

# TTK PRESTIGE LIMITED

## Annual Report 2006 - 07

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### BOARD OF DIRECTORS

Shri. T T Jagannathan	Executive Chairman
Shri. T T Raghunathan	Vice Chairman
Shri. S. Ravichandran	Managing Director
Shri. Ajay I. Thakore	Director
Shri. R. Srinivasan	Director
Dr. (Smt.) Latha Jagannathan	Director
Dr. (Smt.) Vandana R. Walvekar	Director
Shri. K. Shankaran	Director
Shri. Dileep Kumar Krishnaswamy	Director
Shri. Arun K. Thiagarajan	Director

### 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 & CORPORATE OFFICE  
11th Floor, Brigade Towers  
135, Brigade Road  
Bangalore - 560 025.

FACTORIES  
82 & 85, Sipcot Industrial Complex, Hosur  
Tamil Nadu - 635 126.

Myleripalayam Village  
Kovai Terku  
Coimbatore, Tamilnadu - 641 032.

Plot No. 1A & 2  
Dev Bhoomi Industrial Estate  
Roorkee  
Uttarakhand

#### BANKERS

1. Bank of Baroda  
Corporate Financial Services Branch, HJS Chambers,  
1st Floor, No. 26, Richmond Road, Bangalore - 560 025.
2. Canara Bank, Corporate Service Branch  
Shankaranarayana Building, M.G. Road,  
Bangalore-560 001.

#### REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare (P) Limited  
Plot No. 17-24, Vittal Rao Nagar, Madhapur  
Hyderabad - 500 081.

#### 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

11th Floor, Brigade Towers, 135, Brigade Road, Bangalore - 560 025, India

## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the Fifty first Annual General Meeting of **TTK PRESTIGE LIMITED** will be held at Rotary Club of Bangalore, No. 20, Lavelle Road, Bangalore - 560 001 **on Friday the 10th August 2007 at 12.05 p.m.** to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2007 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ajay I. Thakore who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. (Mrs.) Vandana R. Walvekar who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. K. Shankaran who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint the Auditors of the Company for the ensuing year and to fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections.198, 269, 309 & Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company, the re-appointment of Mr. S. Ravichandran as Managing Director for a period of 5 years from 5th February, 2007 by the Board of Director on the terms and conditions specified in the explanatory statement to this resolution be and is hereby approved.”

“RESOLVED FURTHER THAT the remuneration specified in the explanatory statement be paid as Minimum Remuneration to Mr. S. Ravichandran in any year of loss or inadequacy of profits, and if necessary, an application be made to Central Government for payment of the said Minimum Remuneration, in so far as the same is in excess of ceilings prescribed for payment of Minimum Remuneration under Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof as may be in force from time to time.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to revise the remuneration to Mr. S. Ravichandran in accordance with Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof as may be in force from time to time.”

8. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT during any year of loss or inadequacy of profits, salary, performance bonus and allowances together with other perquisites fixed by the Board of Directors and endorsed by the Remuneration Committee and as detailed in the Explanatory Statement be paid to Mr. S. Ravichandran, Managing Director as minimum remuneration for a period of 3 years with effect from 5<sup>th</sup> February 2007 in accordance with the provisions of and subject to the ceiling prescribed for the time being under Schedule XIII to and other applicable sections of the Companies Act, 1956 or any statutory modification(s) thereof from time to time and that the Board of Directors be and are hereby authorized to apply to the Central Government in connection with the payment of Managerial Remuneration, if and when necessary”.

By Order of the Board  
For TTK Prestige Limited

Place : Bangalore  
Dated : 5<sup>th</sup> July, 2007

**K. SHANKARAN**  
*Director & Secretary*

### NOTES:

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 Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Shareholders whose names appear in the Register of Members on 10<sup>th</sup> August 2007.
3. Members are requested to intimate the Company, changes if any, in their registered address at an early date.
4. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updations of savings bank account details to their respective Depository Participants.

5. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM 3<sup>rd</sup> August 2007 TO 10<sup>th</sup> August 2007 (BOTH DAYS INCLUSIVE).
6. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item No.7&8 is annexed.
7. Members are requested to bring their copy of the Annual Report to the Meeting.
8. Pursuant to Section 205C of the Companies Act, 1956, all Unclaimed Dividends up to the financial year ended 31<sup>st</sup> March 2000 have been transferred to the Investor Education and Protection Fund of the Central Government and the members are not entitled to claim these dividends.

Those members who have so far not encashed their Dividend Warrants for the 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.**

<u>Financial Year Ended</u>	<u>Due Date of Transfer</u>
31 <sup>st</sup> March, 2001	20-9-2008
31 <sup>st</sup> March, 2005	22-8-2012
31 <sup>st</sup> March, 2006	28-8-2013

9. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors retiring by rotation and being eligible seeking reappointment is as under:

**1. Mr. Ajay I. Thakore**

Mr. Ajay I. Thakore retires by rotation and is eligible for re-election.

Mr. Ajay I. Thakore is a qualified Chartered Accountant and a practising Advocate & tax consultant. He has been on the Board of the company since 1974.

He is the Chairman of Chandramouli Holding & Leasing (P) Ltd and Director of Madhav Marbles & Granites Ltd. and Ardheesh Chemicals Pvt. Ltd.

Mr. Ajay I. Thakore is the Chairman of Audit Committee and Remuneration Committee of the Company and also a member of Audit Committee of Madhav Marbles & Grnites Ltd.

The Resolution is commended for adoption. None of the Directors except Mr. Ajay I. Thakore is deemed to be interested in this Resolution

**2. Dr. (Mrs.) Vandana R. Walvekar**

Dr. (Mrs.) Vandana R. Walvekar retires by rotation and is eligible for re-election.

Dr. (Mrs.) Vandana R. Walvekar is a Gynaecologist. She has been on the Board of the Company since 1975.

She is a member of Audit Committee & Remuneration Committee of the Company.

The Resolution is commended for adoption.

None of the Directors except Dr. (Mrs.) Vandana R. Walvekar is deemed to be interested in this Resolution.

**3. Mr. K. Shankaran**

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

Mr. K. Shankaran is a qualified Cost & Management Accountant and Company Secretary and he has been the whole time Secretary of the Company since 1990. He was inducted into your Board from 1993.

Mr. K. Shankaran is also on the Board of TTK Healthcare Limited, Prestige Housewares (I) Limited, TTK Healthcare Services (P) Ltd, TTK Services (P) Limited and Mantra Inc. USA.

He is a member of Shareholders'/Investor Grievance Committee of the Company and member of Audit Committee, Shareholders'/Investor Grievance Committee & Remuneration Committee of TTK Healthcare Limited.

The Resolution is commended for adoption.

None of the Directors except Mr. K. Shankaran is deemed to be interested in this Resolution.

By Order of the Board  
For TTK Prestige Limited

Place : Bangalore  
Dated : 5<sup>th</sup> July, 2007

**K. SHANKARAN**  
Director & Secretary

# TTK PRESTIGE LIMITED

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM No. 7

#### Re-Appointment of Mr. S. Ravichandran as Managing Director.

Mr. S. Ravichandran was re-appointed as Managing Director of your company for a period of 5 years from 5<sup>th</sup> February 2007.

Mr. Ravichandran is an experienced and qualified professional having qualified in the field of Mechanical Engineering from the Indian Institute of Technology, Chennai and is a Management Graduate from the Indian Institute of Management.

