTK Healthcare Limited
TTK-LIG Limited
TTK Healthcare Services (P) Ltd.
TTK Services (P) Limited
TTK Tantex Limited
SSL-TTK Limited

Auditors' Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement.

The Board of Directors,

TTK Prestige Limited

We have reviewed the report on the compliance of the mandatory conditions of corporate governance set out in pages 7 to 12 as stipulated in Clause 49 of the Listing Agreements prepared by TTK Prestige Limited with relevant books and records for the year ended 31st March, 2004.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the mandatory requirements specified in said clause in the manner so required.

C.N. SRINIVASAN

Partner

For and on behalf of

S. VISWANATHAN

Chartered Accountants

REPORT OF THE AUDITORS

To the Shareholders of TTK Prestige Limited

We have audited the attached Balance Sheet of TTK Prestige Limited, as at 31st March 2004 and the profit and loss account and also 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.

We conducted the audit in accordance with auditing standards generally accepted in India. These 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Company (Auditor's Report) Order 2003 issued by the Central Government of India in terms of subsection (4A) of Section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to or comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purposes of our audit;
- ii. 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.
- iii. The balance sheet, and loss account and cash flow statement dealt with by this report are in agreement with the books of account.

- iv. 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;
- v. On the basis of written representations received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2004 from being appointed as a Director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to best of our information and according to the explanations given to us, the said accounts read with note no. 3 regarding the recognition of income arising out of property development and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2004;
 - b. in the case of Profit and Loss Account, of the **profit** of the Company for the year ended on that date; and
 - c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore
Dated : 25th June, 2004

(C.N. SRINIVASAN)
Partner

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but, according to the information and the explanation given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information given to us and in our opinion the Company has not disposed substantial portion of its fixed assets which will affect the Company as a going concern.
- (ii) (a) The inventory has been physically verified during the year by the management. 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 inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and books records were not material.
- (iii) (a) The Company has taken loan from nine parties and one Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of loans taken from such parties was Rs. 10.59 crores. There is one wholly owned subsidiary Company covered in the register maintained under Section 301 of the Companies Act, 1956 to which the Company has granted loans. The maximum amount involved during the year was Rs. 3.32 crores and the year-end balance of loan granted to such party was Rs. 3.04 crores.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in register maintained under Section 301 of the Companies Act, 1956 and are not, *prima facie* prejudicial to the interest of the Company and the loan granted to the wholly owned subsidiary Company listed under Section 301, is interest free as per the approval of RBI.
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (d) There is no overdue amount of loans taken from or granted to Companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956.
- (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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) 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 Act, 1956 and exceeding the value of rupees five lakhs in respect of any 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 and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 as applicable, with regard to the deposits accepted from public. As per information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities *except for matured deposit of Rs. 6,000/- which has to be deposited to Investor education and protection fund* for which the Company is taking necessary steps. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31st March 2004 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses as at 31st March 2004 and has not incurred cash loss during the financial year ended on that

date. The Company had incurred cash loss in the immediately preceding financial year.

- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- (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.
- (xiii) The provision of any special statute as specified in Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in share, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

(xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investments, and vice versa.

(xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company has not issued any debentures.

(xx) The Company has not raised any money from public issue during the year.

(xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore

Dated : 25th June, 2004

(C.N. SRINIVASAN)
Partner

BALANCE SHEET
(As at 31st March 2004)

TTK PRESTIGE LIMITED

Forty Eighth Annual Report

	Schedule	As at		As at	
		31st March 2004		31st March 2003	
		Rs.	Rs.	Rs.	Rs.
I. SOURCE OF FUNDS					
1. SHAREHOLDERS' FUND					
Capital	1	11,33,17,840		11,33,17,840	
Reserves and surplus	2	31,03,66,244		34,44,09,191	
			42,36,84,084		45,77,27,031
2. LOAN FUNDS					
Secured Loans	3	64,35,00,801		75,16,66,167	
Unsecured Loans	4	12,17,60,000		5,69,61,000	
			76,52,60,801		80,86,27,167
TOTAL			118,89,44,885		126,63,54,198
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	5	56,04,56,589		57,28,38,657	
Less: Depreciation		29,18,04,692		27,38,54,460	
Net Block		26,86,51,897		29,89,84,197	
Add: Capital Work-in-progress		1,44,825		84,40,967	
			26,87,96,722		30,74,25,164
2. INVESTMENTS	6		15,12,79,317		17,01,04,945
3. ASSET HELD FOR DISPOSAL			5,00,00,000		-
4. CURRENT ASSETS					
LOANS & ADVANCES					
Stock-in-Trade	7	54,10,42,728		56,83,91,883	
Sundry Debtors	8	33,93,45,015		29,31,02,937	
Cash and Bank Balances	9	5,99,36,155		4,54,40,853	
Loans and Advances	10	8,11,91,563		10,61,14,075	
		102,15,15,461		101,30,49,748	
Less: Current Liabilities & Provisions					
Liabilities	11	33,83,87,123		26,17,63,765	
		33,83,87,123		26,17,63,765	
Net Current Assets			68,31,28,338		75,12,85,983
Deferred Tax Assets (Net)			3,12,26,227		3,41,68,280
Miscellaneous Expenses			45,14,281		33,69,826
TOTAL			118,89,44,885		126,63,54,198
Notes on Accounts	16				

Notes: The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For Messrs S. VISWANATHAN
Chartered Accountants
C.N. SRINIVASAN
Partner

T.T. JAGANNATHAN
Chairman

R. RAJAGOPALACHARI
Director

Place : Bangalore
Dated : 25th June, 2004

S. RAVICHANDRAN
Managing Director

K. SHANKARAN
Director & Secretary

PROFIT & LOSS ACCOUNT
(For the year ended 31st March 2004)

Forty Eighth Annual Report

Schedule	As at 31st March 2004			As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME					
Sales	12	146,11,47,565		113,51,61,652	
Less: Excise duty relatable to sales		<u>7,56,94,033</u>	138,54,53,532	<u>8,69,50,842</u>	104,82,10,810
Other Income	13		<u>6,34,80,010</u>		<u>(20,99,511)</u>
			144,89,33,542		104,61,11,299
EXPENDITURE					
Material Consumption	14	76,72,77,179		60,26,43,935	
Expenses	15	65,66,99,685		59,99,73,280	
Depreciation (As per Schedule 5)		2,21,75,932		2,17,49,727	
Less: Transfer from Revaluation Reserve		<u>38,38,815</u>		<u>40,31,478</u>	
		1,83,37,117		1,77,18,249	
			144,23,13,981		122,03,35,464
Profit (Loss) before VRS amortisation & Tax			66,19,561		(17,42,24,165)
Amotisation of VRS payments			11,28,570		-
Profit before Tax			54,90,991		(17,42,24,165)
Provision for Tax					
Current Tax (Min. Alternate Tax)		4,17,984		-	
Deferred Tax		29,42,053	33,60,037		(5,95,00,093)
Profit (Less) after Tax			21,30,954		(11,47,24,072)
Surplus brought forward					3,48,28,136
Profit / (Loss) carried to Balance sheet			<u>21,30,954</u>		<u>(7,98,95,936)</u>
Notes on Account	16				

Profit (Loss) after Tax	21,30,954	(11,47,24,072)
No. of equity shares	1,13,48,384	1,13,48,384
Earnings per share (Rs.)	0.19	(10.11)

Notes: The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

For Messrs S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Managing Director

R. RAJAGOPALACHARI
Director

K. SHANKARAN
Director & Secretary

SCHEDULES

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
1. CAPITAL				
Authorised Share Capital 1,50,00,000 Equity Shares of Rs. 10/- each		15,00,00,000		15,00,00,000
Issued, Subscribed: 1,13,48,384 Equity Shares of Rs. 10/- each out of which 78,69,064 Shares of Rs. 10 each allotted as Bonus Shares fully paid-up by capitalisation of Reserves	11,34,83,840		11,34,83,840	
Less: Calls unpaid	1,66,000		1,66,000	
		11,33,17,840		11,33,17,840