His terms of appointment and Remuneration as fixed by the Remuneration Committee and approved by the Board of Directors are as follows :

- |                                        |                                                                                                                                                                                                               |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Salary                              | Rs. 1,25,000 per month for the period 5 <sup>th</sup> February, 2007 to 31 <sup>st</sup> March 2007 and Rs. 1,50,000 per month from 1 <sup>st</sup> April, 2007 (in the pay scale of Rs. 1,00,000 - 3,00,000) |
| B. 1) Housing                          | House Rent Allowance of 60% of the salary over and above 10% payable by the appointee.                                                                                                                        |
| 2) Gas, Electricity & Water            | The expenditure incurred by the Company on Gas, Electricity, Water, Furnishings etc., shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.                                |
| 3) Medical                             | One month's salary in a year or three month's salary over a period of three years for self, wife, children and dependents.                                                                                    |
| 4) Leave Travel Assistance             | For self and family, to and fro Airfare to any place in India once a year.                                                                                                                                    |
| 5) Club Fees                           | Fees for two clubs not including admission and life membership fee.                                                                                                                                           |
| 6) Personal Accident Insurance         | Personal accident cover, as per the rules of the company.                                                                                                                                                     |
| C. Other Benefits                      |                                                                                                                                                                                                               |
| 1. Provident Fund contribution         | - As per rules of the company.                                                                                                                                                                                |
| 2. Superannuation contribution         | - As per rules of the company.                                                                                                                                                                                |
| 3. Leave and Leave encashment benefits | - As per rules of the company.                                                                                                                                                                                |
| 4. Gratuity                            | - As per rules of the company.                                                                                                                                                                                |

- |                                 |                                                                                                                                                                                          |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| D. 1. Car                       | Free use of Company maintained car with driver                                                                                                                                           |
| 2. Telephone                    | Telephone at residence                                                                                                                                                                   |
| E. Performance Bonus Commission | As decided by the Remuneration Committee / Board within the ceiling of 1.5% of the Profits of the Company as computed under Sec. 198 of the Companies Act, 1956 for each financial year. |

The above remuneration and benefits from A to E mentioned above with basic pay as revised by the Board from time to time within the pay scale will be paid as Minimum Remuneration subject to the ceilings prescribed under Schedule XIII to the Companies Act, 1956. In case such minimum remuneration exceeds the ceiling, necessary application will be made to the Central Government.

The re-appointment of Mr. S. Ravichandran as Managing Director and his terms of remuneration require the approval of the Shareholders in General Meeting. Hence the resolution is placed before the meeting.

The resolution is commended for adoption. Except Mr. Ravichandran, none of the directors is interested in this resolution.

### ITEM No. 8

#### Minimum Remuneration

Mr. S. Ravichandran was re-appointed as Managing Director of the Company for a period of 5 years with effect from 5<sup>th</sup> February 2007. To ensure adequate remuneration to the appointee for a period of 3 years from 5<sup>th</sup> February 2007 in case of loss or inadequacy of profits in any financial year, a Special Resolution is required to be passed by the Shareholders based on the recommendations of the Remuneration Committee.

The remuneration committee of the Board has considered and recommended the payment of such minimum remuneration as detailed in the explanatory statement. The conditions stipulated for payment of such minimum remuneration are complied herewith. The prescribed particulars as required under Schedule XIII to the Companies Act, 1956 are furnished in the Annexure.

By Order of the Board  
For TTK Prestige Limited

Place : Bangalore  
Dated : 5<sup>th</sup> July, 2007

**K.SHANKARAN**  
Director & Secretary

**STATEMENT SHOWING THE DETAILS AS REQUIRED UNDER  
SCHEDULE XIII TO THE COMPANIES ACT, 1956**

(In connection with Item no. 8 of the Notice / Explanatory Statement)

<b>I. GENERAL INFORMATION</b>			
1. Nature of Industry	Manufacture and Marketing of Pressure Cookers, Non-stick Cookware, Gas Stoves & Domestic Kitchen Appliances.		
2. Date or expected date of commencement of commercial production	An existing Company.		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	N.A.		
4. Financial performance based on given indicators	N.A.		
5. Export performance and net foreign exchange earnings 2006-2007	Export <u>Rs. lacs</u> <b>1515</b>	Import <u>Rs. lacs</u> <b>1623</b>	Net Foreign Exchange Earnings <u>Rs. lacs</u> <b>(108)</b>
6. Foreign Investments or collaborators, if any	None		
<b>II INFORMATION ABOUT THE APPOINTEE :</b>			
1. Background details	Mr. S. Ravichandran		
	Mr. S. Ravichandran is an experienced and qualified professional having qualified in the field of Mechanical Engineering from the Indian Institute of Technology, Chennai and is a Management Graduate from the Indian Institute of Management. He has been on the Board of the Company for the last 8 years.		
2. Past remuneration	Refer Annexure -1		
3. Recognition or awards	-		
4. Job profile and his suitability	He is the Managing Director of the Company in charge of the day to day overall management of the company and shall discharge such functions as entrusted by the Board of Directors from time to time. He possesses the necessary qualification and experience to discharge the functions of a Managing Director.		
5. Remuneration proposed	As per Annexure 1		
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration package is in line with the nature of the industry, size of the Company, profile of the person and the responsibilities entrusted		
7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any	None		

## TTK PRESTIGE LIMITED

III OTHER INFORMATION	
i) Reasons for loss or inadequate profits	<p>Though the company incurred a net loss of Rs.11.47 Crores during the year 2002-03, has recovered in the year 2003-04 by making a profit of Rs.21.31 lakhs. Performance in 2004-05, 2005-06 &amp; 2006-07 has also improved with a Net Profit of Rs.3.86 Crores , Rs. 7.11 Crores and Rs.11 crores respectively.</p> <p>Though the losses incurred in 2002-03 &amp; 2003-04 were adjusted against General Reserves of the company, provisions of Sec.348 and 349 of the Companies Act, 1956 require the adjustment of these losses against the profits made in the subsequent years for determining the profits to compute the remuneration to Managerial Personnel.</p> <p>The said losses have been adjusted completely with the end of financial year 31.03.2007. This resolution is placed by way of abundant caution and to protect the minimum remuneration in the event of any unforeseen circumstances.</p>
ii) Steps taken or proposed to be taken for improvement.	<p>The company has already has been turned around and is making profits.</p> <p>The shareholders are also requested to refer to the Managements' Discussion &amp; Analysis Report included in Directors' Report for further details.</p>
iii) Expected increase in productivity and profits in measurable terms	<p>The company has made a profit of Rs.17 Crores &amp; Rs.12 Crores before tax during the year 2006-07 &amp; 2005-06 respectively. The company expects to improve upon this performance in the coming years. The company expects to grow at 15% per annum.</p>
IV DISCLOSURES	<p>The details of the remuneration package of S. Ravichandran are furnished in Annexure 1.</p> <p>The other disclosures required are furnished under the Column "Disclosures" in our Report on Corporate Governance.</p>

### ANNEXURE 1

#### REMUNERATION DETAILS\*

<b>A.</b> Salary	Rs. 1,25,000 per month for the period 5th February, 2007 to 31st March 2007 and Rs. 1,50,000 per month from 1st April, 2007 (in the pay scale of Rs. 1,00,000 - 3,00,000)
<b>B.</b> 1) Housing 2) Gas, Electricity & Water 3) Medical 4) Leave Travel Assistance 5) Club Fees 6) Personal Accident Insurance	<p>House Rent Allowance of 60% of the salary over and above 10% payable by the appointee. The expenditure incurred by the Company on Gas, Electricity, Water, Furnishings etc., shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.</p> <p>One month's salary in a year or three month's salary over a period of three years for self, wife, children and dependents.</p> <p>For self and family, to and fro Airfare to any place in India once a year.</p> <p>Fees for two clubs not including admission and life membership fee.</p> <p>Personal accident cover, as per the rules of the company.</p>
<b>C.</b> Other Benefits 1. Provident Fund contribution 2. Superannuation contribution 3. Leave and Leave encashment benefits 4. Gratuity	<p>- As per rules of the company</p> <p>- As per rules of the company</p> <p>- As per rules of the company</p> <p>- As per rules of the company</p>
<b>D.</b> 1. Car 2. Telephone	<p>Free use of Company maintained car with driver.</p> <p>Telephone at residence</p>
<b>E.</b> Performance Bonus Commission	As decided by the Remuneration Committee / Board within the ceiling of 1.5% of the Profits of the Company as computed under Sec. 198 of the Companies Act, 1956 for each financial year.