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
2. RESERVES & SURPLUS				
Revaluation Reserve:				
As per last Balance Sheet	6,01,15,839		6,41,47,317	
Less: Transfer to P & L Account	38,38,815		40,31,478	
	5,62,77,024			6,01,15,838
Less: Deduction (Note 2 of Schedule 5)	2,23,35,086	3,39,41,938		
Share Premium Account	6,14,10,959		25,78,00,116	
Less: Calls unpaid	13,64,500		13,64,500	
	6,00,46,459		25,64,35,616	
Less: Reduction effected as per Court Order	0	6,00,46,459	19,63,89,157	6,00,46,459
General Reserve:				
As per last Balance Sheet	22,42,46,893		30,41,42,829	
Less: Intangible asset adjusted as per transitional Provisions of AS 26 (Note 4)	1,00,00,000		0	
	21,42,46,893		30,41,42,829	
Less: Loss transferred from Profit & Loss Account	0	21,42,46,893	(7,98,95,936)	22,42,46,893
Surplus in Profit & Loss Account		21,30,954		-
		31,03,66,244		34,44,09,191

SCHEDULES (continued)

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
3. SECURED LOANS				
Term Loan from ICICI Bank Limited Mumbai, secured by equitable Mortgage of Land & Buildings and hypothecation of Plant & Machinery and current assets of the company on <i>pari passu</i> basis with Bank of Baroda and Canara Bank.		92,87,000		8,92,87,000
Term Loan from Canara Bank, M.G. Road Bangalore for Voluntary Retirement Scheme secured by <i>pari passu</i> First Charge on the Fixed Assets and current assets with BOB and ICICI Bank		5,04,65,980		6,37,12,315
FCNR Loan from Bank of Baroda and Canara Bank, secured by equitable Mortgage of Land & Buildings & hypothecation of Plant & Machinery and current assets of the Company on <i>paripassu</i> basis with ICICI Bank Limited		17,62,60,000		
Short term loan from Bank of India secured by equitable mortgage on Land and Buildings situated at Santhome High Road, Chennai		8,00,00,000		7,95,62,500
From Bank of Baroda and Canara Bank, secured by equitable Mortgage of Land & Buildings & hypothecation of Plant & Machinery and current assets of the Company on <i>paripassu</i> basis with ICICI Bank Limited				
1. Cash Credit	8,13,15,321		9,51,04,352	
2. Demand Loan	62,07,500		42,40,00,000	
3. ECB Loan	<u>23,99,65,000</u>			<u>51,91,04,352</u>
		<u>64,35,00,801</u>		<u>75,16,66,167</u>

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
4. UNSECURED LOANS				
Fixed Deposits from Directors		1,02,00,000		1,02,00,000
Fixed Deposits from Public		3,15,60,000		1,60,41,000
Unsecured loans from others		8,00,00,000		3,07,20,000
		<u>12,17,60,000</u>		<u>5,69,61,000</u>

5. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 31st March, 2003	Additions during the Year	Deductions during the Year	Cost as at 31st March, 2004	As at 31st March, 2003	Deductions for the year	Charged for the year	As at 31st March, 2004	Net Book Value as at 31st March, 2004	Net Book Value as at 31st March, 2003
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	12,50,19,282	-	2,23,16,600	10,27,02,682	-	-	-	-	10,27,02,682	12,50,19,282
Buildings	12,61,29,457	37,01,724	14,73,573	12,83,57,608	8,02,34,952	10,00,023	69,13,746	8,61,48,675	4,22,08,933	4,58,94,505
Plant & Machinery	25,03,94,910	43,29,724	29,93,391	25,17,31,243	15,18,74,955	28,87,862	1,01,83,790	15,91,70,883	9,25,60,360	9,85,19,955
Electrical Installations	1,59,98,656	6,83,842	-	1,66,82,498	90,45,965	-	5,14,247	95,60,212	71,22,286	69,52,691
Tools, Moulds & Dies	2,22,94,089	14,82,957	-	2,37,77,046	1,09,88,183	-	20,26,936	1,30,15,119	1,07,61,927	1,13,05,906
Furniture, Fixtures & Fittings	1,91,22,864	37,577	-	1,91,60,441	1,30,40,781	-	7,36,510	1,37,77,291	53,83,150	60,82,083
Office Equipment	1,06,86,973	43,88,003	-	1,50,74,976	70,62,512	-	15,79,708	86,42,220	64,32,756	36,24,461
Vehicles	31,92,426	1,60,348	3,82,679	29,70,095	16,07,112	3,37,815	2,20,995	14,90,292	14,79,803	15,85,314
Total	57,28,38,657	1,47,84,175	2,71,66,243	56,04,56,589	27,38,54,460	42,25,700	2,21,75,932	29,18,04,692	26,86,51,897	29,89,84,197
Capital Work-in-Progress	84,40,967	1,500	82,97,642	1,44,825	-	-	-	-	1,44,825	84,40,967
Total	58,12,79,624	1,47,85,675	3,54,63,885	56,06,01,414	27,38,54,460	42,25,700	2,21,75,932	29,18,04,692	26,87,96,722	30,74,25,164

Note:

1. Depreciation for the Year in respect of increase in value of Fixed Assets on account of Revaluation amounting to Rs. 38,38,815 has been directly debited to Revaluation Reserve and deducted from the total depreciation of Rs. 2,21,75,932.
2. A part of the landed property has been shifted to "Assets held for Disposal" as the property has become subject matter of development Agreement. As a result, an amount of Rs. 2,23,35,086 has been deleted from the value of fixed assets.

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
6. INVESTMENTS				
Shares (Quoted):				
1) 6,24,040 Equity Shares of Rs. 10/- each, fully paid-up in TTK Healthcare Limited (Market value Rs. 18.90 Ps.)	1,56,74,778			1,56,74,778
Less: Value of 622600 Shares sold	1,55,09,778	1,65,000		
2) 15,000 Equity Shares of Rs. 10/- each of Bank of Baroda (Market value Rs. 85.75 Ps.)	13,13,850			13,13,850
Less: Value of 15,000 Equity Shares sold	13,13,850	-		
Shares (Unquoted):				
3) 11,13,500 Equity Shares of Rs. 10/- each, fully paid-up in TTK Tantex Ltd.	1,12,67,003		1,12,67,003	
Less: Reduction in share value Rs. 1 per share	11,13,500		11,13,500	
	1,01,53,503		1,01,53,503	
a) 5% - 1,35,000 optionally Convertible Preference Shares of Rs. 100/- each fully paid up.	1,35,00,000		1,35,00,000	
b) 10% - 1,100 optionally Convertible Bonds of Rs. 1,000/- each fully paid up.	11,00,000		11,00,000	
	2,47,53,503		2,47,53,503	
Less: Provision for diminution in value	2,36,53,503	11,00,000	2,36,53,503	11,00,000
4) 1,470 Equity Shares of Rs. 1,000/- each, fully paid-up in TT. Kitchenwares Ltd.	14,70,000		14,70,000	
Less: Provision for diminution in value	14,70,000	-	14,70,000	-
1,000 9% Redeemable Cumulative Preference Shares of Rs. 1,000/- each, fully paid-up in TT. Kitchenwares Ltd.	10,00,000		10,00,000	
Less: Redemption	10,00,000	-	-	10,00,000
5) 3,73,805 Equity Shares of Rs. 10/- each, fully paid-up in Prestige Housewares (India) Ltd.		37,38,050		37,38,050
6) 12,500 Equity Shares of Rs. 10/- each, fully paid-up of M/s. Ind-Global Financial Trust.		5,00,000		5,00,000
7) 98,000 Shares of Common Stock of Manttra Inc. USA, wholly owned subsidiary of the Company		11,57,71,267		11,57,71,267
				(Contd...)