The above remuneration and benefits from A to E mentioned above with basic pay as revised by the Board from time to time within the pay scale will be paid as Minimum Remuneration subject to the ceilings prescribed under Schedule XIII to the Companies Act, 1956. In case such minimum remuneration exceeds the ceiling, necessary application will be made to the Central Government.

**DIRECTORS' REPORT****(Including Managements' Discussion and Analysis Report)**

Your Directors have pleasure in presenting their Fifty First Annual Report, together with the Audited Accounts of the Company, for the year ended 31<sup>st</sup> March 2007 as follows:

**FINANCIAL RESULTS**

(Rupees in lakhs)

	2006-07	2005-06
Sales (inclusive of excise duty)	29325	23183
Other income	66	2
Profit before tax	1660	1200
Net Tax Provision	483	489
Net Profit	1177	711
Transfer to General Reserve	120	72
Proposed Dividend (including tax)	398	323
Surplus carried to balance sheet	658	316

**REVIEW OF PERFORMANCE**

Your Company continued to travel on the aggressive growth path both in terms of volume and value. During the year ended 31<sup>st</sup> March 2007, your Company registered 26.5% growth in sales. Your Company could have achieved a higher growth, but for the industrial unrest that affected the Hosur manufacturing complex of your Company during November 2006 to March 2007. Though your Company had made alternative arrangements, certain specific items and export models could not be manufactured, thus affecting the sales and profits to an extent. Your Company achieved a Pre-tax profit of 16.60 Crores thus registering a growth of 38% while the Post tax Profit registered a growth of 66% from Rs.7.11 Crores to Rs.11.77 Crores. Earnings per Share grew from Rs.6.27 to Rs.10.37.

A detailed analysis is provided under the section 'Management's Discussion and Analysis'.

**MANAGEMENTS' DISCUSSION AND ANALYSIS****A. INDUSTRY SCENARIO**

The buoyancy seen in the economy in the last few years continued during 2006-07. Notwithstanding a higher rate of inflation affecting the disposable income of the people, the consumer off take was encouraging.

Your Company operates in the kitchen appliances segment with a wide range of product categories consisting of Pressure Cookers, Non-stick Cookware, Gas Stoves and Domestic Kitchen Appliances. The key product category of your Company is Pressure Cookers which is shared amongst organized national branded players, regional players and unorganized players. The market is equally divided between organized branded players and others. In the other product categories also, the market structure is similar but the share and role of regional brands and unorganized players is quite high.

**B. OPPORTUNITIES, THREATS AND COMPANY'S RESPONSE**

Your Company has been building upon its core strengths of brand, manufacturing, designing, distribution, sourcing and service capabilities. These strengths and the buoyancy in the domestic economy over the past four years have been presenting interesting opportunities and your Company has been taking advantage of the same wherever viable besides creating opportunities for itself. Thus your Company has been able to firmly establish its brand over several product categories travelling beyond pressure cookers and earn the recognition for Prestige as the Super Brand in the kitchen appliance category. Such exploitation of opportunities has made possible the achievement of a compounded average growth rate of over 25% in the last four years. As mentioned in the last report, it will be your Company's endeavour to pursue continuous introduction of new products, expansion and consolidation of its exclusive retail chain 'Prestige Smart Kitchen', tapping the emerging large and medium retail formats, rural and export markets.

## TTK PRESTIGE LIMITED

The threats continue to be from unorganized players and regional brands that compete with unviable low pricing strategies. Your Company has been adopting different strategies to stay above such competition and has also been growing at a pace faster than the industry average. Competition from China continues to be a threat in the export markets.