SCHEDULES (continued)

(Investments, contd...)	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
8) 3,24,860 Equity Shares of Rs. 10/- each fully paid up of M/s. Softel Machines Limited		1,70,00,000		1,70,00,000
9) 1,09,296 Equity Shares of Rs. 10/- each of TTK Services Private Limited		1,30,00,000		1,30,00,000
Non-Trade Investments (at cost):				
1) 6 years National Saving Certificates (Unquoted)		5,000		7,000
2) BOB Growth 95	10,00,000			10,00,000
Less Sold	<u>10,00,000</u>	-		
		<u>15,12,79,317</u>		<u>17,01,04,945</u>
Notes:				
1) Aggregate value of quoted investments		1,65,000		1,69,88,628
2) Aggregate value of unquoted investments		15,11,14,317		15,31,16,317
3) Market value of quoted investments		27,216		93,98,770
7. STOCK-IN-TRADE:				
(As Certified by Management)				
Raw Materials & components		15,25,62,160		13,32,39,478
Work-in-Progress		7,63,65,508		6,78,93,894
Finished Goods		31,21,15,060		36,72,58,511
		<u>54,10,42,728</u>		<u>56,83,91,883</u>
8. SUNDRY DEBTORS:				
(Considered good for which the Company holds no Security other than the Debtors' Personal Security)				
More than 6 months -Considered good (Net of provisions: Nil, previous year Rs. 30 lakhs)		9,12,98,827		4,37,46,700
Other Debts		24,80,46,188		24,93,56,237
		<u>33,93,45,015</u>		<u>29,31,02,937</u>
9. CASH & BANK BALANCES:				
Cash on Hand		4,53,466		3,83,836
Balances with Scheduled Banks:				
In Current Account	4,42,78,236			3,87,71,226
In Deposit Account	<u>1,52,04,453</u>	5,94,82,689		62,85,791
		<u>5,99,36,155</u>		<u>4,54,40,853</u>
10. LOANS & ADVANCES:				
Recoverable in cash or kind or for Value to be received considered good - (includes due from Mantra Inc., wholly owned subsidiary amounting to Rs. 3.04 crores (Previous Year Rs. 3.32 crores). Maximum amount outstanding during the year Rs. 3.04 crores (Previous year Rs. 3.32 Crores)				
		5,39,62,205		7,60,07,928
Balances with Excise Authorities		1,64,27,920		1,46,59,299
Advance Income Tax (Net of provision)		1,08,01,438		1,54,46,848
		<u>8,11,91,563</u>		<u>10,61,14,075</u>

SCHEDULES (continued)

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
11. CURRENT LIABILITIES:				
Acceptances	4,46,09,136		2,74,56,235	
Sundry Creditors:				
For goods supplied	8,42,74,734		9,78,72,850	
For Other Liabilities	20,12,90,122		12,58,94,650	
Interest accrued but not due on loans	63,91,393		87,11,892	
Unclaimed Dividend	18,21,738		18,28,138	
		<u>33,83,87,123</u>		<u>26,17,63,765</u>
12. SALES:				
Pressure Cookers & Pressure Pans		94,70,49,885		73,16,11,132
Cookware		19,33,77,698		13,93,72,366
Spares & Components		10,46,29,157		9,01,85,679
Weighing Scale		31,335		-
Wheel Skin		85,77,412		1,27,46,966
Idli Stand		94,669		1,653
Flasks		10,38,094		20,83,317
Knives		16,13,022		11,81,495
Gas Stoves		7,62,11,207		5,07,48,625
Kitchen Tools		2,43,226		37,966
Kitchen Electrical Appliances		10,25,01,629		8,93,46,500
Scrap Disposal		2,57,80,231		1,78,45,953
		<u>146,11,47,565</u>		<u>113,51,61,652</u>
13. OTHER INCOME:				
Interest on Fixed Deposit with Banks and others		12,11,753		6,28,792
INCOME FROM INVESTMENTS:				
Dividend		-		90,000
Profit / (Loss) on sale of Assets		22,60,391		(36,58,459)
Profit / (Loss) on sale of Shares		55,93,811		-
Rent Receipts		14,72,000		18,48,000
Exchange gain / (loss)		11,82,739		(29,53,810)
Others		20,16,024		19,45,966
Income recognised on property development Agreement (Note 3)		4,97,43,292		-
		<u>6,34,80,010</u>		<u>(20,99,511)</u>
14. MATERIAL CONSUMPTION:				
	Tonnes		Tonnes	
Aluminium	1910	25,38,49,909	1429	17,90,01,742
Stainless Steel	509	6,07,97,352	461	5,02,90,077
Others	Various	41,70,07,262	Various	37,45,72,022
	Units		Units	
		<u>73,16,54,523</u>		<u>60,38,63,841</u>
<i>Add:</i> Opening Stock of Finished Goods & Work-in-Progress		43,51,52,405		43,26,09,057
		<u>116,68,06,928</u>		<u>103,64,72,898</u>
<i>Less:</i> Closing Stock of Finished Goods & Work-in-Progress		38,84,80,568		43,51,52,405
		<u>77,83,26,360</u>		<u>60,13,20,493</u>
<i>Add (Less):</i> Variation in excise duty on opening and closing stock of finished goods		(1,10,49,181)		13,23,442
CONSUMPTION		<u>76,72,77,179</u>		<u>60,26,43,935</u>

SCHEDULES (continued)

	As at 31st March 2004		As at 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
15. EXPENSES:				
Salaries, Wages & Bonus		11,36,66,584		11,64,93,014
Contribution to Gratuity Fund		47,16,000		62,53,974
Contribution to P.F. and other Funds		89,44,957		93,68,248
Employees Welfare Expenses		93,41,490		92,68,939
Power & Fuel		2,31,30,071		2,02,82,885
Sundry Manufacturing Expenses		74,57,421		49,16,653
Repairs & Maintenance:				
Buildings	23,66,897		26,96,133	
Machinery	50,91,717		47,50,175	
Other Assets	23,59,309		27,23,044	
		<u>98,17,923</u>		<u>1,01,69,352</u>
Consumption of Stores and Spare Parts		80,02,167		61,42,253
Rent		42,37,119		34,48,522
Insurance		44,38,274		57,39,680
Travelling & Conveyance		2,10,69,229		2,24,75,856
Motor Vehicle Expenses		25,05,862		21,26,665
Additional Sales Tax		1,44,55,780		35,29,033
Rates & Taxes		25,64,657		18,24,963
Interest & Bank Charges:				
Interest	9,21,17,721		9,53,58,105	
Bank Charges	80,45,691		74,04,920	
		<u>10,01,63,412</u>		<u>10,27,63,025</u>
Lease Rental		4,25,822		7,25,025
Carriage Outwards:				
Freight	5,04,52,641		4,46,68,820	
Insurance	13,08,776		13,64,875	
Octroi	-		54,90,406	
		<u>5,17,61,417</u>		<u>5,15,24,101</u>
Directors' Sitting Fees		2,30,000		1,55,000
Audit Fees		3,64,450		2,47,125
Legal & Professional Charges		33,51,737		51,05,636
Postage & Communication Expenses		81,03,301		75,66,200
Printing & Stationery		34,45,513		30,40,309
Entertainment Expenses		95,118		48,835
Advertisement & Sales Promotion		11,94,97,859		10,67,23,004
Distribution Expenses		2,74,69,409		1,74,50,118
Commission to Selling agents		37,41,919		-
Miscellaneous Expenses		1,90,87,298		1,49,44,790
Donation		-		5,000
Discount		7,38,03,256		6,46,35,075
Bad Debts Written off (Net of opening provision of Rs. 30 lakhs)		1,08,11,640		-
Provision for Bad debts		-		30,00,000
		<u>65,66,99,685</u>		<u>59,99,73,280</u>

For our Report Attached.
For Messrs S. VISWANATHAN
Chartered Accountants
C.N. SRINIVASAN
Partner

T.T. JAGANNATHAN
Chairman

R. RAJAGOPALACHARI
Director

Place : Bangalore
Dated : 25th June, 2004

S. RAVICHANDRAN
Managing Director

K. SHANKARAN
Director & Secretary

16. NOTES ON ACCOUNTS

Forming part of the Balance Sheet & Profit and Loss Account
(For the year ended 31st March, 2004)

1. Significant Accounting Policies:

i) Accounting Concepts:

Financial statements are based on historical cost and on the basis of a going concern. The Company follows the mercantile system of Accounting and recognizes income and expenditure on an accrual basis.

ii) Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes, insurance, etc. relating to the acquisition including installation/erection charges up to the date the asset is put to use, as applicable.

iii) Depreciation:

The Company is providing depreciation on Written Down Value(WDV) method by adopting the rates specified in Schedule XIV of the Companies Act,1956 in respect of all Fixed Assets capitalised up to 31st March,1997.In respect of additions from 1st April 1997, the Company is providing depreciation by adopting Straight Line method specified in Schedule XIV of the Companies Act,1956. Depreciation on additions during the year are provided on pro-rata basis.

iv) Sales are stated at net of returns, sales tax and excise duty relatable to sales.

v) Valuation of Stocks:

The following basis has been adopted for Valuation of Inventories held as at 31.03.2004.

a) Raw Material/Packing Material	-	At cost net of cenvat
b) Stores and Spares	-	At cost
c) Work-in-progress	-	At direct cost
d) Finished Goods	-	As per Accounting Standard 2

vi) Investments:

These are shown at cost. Dividend income from investments is accounted on declaration by the investee company. Any diminution in value is considered in line with Accounting Standard 13 of ICAI.

vii) Gratuity & Superannuation:

The Company is providing for accrued liability based on the contributions made to LIC Group Gratuity / Superannuation fund, pursuant to the intimation received from the Insurer. This provision is in line with the requirements of Accounting - Standard 15 of ICAI.

viii) Foreign Currency Transactions: Transactions in foreign currency are recorded at exchange rates prevailing at the time of the transactions and exchange difference arising from foreign currency translation are dealt with in the profit and loss account and capitalised where they relate to the Fixed Assets. Current Assets and Liabilities at year end are being converted at closing rates and exchange gains /losses are dealt with in the profit and loss account.

2) Figures have been rounded off to the nearest rupee.

3) During the year the Company has entered in to an agreement towards development of property which is being withdrawn from active use. A sum of Rs.49743292 being the difference between book value and the minimum contracted value of Rs.5 crores (which has been realised in cash) is recognized as 'Income from Property development". The value of the said asset is stated at the Minimum Contracted value and shown under a separate head "Asset held for Disposal".

4) The benefit of Non compete consideration of Rs.1 Crore being an intangible asset has been charged against opening General Reserves in accordance with transitionary provisions of Accounting standard no 26 issued by ICAI.

5. (a) Quantitative particulars

Particulars Capacity	Installed Stock	Opening Purchases	Production/ Production/	Sales Stock	Closing
Pressure Cookers & Pans	2000000	411526 (469229)	1199990 (919512)	1290674 (977215)	320842 (411526)
Cookware	500000	209003 (243305)	647470 (383580)	629231 (417882)	227242 (209003)
Wheel skin	NA	Nil (Nil)	3394 (4330)	3394 (4330)	Nil Nil
Weighing Scales	NA	4368 (4488)	0 (0)	1561 (120)	2807 (4368)
Idli Stand	NA	42635 (42677)	0 (0)	29092 (42)	13543 (42635)
Flasks	NA	67268 (92639)	0 (0)	8721 (25371)	58547 (67268)
Knives	NA	49108 (67922)	22531 (0)	21864 (18814)	49775 (49108)
Stoves	NA	17791 (8795)	44277 (53069)	45732 (44073)	16336 (17791)
Mixies	NA	9606 (7555)	71512 (57151)	59161 (55100)	21957 (9606)
Blenders	NA	5879 (9965)	NIL NIL	3369 (4086)	2510 (5879)

Note: Previous year's figures have been given in brackets.

5. (b) Value of Opening / Closing Stocks

Particulars	Opening Stock Value (Rupees)	Closing Stock Value (Rupees)
Pressure Cookers	24,14,73,824 (27,15,32,673)	18,40,18,746 (24,14,73,824)
Cookware	5,48,99,111 (6,06,50,457)	5,30,97,128 (5,48,99,111)
Weighing Scales	5,58,405 (5,73,746)	1,93,473 (5,58,405)
Idli Stand	26,41,543 (27,14,539)	1,86,322 (26,41,543)
Flasks	75,45,488 (95,80,876)	65,51,922 (75,45,488)
Knives	19,60,081 (27,98,286)	23,25,221 (19,60,081)
Stoves	1,45,85,134 (84,72,872)	1,53,82,923 (1,45,85,134)
Mixie	1,02,93,518 (1,10,82,518)	1,37,34,503 (1,02,93,518)
Blender	42,12,246 (68,49,507)	19,16,490 (42,12,246)
Others	2,90,89,161 (2,67,28,240)	3,47,08,332 (2,90,89,161)
Total	36,72,58,511 (40,09,83,714)	31,21,15,060 (36,72,58,511)

Note: Previous year's figures have been given in brackets.

6) Loans and advances include a sum of Rs. Nil (P.Y. Rs. 40.16 lacs) due from TTK Tantex Ltd., 'being the exposure on account of the rehabilitation scheme for the said Company under provisions of SICCA .Maximum amount due from them during the year was Rs 40.16 lacs and minimum amount due was Rs. Nil.

7) Investments

a) Quoted Investments: These investments are carried at their cost of acquisition, even though the market value is low compared to cost of acquisition no provision is required for diminution in value considering the growth prospects of the entities.

b) UnQuoted Investments in Manttra Inc.
(Wholly owned subsidiary)

The performance of the Subsidiary has considerably improved resulting in a marginal profit. Further this being a long term strategic investment, no provision for diminution in the value of investments is considered necessary.

8) The previous year's figures have been regrouped and reclassified wherever necessary to make them comparable with the figures of the current year.

9) Remuneration to Directors:	2003-2004	2002-2003	2003-2004	2002-2003
	Rs.	Rs.	Rs.	Rs.
		Mr.T.T. Jagannathan (Chairman)		Mr. S. Ravichandran (Managing director)
1. Salary	12,00,000	12,00,000	9,60,000	9,60,000
2. Commission				
3. Contribution to Provident & Other Funds	4,34,000	4,34,000	3,47,200	3,47,200
4. Other Allowances	5,08,880	4,60,302	8,75,923	8,37,120
	21,42,880	20,94,302	21,83,123	21,44,320

The remuneration stated above represents the minimum remuneration payable under the provisions of Schedule XIII to the Companies Act, 1956.

	Rs.	Rs.
10) Audit Fee Includes	2003-2004	2002-2003
For Audit (including Tax Audit)	1,75,000	1,89,000
Certification Fee incl. taxation matters	1,57,850	25,675
Out of Pocket Expenses	31,600	32,450
11) Earnings in Foreign Exchange:		
On account of Export sale less returns calculated		
a) at FOB basis	15,90,62,525	18,20,16,420
b) at CIF Basis	16,91,47,058	19,43,16,316
12) Expenditure in Foreign Currency:		
1. Travelling Expenses	1,78,498	2,75,306
2. Other Expenses	34,16,244	7,97,144
3. CIF Value of Imports:		
a) Capital Goods	-	-
b) Machinery Spares	-	4,83,494
c) Other Imports	3,73,18,303	4,81,96,517

13) Interests includes Rs. 3,52,75,567/- towards interest on fixed loan (previous year Rs. 3,27,72,042) and Rs. 10,62,865 (previous year Rs.63,288) being interest on fixed deposit placed by Directors.