### C. ANALYSIS OF PERFORMANCE:

- a. 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)

	2006-07			2005-06		
	Domestic	Export	Total	Domestic	Export	Total
Pressure Cookers	14923	1416	16339	12249	1481	13730
Non-stick Cookware	4321	28	4349	3542	32	3574
Kitchen Electrical Appliances	3865	-	3865	2163	-	2163
Gas Stoves	3162	-	3162	2254	-	2254
Others	1519	90	1609	1375	87	1462
Total	27790	1534	29324	21583	1600	23183

- b. Domestic Sales registered a growth of 28.75 % while exports remained at the same level. The industrial unrest in the last four months of the year under report affected sales especially against export orders.
- c. The growth in non-traditional product lines like kitchen electrical appliances and gas stoves has been very impressive at 79% and 40% respectively.
- d. In spite of severe cost push due to high aluminum and steel prices, your Company was able to improve its EBIDTA/Sales ratio to 8.75% through operational efficiencies.
- e. Your Company's new products including Prestige Nakshatra are well received in the market. The number of new products launched was 89 in 7 categories. Selective introduction of Modular kitchens is showing encouraging response.
- f. Expansion of exclusive Prestige Smart Kitchen retail net work was carried out at a greater pace than budgeted. The number of outlets as at the end of 31.3.2007 was 180 (Previous Year 80). The network now covers 11 States and 111 towns. The network contributes to nearly 15% of domestic sales.
- g. The increase in absolute interest burden was directly as a result of increased level of borrowing caused by higher investments in working capital and ongoing capital expenditure programmes. However interest as a ratio to Sales has been coming down steadily and stood at 2.3%.

### D. OUTLOOK

The opportunities that are available to your Company and the strategy to exploit them have already been detailed in the preceding sections. During the year 2007-08 your Company will focus on consolidation, improvement in revenue realizations and asset productivity.

### E. RISKS AND CONCERNS

The general inflationary trend and the consequent increase in interest rates is a cause for concern for the industry in general. The increase in costs of inputs can put pressure on margins if there be resistance in the market for end product price increases.

### F. FINANCES AND INTEREST RATE STRUCTURING

During the year there was no change in the equity capital. There was increase in debt burden by about Rs.16 crores commensurate with the capital expenditure outlay and investments in working capital to fund higher growth. In spite of increase in the debt burden the interest cost as a ratio to sales was kept at a lower level of 2.3% of Sales. The gearing is expected to come down significantly during the year 2007-08.



**G. INVESTMENTS**

There was no change in the investments as compared to the previous year.

**H. INTERNAL CONTROL SYSTEMS**

Your Company is continuously improving the internal control system in all the areas of operation including the effective monitoring of Prestige Smart Kitchens established across the length and breadth of the country. Your Company is in an advanced stage of implementing the ERP programme – SAP and this will further improve the internal control systems.

**I. DEVELOPMENTS IN HUMAN RESOURCES**

The direct employment strength stood, at 769 as compared to 724 in the previous year. There was industrial unrest in the Hosur manufacturing complex from 14th November 2006 to 31<sup>st</sup> March 2007 in connection with long-term settlement. A long-term settlement was signed before the conciliation authorities on 2<sup>nd</sup> April 2007 which provides for improved productivity and greater flexibility in deployment of workmen across functions and units.

**CAPITAL EXPENDITURE & EXPANSION PLANS**

The expansion and capital expenditure programme outlined in the last report is progressing as per plans. The Coimbatore Unit started commercial production during April 2006. The Uttarakhand Unit is slated to commence commercial production during June 2007.

**PROPERTY DEVELOPMENT**

The stand-by manufacturing activity in Bangalore is slated for closure during first half of the current financial year 2007-08. Your Company has negotiated a Joint Development Agreement for development of this property. Change in land use from industrial to commercial has been obtained. The property is proposed to be developed into a Mall of international standards and your Company will be entitled to a significant portion of mall space which can fetch sizeable revenues once the project is completed. Revenue stream from this development can be expected from the financial year 2010.

**MANTRA INC.**

The industrial unrest in your Company's Hosur Unit affected the supplies to the US market and this in turn affected the performance of the subsidiary adversely. However, the current year appears to be promising. The investment in the subsidiary being a long-term and strategic one, no provisioning is considered necessary at this stage. 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. Ajay I. Thakore, Dr. (Mrs.) Vandana R Walvekar and Mr. K. Shankaran retire by rotation and are eligible for re-election. The information on these retiring directors are provided in the Notice calling the Annual General Meeting. Mr. S. Ravichandran was reappointed as Managing Director for a further period of five years from 5.2.2007 and necessary resolutions seeking the approval from the Shareholders are being placed at the ensuing Annual General Meeting.