	Rs.	Rs.		
14) Contingent Liabilities :				
a) Bank Guarantees / LC	7,02,69,837	3,08,54,160		
b) Guarantees/Legal Undertakings for export Obligation	30,78,609	1,18,63,958		
c) Estimated amount of contract remaining to be executed on Capital A/c. not provided for	6,04,988	11,16,395		
d) Securitisation of Accounts Receivables	1,97,03,489	5,05,68,742		
e) Tax matters under appeal(IT/ST/ED) beyond 30 days but within the contract period are:	2,21,00,000	2,21,00,000		
15) (a) Sundry Creditors include an amount of Rs 9,18,40,293.44 due to SSI Units. The parties to whom Amounts is due beyond 30 days but within the contract period are:				
Amrapali Industries, Amrapali Plastic Industries, Agrawal Fasteners P. Ltd., Arundati Colour Cartons, Amity Plastics Industries, Amulet Industries Ltd., Bhuvanewari Engineering Enterprises, Chamundi Enterprises, Classic Packaging, Classic Welding Products Private Ltd., Consolidated Mops, Delite Plastics Moulding Industries, Daxso Prints, Excel Metal Processors, EssEss Mould Co., Japstech Engineers Pvt. Ltd., Kundgol Cottage Industries, K.G.N. Associates, K. P. Associates, Kaviraj Appliances, L. M. Engineering, Mahablee Uttam Appliance, Mohan Industrial Suppliers, Mahaveer Industries, Peenya Packaging Products, Prestige Bakelite Moulders, Publicity Products, Rubber General Industries, Shankar Enterprises, Sri Momai Engineering Works, Sri Guru Automatics, Shree Momai Products, Taylor Rubber Pvt. Ltd., Uttam Metal Industries, United Buff Manufacturing Company, Vishnu Pressings, Valox Works, V. G. P. Enterprises, Vardhaman Enterprises. Anubhav Enterprises Avanti Components, Aruna industrial Works, B.T. Solders P. Ltd., Gautams, Chethan Automac, Deccan Engineering Works, Dhanalaxmi Brass Industries, D.S. Engineering, D.S. Precision Industrial, Gaurang Home Appliances, Maruthi Packaging Industries, Micro Metal Coats, Evershine Industries Puttiah & Sons, P.S. Industries, Ramya Poly Udyog, G-Plast Private Limited, Raga Precisions, Shakthi Metal Industries, Srinath Rubber Industries, Skyproducts, Sri Balaji Enterprises, Sri Raghu Industries, Thiru Automats, TVR Engineering Works, Varnaflexpack Pvt., Ltd., Vikram Industries. Shivananda home appliances, Welflex polymer Pvt. Ltd, Well Shine Industries, Shree Pal Industries, Sri Lakshmi Packagings, Mallika Super Coat, Precision Screws, Alfa Fluid Piping System (p) Ltd., Bangalore Inter Marketing P. Ltd., Barcode Systems Consultancy, Balaji Press Products Cosmic Industrial Laboratories, Darpan Distributors, Fareed Aluminium P Ltd., Fortune Plastech, Globe Engineering Works, Gold Crest Chemicals, Image Labels, Kanard Corporation Leo Metal Private Ltd., LM Corporation, MSK Products Private Ltd., Perfect Power Control, Pack N Fab Industries, Pride Uttam Metal Appliances, Ramdev metal Industries, Santhosh Industries, Sree ragava Metal Works, Shivam Industries, Sumuka Industries Sri Raghavendra Industries, Viswam India (Steels) Vijaya Lakshmi Metalloids, Vinardax Enterprises Y.R. Poly Udyog, Aar Gee Stationers, Aavkar Industries, Acharya Industries, Acharya Industries, Advance Engineering Corporation, Agathya, Ameen Enterprises, Amplas Polymer Pvt. Ltd., Anjali Diesel & Fabricators, Asian Springs, Century Extrusions, Chamundi Stationery Pvt Ltd., Contax, Dara Industries, Darshan Enterprises Dhiraj Packaging & Moulding, Els Enterprises, Ess Ell Pest Control, Everhappy Traders, Gautams, Gokul Metal & Engineering Co, Hi Fabs, Hi-tech Services, Image Labels, Innova Printing & Packaging, Jobland Enterprises, Kavitha Fabs, Mahalakshmi Wire Products, Manjunatha Auto Products, Momai Sales, Navoday Rotographs, Nikunj Eximp Enterprises, Prd Enterprises, Radhika Engineering Corporation, Samarj Enterprises, Soham Precimek (India) Ltd., Sri Venkateswara Printers, TTK Healthcare Limited -Printing Division.				
16) Since only minimum remuneration is paid to the whole time directors, calculation of managerial remuneration as per section 198 is not applicable.				
17) The company operates in a single segment of Kitchen appliances.				
18) a) Disclosure as per Accounting Standard 19				
Interest includes Rs.38304/- paid towards the interest amount on assets purchased on Hire Purchase. The value of Hire Purchase assets as on 31-03-2004 is Rs.5,03,028. The following are the details of Hire Purchase instalment dues as on 31-03-2004 :				
Less than 1 year	Rs 1,80,400			
More than 1 year but less than 5 years	-			
b) The following are the details of lease rental dues as on 31-03-2004:				
Less than 1 year	Rs 1,03,824			
More than 1 year but less than 5 years	Rs. 60,564			

19) Related party disclosures as per Accounting standard 18:

(a) The Company has transactions with the following entities.

Subsidiary :

Manttra Inc. USA

Associates:

TTK Health Care Limited, Peenya packaging Products, TTK LIG Limited, Prestige Housewares India Limited, TT Krishnamachari & Co, TTK Tantex Limited, RAS Trasformation-Technology (P) Ltd. and TTK Services Limited.

Key Management Personnel: Mr. T.T. Jagannathan, Mr.S. Ravichandran, Mr. K. Shankaran

(b) Summary of the transactions with the above related parties is as follows:

(All in Rupees)

Sales	12,93,34,187
Purchases	10,91,31,635
Loans & Advances	8,00,00,000
Share Capital	-
Others	6,40,54,100

(Including Remuneration of Rs.60, 00,456 paid to Key Management Personnel)

(c) Balances outstanding as on 31.3.2004

Particulars	Subsidiary	Associates	Key Management Personnel & Relatives
Fixed Deposits (due by the company)			2,59,00,000 (1,08,00,000)
Loans given (due to the Company)	3,04,29,000 (3,32,15,000)		
Amount due to the company against supplies	10,56,99,854 (9,30,36,456)		
Inter Corporate Deposit(due by the company)		8,00,00,000 (3,00,00,000)	
Rental Deposit	-	- (7,20,000)	

20. Deferred Tax (net)

a) Deferred tax break-up	31.3.04	31.3.03
i) Deferred tax liability on account of		
(1) Depreciation	67,48,777	57,76,592
(2) Others (Difference between book & IT value of assets as of 1.4.01)	2,53,31,813	2,53,31,813
	3,20,80,590	3,11,08,405
ii) Deferred tax asset on account of		
(1) Accumulated losses as per IT Act, 1961 (The deferred tax asset for 31.3.04 is after reversal of Rs. 29,42,053)	6,33,06,817	6,52,76,685
Deferred tax (net)	<u>3,12,26,227</u>	<u>3,41,68,280</u>

For Messrs. S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner
Place : Bangalore
Date : 25th June 2004

T.T. Jagannathan
Chairman
R. Rajagopalachari
Director.

S. Ravichandran
Managing Director
K. Shankaran
Director & Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration Number	1750
State Code	08
Balance Sheet Date	31.03.2004

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousands)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities	11,88,944
Total Assets	11,88,944

Sources of Funds

Paid-up Capital	1,13,318
Reserves & Surplus	3,10,366
Secured Loans	6,43,500
Unsecured Loans	1,21,760

Application of Funds

Net Fixed Assets	2,68,797
Asset held for Disposal	50,000
Investments	1,51,279
Net Current Assets	6,83,128
Deferred Tax Asset	31,226
Miscellaneous Expenditure	4,514

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. Thousands)

Turnover	14,48,934
Total Expenditure	14,42,314
Profit / (Loss) before Tax	6,620
Profit / (Loss) after Tax	2,131
Earnings per Share (in Rs.)	0.19
Dividend Rate	Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

(As per Monetary Terms)

Item Code No. (ITC Code)	Product Description
761510 and 732300	Pressure Cookers
761510	Non-Stick Cookware

For Messrs. S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

T.T. Jagannathan
Chairman

S. Ravichandran
Managing Director

R. Rajagopalachari
Director.

K. Shankaran
Director & Secretary

Place : Bangalore
Date : 25th June 2004

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2004
(AS PER ACCOUNTING STANDARD (AS - 3) ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA)

		(Rs.in lakhs)	
	2003-04	2002-03	
	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit (Loss) before taxation	54.91		(1742.24)
ADJUSTMENTS FOR:			
Depreciation	183.37	177.18	
(Profit) / Loss on sale of assets	(78.54)	36.58	
Interest / Dividend recd.	(12.12)	(7.19)	
Interest expense	921.18	953.58	
Voluntary retirement debit	11.29	-	
	<u>1025.18</u>		<u>1160.15</u>
	1080.09		(582.09)
Operating profit before working capital changes			
ADJUSTMENTS FOR:			
Increase in debtors	(462.42)	714.97	
Increase in inventories	273.49	(129.86)	
Increase in creditors	766.23	(175.13)	
Increase in other receivables	202.77	102.38	
	<u>780.07</u>		<u>512.36</u>
Cash generated from operations	1860.16		(69.73)
Income tax paid (refund)	46.46		139.09
Net cash from operation before Extra ordinary item	1906.62		69.36
Extra ordinary item	(624.34)		(818.95)
	<u>1282.28</u>		<u>(749.59)</u>
B. Cash flow from investing activities			
Purchase of fixed assets	(147.86)	(134.09)	
Sale/purchase of investments	244.20	0.09	
Sale proceeds of fixed assets	109.05	172.81	
Interest received	12.12	6.29	
Dividend received	-	0.90	
	<u>217.51</u>	<u>46.00</u>	
Net cash used in investing activities	1499.79		(703.59)

(Contd....)

CASH FLOW (continued)

		(Rs.in lakhs)			
		2003-04		2002-03	
		Rs.	Rs.	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital		-		-	
Redemption of debentures		-		-	
Redemption of term loans		(800.00)		(607.13)	
Proceeds of long term borrowings		(143.76)		2191.19	
Premium on redemption of debentures		-		-	
Proceeds / redemption of bullet payment		-		-	
Bank borrowings		(137.89)		187.27	
Refund/acceptance of deposits		155.19		147.88	
Dividend paid		-		-	
Other ICD / bills		-		-	
Interest paid		(921.18)		(953.58)	
Short term loan from banks		492.80		(492.80)	
Net cash used in financing activities			(1354.84)		472.83
Net increase in cash and cash equivalents			144.95		(230.76)
Cash and cash equivalent at the beginning		454.41		685.17	
Cash and cash equivalent at the end		599.36	144.95	454.41	(230.76)

T.T. JAGANNATHAN
Chairman

K. SHANKARAN
Director & Secretary

Place : Bangalore
Dated : 25th June, 2004

S. RAVICHANDRAN
Director

R. RAJAGOPALACHARI
Director

We have verified the Cash Flow Statement of M/s. TTK Prestige Limited, from the Audited Annual Accounts for the year ended 31st March 2004 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement entered with Stock Exchanges.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore
Date: 25th June 2004

C. N. SRINIVASAN
Partner

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES Act, 1956.

1.	Name of Subsidiary	MANTTRA INC.
2.	Financial year of the Company ended on	31.3.2004
3.	(i) Common stock in subsidiary company	98,000 Shares
	(ii) Holding Company's interest	100%
4.	The net aggregate profits, less losses of the subsidiary Company so far as it concerns the holding Company	
	(i) Dealt with in the accounts of TTK Prestige Limited by way of Dividends on the Shares held in the subsidiary	
	(a) For the subsidiary's financial year	Nil
	(b) For the previous financial years of the subsidiary since it became subsidiary of TTK Prestige Limited	Nil
	(ii) Not dealt with in the accounts of TTK Prestige Limited	
	(a) For the subsidiary's financial year	Profit Rs. 78,410
	(b) For the previous financial years of the subsidiary since it became subsidiary	Loss Rs. 9,80,33,036

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Managing Director

R. RAJAGOPALACHARI
Director

K. SHANKARAN
Director & Secretary

Place : Bangalore
Date : 25th June 2004

TTK PRESTIGE LIMITED
Historical Financial Highlights

	(Rs. in Lakhs)								
	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Performance									
1. Total Income	15246.28	11330.62	14124.15	13850.73	13957.20	14715.39	11634.62	12610.00	11795.17
2. Profit before Interest, Depreciation, Extra ordinary Items & Tax	1170.75	(611.48)	1074.06	954.07	1124.92	1832.70	1103.98	1741.20	1715.14
3. Interest	921.18	953.58	772.27	578.04	557.94	518.21	346.29	371.00	282.04
4. Depreciation	183.37	177.18	180.72	188.77	192.56	171.22	164.76	131.66	124.33
5. Extra-ordinary Items	11.29	0.00	19.70	19.70	0.00	0.00	0.00	0.00	0.00
6. Profit / (Loss) before Tax	54.91	(1742.24)	101.37	167.56	374.42	1143.27	592.93	1238.54	1308.77
7. Taxation Provision	33.6	(595.00)	31.27	12.44	10.00	210.00	85.00	400.00	405.00
8. Profit / (Loss) after Tax	21.31	(1147.24)	70.10	155.12	364.42	933.27	507.93	838.54	903.77
9. Dividend Provision	-	-	-	169.97	283.71	340.45	283.71	283.71	283.71
10. Dividend Tax	-	-	-	17.34	31.21	37.45	28.37	28.37	0.00
11. Dividend Declared %	-	-	-	15	25	30	25	25	25
Sources & Application of Funds									
A. Sources									
1. Share Capital	1133.18	1133.18	1133.18	1133.13	1133.13	1133.13	1133.05	1133.05	1132.11
2. Reserves & Surplus	3103.66	3444.10	6595.54	6819.07	6891.57	6887.38	6376.69	6226.16	5802.06
3. Loan Funds	7652.61	8086.27	6659.85	4978.46	3389.25	3118.06	3871.99	3164.15	1808.41
Total	11889.45	12663.55	14388.57	12930.66	11413.95	11138.57	11381.73	10523.36	8742.58
Application									
4. Fixed Assets WDV incl. Assets for Disposal	3187.98	3074.25	3367.05	3480.04	2889.71	2749.61	2368.67	2100.54	1756.80
5. Investments	1512.79	1701.05	1937.67	1521.35	468.16	402.87	502.88	497.22	462.44
6. Net Current Assets	6831.28	7512.87	8141.75	7850.47	8056.08	7986.09	8510.18	7925.60	6523.34
7. Miscellaneous Expenses	45.14	33.70	942.10	78.80	0.00	0.00	0.00	0.00	0.00
8. Deferred Tax Asset	312.26	341.68							
Total	11889.45	12663.55	14388.57	12930.66	11413.95	11138.57	11381.73	10523.36	8742.58

Annual Report of Mantra Inc. USA

DIRECTOR'S REPORT

To Share Holders of Mantra Inc.,

Your Directors have pleasure in presenting their Report, together with the Audited Accounts of the Company for the year ended 31st March 2004:

Financial Results

	(In Rs. Crores)	
	2003-04	2002-03
Total Income	Rs. 19.06	Rs. 13.93
Net profit / Loss	(+) Rs. 0.08	(-) Rs. 0.92

Review of Performance:

Your Company recorded 28% increase in Sales as compared to the previous year. The increase in sales was made possible by expanding the distribution by adding more retail chain stores including K-mart, Kohls and additional outlets of Walmart chain. The Sales for the year of Rs.17.88 crores is the highest ever recorded by your Company. The introduction of new models and strengthening of marketing efforts, have been the other contributory factors for the better performance of the Company.

Finance :

The overall improvement in the performance has improved the liquidity of the Company, which enabled the Company to manage the finances, without any additional borrowings.

Employees :

Mr. T.T. Lakshman, who is in the employment of the Company has been re-designated as President with effect from 1st March 2004.

Related Party Transactions :

During the year the Company has paid salary of Rs. 25,12,223 to Mr. T.T. Lakshman, who is related to Mr. T.T. Jagannathan, Chairman of the Company.

General:

Your Company's Accounts have been drawn up in US Dollars (\$) and Certified by a Certified Public Accountant in USA. Based on this Certification, the enclosed financial statements have been cast in line with the requirements under Indian Company Law and the results have been restated in Indian Rupee.

Signed on behalf of Board

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

MANTTRA INC.

REPORT OF THE AUDITORS
To TTK Prestige Limited

We have audited the attached Balance Sheet of MANTTRA INC, USA wholly subsidiary Company of TTK Prestige Limited as at 31st March 2004, the Profit and Loss Account and also 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.

We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Company (Auditor's Report) Order 2003 issued by the Company Law Board in terms of sub-section (4A) of Section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. Manttra Inc. is the wholly owned subsidiary of TTK Prestige Limited incorporated in USA. The provisions of the Companies Act, 1956 in India do not apply to this subsidiary.
- ii. We have conducted our audit based on the certification of a qualified CPA, in USA who has certified the accounts for filing of returns with Internal Revenue Authority, USA. Over and above the certificate of the overseas auditors, we have obtained necessary certificates and information from the management of the Company.
- iii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- iv. 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.
- v. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- vi. Our audit is limited to the extent of verifying whether the financial statements have been made out of proper books of accounts and that the accounting standards as envisaged under Section 211(3C) of Companies Act, 1956 have been complied with and whether the accounts are presented in accordance with Schedule VI of the Companies Act, 1956. 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 Section 211 (3C) of the Companies Act, 1956;
- viii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2004; and
 - b. in so far as it relates to the Profit and Loss Account, of the **Profit** of the Company for the period ended on that date.
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore
Dated : 25th June, 2004

(C.N. SRINIVASAN)
Partner

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information given to us and in our opinion the Company has not disposed any of its fixed assets which will affect the Company as a going concern.
- (ii) (a) The inventory has been physically verified during the year by the management. 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 inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and books records were not material.
- (iii) 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- (iv) Provisions of Section 301 of the Companies Act, 1956 do not apply to the Company as it is incorporated outside India.
- (v) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (vi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

In our opinion the provisions of Clause 4(iii), 4(vi), 4(viii), 4(ix), 4(x), 4(xi), 4(xii), 4(xiii), 4(xiv), 4(xv), 4(xvi), 4(xvii), 4(xviii) 4(xix) & 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore
Dated : 25th June, 2004

(C.N. SRINIVASAN)
Partner

MANTTRA INC.
BALANCE SHEET
(As at 31st March 2004)

	Schedule	As at 31st March 2004		As at 31st March 2003	
		Rs.	Rs.	Rs.	Rs.
I. SOURCE OF FUNDS	1				
1. SHAREHOLDERS' FUND					
Capital		11,57,71,267		11,57,71,267	
Reserves and surplus					
		<u>11,57,71,267</u>		<u>11,57,71,267</u>	
2. LOAN FUNDS					
Secured Loans					
Unsecured Loans	2	3,04,29,000		3,32,15,000	
		<u>3,04,29,000</u>		<u>3,32,15,000</u>	
TOTAL		<u>14,62,00,267</u>		<u>14,89,86,267</u>	
II. APPLICATION OF FUNDS					
1. FIXED ASSETS	3				
Gross Block		16,29,697		13,12,638	
Less: Depreciation		1,62,457		74,228	
Net Block		<u>14,67,240</u>		<u>12,38,410</u>	
2. CURRENT ASSETS					
LOANS & ADVANCES					
Stock-in-Trade	4	6,80,23,570		7,23,84,166	
Sundry Debtors	5	5,41,10,773		4,32,45,695	
Cash and Bank Balances	6	31,64,106		44,67,261	
Loans and Advances	7	23,99,066		12,60,484	
		<u>12,76,97,515</u>		<u>1,21,3,57,606</u>	
Less: Current Liabilities & Provisions	8				
Liabilities		<u>10,56,99,039</u>		<u>9,43,69,810</u>	
		<u>10,56,99,039</u>		<u>9,43,69,810</u>	
Net Current Assets		<u>2,19,98,476</u>		<u>2,69,87,796</u>	
3. MISCELLANEOUS EXPENSES					
Profit and Loss Account		12,06,81,651		12,07,60,061	
Deferred Revenue Expenditure		20,52,900			
TOTAL		<u>14,62,00,267</u>		<u>14,89,86,267</u>	
Notes on Accounts	13				

Notes: The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For Messrs S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Director

K. SHANKARAN
Director & Secretary

MANTTRA INC.
PROFIT & LOSS ACCOUNT
(For the year ended 31st March 2004)

	Schedule	As at 31st March 2004		As at 31st March 2003	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales	9	17,88,93,847		13,91,37,495	
Other Income	10	<u>1,17,19,483</u>		<u>2,16,729</u>	
			19,06,13,331		13,93,54,224
EXPENDITURE					
Material Consumption	11	13,78,26,872		11,36,40,048	
Expenses	12	5,26,19,819		3,48,75,216	
Depreciation (As per Schedule 3)		<u>88,229</u>		<u>74,228</u>	
			19,05,34,920		14,85,89,492
Profit after Tax			78,410		(92,35,268)
Balance transferred to Surplus Account			78,410		(92,35,268)

Notes: The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to
in our Report of even date.

For Messrs S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Director

K. SHANKARAN
Director & Secretary

**MANTTRA INC.
SCHEDULES**

	Year ended 31st March 2004				Year ended 31st March 2003					
	Rs.		Rs.		Rs.		Rs.			
1. CAPITAL:										
Authorised Share Capital : Equity shares of No Par Value	<u>11,57,71,267</u>				<u>11,57,71,267</u>					
Issued Subscribed and paid up:										
98000 Equity Shares of No Par Value	<u>11,57,71,267</u>				<u>11,57,71,267</u>					
	<u>11,57,71,267</u>				<u>11,57,71,267</u>					
2. UNSECURED LOANS:										
From Holding Company	3,04,29,000				3,32,15,000					
	<u>3,04,29,000</u>				<u>3,22,15,000</u>					
3. FIXED ASSETS										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31st March 2003	Additions during the Year	Deductions during the Year	Cost at 31st March 2004	As at 31st March 2003	Deductions for the Year	Charged for the Year	As at 31st March 2004	Net Book Value as at 31st March 2004	Net Book Value as at 31st March 2003
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Forklift	11,82,029	3,17,059	-	14,99,088	56,119	-	70,121	1,26,240	13,72,848	11,25,910
Office Equipment	26,730	-	-	26,730	1,270	-	1,270	2,540	24,190	25,460
Computer	1,03,879	-	-	1,03,879	16,839	-	16,839	33,678	70,201	87,040
Total	13,12,638	3,17,059		16,29,697	74,228		88,229	1,62,457	14,67,240	12,38,410
4. STOCK-IN-TRADE:										
Finished Goods (As Certified by Management)	<u>6,80,23,570</u>				<u>7,23,84,166</u>					
	<u>6,80,23,570</u>				<u>7,23,84,166</u>					
5. SUNDRY DEBTORS:										
(Considered good for which the Company holds no Security other than the Director' Personal Security)										
Less than 6 months	1,85,65,907				2,80,38,177					
More than 6 months	3,55,44,866				2,40,89,038					
Less: Provision for doubtful debts					<u>88,81,520</u>					
	<u>5,41,10,773</u>				<u>4,32,45,695</u>					
	<u>5,41,10,773</u>				<u>4,32,45,695</u>					

	Year ended 31st March 2004		Year ended 31st March 2003	
	Rs.	Rs.	Rs.	Rs.
6. CASH & BANK BALANCES:				
Cash on Hand				
Balance with Scheduled Banks:				
Bank of Baroda	1,75,636		38,47,721	
Bank of America	29,88,470	31,64,106	6,19,540	44,67,261
		<u>31,64,106</u>		<u>44,67,261</u>
7. LOANS & ADVANCES:				
Recoverable in cash or kind or for value to be received:				
Exhibition Charges	2,94,509		3,26,081	
Claims receivable	15,21,450		-	
Other Advances	5,83,107	23,99,066	9,34,403	12,60,484
		<u>23,99,066</u>		<u>12,60,484</u>
8. CURRENT LIABILITIES:				
Sundry Creditors:				
For goods supplied	10,56,99,039		9,43,69,810	
		<u>10,56,99,039</u>		<u>9,43,69,810</u>
9. SALES:				
Pressure Cookers & Pressure Pans		17,88,93,846		13,86,23,435
Cookware		-		3,87,767
Spares & Components		-		1,26,293
		<u>17,88,93,847</u>		<u>13,91,37,495</u>
10. OTHER INCOME:				
Exchange gain		95,53,255		(9,35,201)
Others		21,66,228		11,51,930
		<u>1,17,19,483</u>		<u>2,16,729</u>
11. MATERIAL CONSUMPTION:				
Opening Stock of Finished Goods		7,23,84,166		3,39,25,959
Add: Purchases		13,34,66,276		15,20,98,255
		<u>20,58,40,442</u>		<u>18,60,24,214</u>
Less: Closing Stock of Finished Goods		6,80,23,570		7,23,84,166
CONSUMPTION		<u>13,78,26,872</u>		<u>11,36,40,048</u>

	Year ended 31st March 2004	Year ended 31st March 2003
	Rs.	Rs.
12. EXPENSES:		
Salary	25,12,223	8,51,949
Travelling	2,14,681	3,33,577
Ware House Expenses	1,25,64,000	85,70,365
Repairs	55,804	-
Insurance	2,89,680	1,11,758
Rates & Taxes	459	43,317
Selling Expenses	2,93,23,317	1,44,13,289
Communication Expenses	14,10,857	6,73,435
Legal & Professional Charge	3,31,505	6,68,141
Freight & Clearing Expenses	57,80,768	24,53,619
Merchant Account Processing Setup Charges	-	-
Bank Charges	1,36,526	1,82,942
	<u>5,26,19,819</u>	<u>2,83,02,391</u>
Provision for Bad Debts	-	65,72,825
	<u>5,26,19,819</u>	<u>3,48,75,216</u>

Per our Report Attached.

For Messrs S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Director

K. SHANKARAN
Director & Secretary

13. NOTES ON ACCOUNTS

Forming part of the Balance Sheet & Profit and Loss Account
(For the year ended 31st March, 2004)

1. Significant Accounting Policies:

i) Accounting Concepts:

Financial Statements are based on historical cost and on the basis of a going concern. The Company follows the Mercantile System of Accounting and recognises income and expenditure on an accrual basis.

ii) Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes, insurance, etc.

iii) Depreciation:

The Company is providing depreciation on Straight Line Method.

iv) Sales are stated at Net of Returns, but before allowing Discounts.

v) Inventory has been stated at Purchase Cost or Net realisable value whichever is lower.

vi) Foreign Currency - The transactions in Foreign Currency are translated at Average Exchange rates and Exchange difference arising from foreign currency translation are dealt with in the Profit and Loss account.

2) Figures have been rounded off to the nearest Rupee.

3) Detailed Quantitative particulars of Sales and Stock

(a) Pressure Cookers

Particulars	Year	Quantities (Nos.)
Op. Stock	2003-04	92,590
	2002-03	31,690
Purchases	2003-04	1,54,954
	2002-03	2,05,876
Sales	2003-04	1,68,125
	2002-03	1,44,976
Cl. Stock	2003-04	79,419
	2002-03	92,590

(b) Opening / Closing Stock Value - Finished Goods		Year ended 31st March 2004		Year ended 31st March 2003	
		Rs.	Rs.	Rs.	Rs.
		Quantity	Opening stock Value	Quantity	closing stock Value
Pressure	2003-04	92,590	7,05,13,896	79,419	6,63,37,317
Cookers & pans	2002-03	31,690	3,16,86,403	92,590	7,05,13,896
Others	2003-04		18,70,270		15,28,593
	2002-03		22,39,556		18,70,270
Total	2003-04		7,23,84,166		6,78,65,910
	2002-03		3,39,25,959		7,23,84,166

4. Sundry creditors represent the holding company.
5. The entire share capital of the company (98000 shares of common stock aggregating to Rs.11.58 Crores is held by the holding company - TTK Prestige Limited)
6. Previous years figures have been re-grouped and re-classified wherever necessary.
7. The company operates in a single segment of kitchen appliances.
8. The company had transactions of purchases with the Holding Company and TTK Services (P) Limited, another Group Company from whom an amount of Rs. 20,63,250 was received as service charges.
9. Cash flow from operating activities:

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2004.

(Rs. Lakhs)

A) Cash flow from operating activities		
Net Profit / Loss	0.78	
Adjustment for depreciation	0.88	
Interest	0.00	
Operating loss before working capital changes		1.66
Adjustment for:		
(Increase) / Dec. In Debtors	(108.65)	
(Increase) / Dec. In Inventories	43.61	
Increase / (Dec). In Creditors	113.29	
Deferred revenue Expenditure	(20.53)	
(Increase)/ Dec. Other receivables	(11.38)	
Total		16.34
Net Cash flow from operating activities		18.00
B) Cash flow from investing activities: (Purchase)/sale of fixed assets		(3.17)
C) Cash flow from financing activities: (Restatement of loan)		(27.86)
Net cash flow		(13.03)
Cash and cash equivalent at beginning		44.67
Cash and cash equivalent at the end		31.64
Net		(13.03)

Place : Bangalore
Dated : 25th June, 2004

T.T. JAGANNATHAN
Chairman

S. RAVICHANDRAN
Director

K. SHANKARAN
Director & Secretary

We have verified the above cash flow statement of M/s.Manttra Inc., from the audited annual Accounts for the year ended 31st March, 2004 and found the same to be drawn in accordance therewith.

For M/s S. VISWANATHAN,
Chartered Accountants

C.N. SRINIVASAN
Partner

TTK PRESTIGE LIMITED

Registered Office: 78, Old Madras Road, Dooravaninagar, Bangalore-560 016.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the member attending.....

Full Name of the first joint holder.....

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 48th ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at NO, 78, Old Madras Road, Bangalore-560 016 on Monday the 27th September, 2004 at 11.00 a.m.

Ledger Folio No.....

No. of Shares held.....

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note: Members are requested to bring their copies of the Annual Report to the Meeting.

As per the policy of the Company no Gifts will be given at the Annual General Meeting.



TTK PRESTIGE LIMITED

Registered Office: 78, Old Madras Road, Dooravaninagar, Bangalore-560 016.

PROXY

I / We.....

of

in the district of

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

ofin the district of

.....or failing himin the district of

.....as my / our proxy to vote for me / us on my / our behalf at the Forty Eighth Annual General Meeting of the Company to be held on 27th September, 2004 and at any adjournment thereof.

Signed this day of2004.

Ledger Folio No.

No. of Shares held

Please affix
Re. 1.00
Revenue
Stamp

(Signature of Member)

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.





Dear Shareholders,

As a privileged member of the TTK family, I take this opportunity to offer you a 20% discount on all the Prestige appliances which are innovative and very useful in today's kitchen.

The response coupon below will enable you to avail this offer.

I look forward to being in touch with you in future.

Yours faithfully

T.T.Jagannathan

(Chairman)

RESPONSE COUPON

Dear Sir,

I am pleased to accept your offer. I am enclosing Demand Draft No.....dated..... favouring TTK Prestige Limited for Rs.....(Rupees in words.....) towards the purchase of the following products:

Product	Quantity
.....
.....
.....

My address is given below.

Yours sincerely

(Signature)

Name: Mr. / Mrs. / Ms

Address:.....

.....

..... Contact No.....

In case you are located in any of our branch locations, you may present your response coupon and draft at the branch (draft payable at the local branch) and collect your Prestige product.

AHMEDABAD

TTK Prestige Limited
603/604, 'Mahakant'
Opp. V.S. Hospital
Ellis Bridge, Ashram Road
AHMEDABAD – 380 001
Ph: 079-6575241/657594

BANGALORE

TTK Prestige Limited
198, 198/1, 4th Cross
V.R.K.Chambers
Lalbagh Road
BANGALORE – 560 027
Ph: 080-2296922/2271585

CALCUTTA

TTK Prestige Limited
NO. 12, Chowringee Square
CALCUTTA – 700 069
Ph: 033-22102533/22487187

CHENNAI

TTK Prestige Limited
19, Santhome High Road
Santhome CHENNAI – 600 028
Ph: 044-24938251/24938439

DELHI

TTK Prestige Limited
301/303, Hemkunt House
6, Rajendra place
NEW DELHI – 110 008
Ph: 011-25863163/25863164

ERNAKULAM

TTK Prestige Limited
No. XXXV/1953, XXXV/1954
Mareena Building
M.G.Road, Ernakulam
COCHIN – 682 016
Ph: 0484-2355189/2381322

HYDERABAD

TTK Prestige Limited
6-1-73, IInd Floor
Saeed Plaza, Lakdi Ka Pul
HYDERABAD – 500 004
Ph: 040-23242802/23243514

MUMBAI

TTK Prestige Limited
Vulcan Insurance Building, 6th Floor
202-A, Veer Nariman Road
Churchgate Reclamation
MUMBAI – 400 020
Ph: 022 – 22840624/22820512/22040991

OTHER CITIES*

TTK Prestige Limited
11th Floor, 'Brigade Towers'
135, Brigade Road
BANGALORE – 560 025
Ph: 080-22217438/22217439
Fax: 080-22277446

For all other cities, please send your response coupon and draft payable at Bangalore, after adding Rs 50/- per unit towards courier charges to TTK Prestige Limited, Bangalore, at the above address.

We will send the Prestige product you have selected to your residence by courier within 30 days from the date of receiving payment.

Please note that maximum two pieces order of each product is permissible against each response coupon.