**FIXED DEPOSIT**

The Public Deposits aggregated to Rs. 318 lakhs as on 31st March 2007. There were no unclaimed deposits which remained unpaid as on that date.

**DIVIDEND**

Your directors recommend payment of a dividend Rs 3.00 per share for the financial year 2006-07.

**FUTURISTIC STATEMENTS**

This Directors' Report and the Managements' 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.

# TTK PRESTIGE LIMITED

## CORPORATE GOVERNANCE

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

## EMPLOYEES

The particulars as required under Sec.217 (2A) of the Companies Act, 1956 are given in the Annexure to this report.

## AUDITORS

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

## LISTING

Your Company's shares are 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 the 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.

For and on behalf of the Board

(T T JAGANNATHAN)  
EXECUTIVE CHAIRMAN

Place : Bangalore  
Dated : 14<sup>th</sup> June 2007

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 2007.

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 your Company has received registration for three patent applications. One design application was made during the year.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOW

1) Inflow		
Export of Goods (FOB)	-	Rs. 1515 lakhs
2) Outflow		
Import of Goods & Others	-	Rs. 1623 lakhs

For and on behalf of the Board

(T T JAGANNATHAN)  
EXECUTIVE CHAIRMAN

Place : Bangalore

Dated : 14<sup>th</sup> June 2007

# TTK PRESTIGE LIMITED

## Annexure to the Directors' Report 2006 - 2007

### Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2007

Name	Designation	Qualification	Experience in years	Remuneration Rs.	Age	Commencement of Employment	Particulars of last Employment
T T Jagannathan *	Executive Chairman	B.Tech (IIT, Chennai) M.S. (Operations Research) Cornell University New York	36	4034040	58	01/01/1975	G.M., TT Maps & Publications Ltd.,
S. Ravichandran *	Managing Director	B.Tech., P.G.D.B.A	34	4142550	55	05/02/1997	President Maxworth Orchards (India) Ltd., Chennai
K. Shankaran	Director & Secretary	B.Com., AICWA FCS, MAC	33	2790676	53	09/10/1990	Secretary Spencer & Co., Ltd., Chennai

Notes: Remuneration includes P.F., Gratuity, Contribution to Superannuation Scheme, Housing, etc., wherever applicable.

None of the employees excepting Mr. T T Jagannathan is a relative of any of the Directors. Mr. T T Jagannathan is the brother of Mr. T T Raghunathan, Director and husband of Dr. (Mrs.) Latha Jagannathan, Director.

\* Term of employment is contractual

For and on behalf of the Board

(T T JAGANNATHAN)  
Executive Chairman

Place : Bangalore

Dated : 14th June 2007

## 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 organizational 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 10 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/ 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 Dr. (Mrs.) Vandana R. Walvekar Mr. Dileep Kumar Krishnaswamy Mr. Arun K. Thiagarajan

### 3. Board Meetings, Attendance and other directorships.

The company held 6 Board meetings during the period 1-4-2006 to 31.3.2007. The dates of the meetings are 25<sup>th</sup> May, 2006, 20<sup>th</sup> June, 2006, 15<sup>th</sup> July, 2006, 29<sup>th</sup> August, 2006, 18<sup>th</sup> October, 2006, & 30<sup>th</sup> January, 2007. 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	6	Yes	6*	-	-
Mr. T T Raghunathan	4	No	4	-	-
Dr. (Mrs.) Latha Jagannathan	5	Yes	1	-	-
Mr. Ajay I. Thakore	6	Yes	3	1	-
Mr. R. Srinivasan	4	Yes	12	4	3
Dr. (Mrs.) Vandana R. Walvekar	3	Yes	-	-	-
Mr. S. Ravichandran	5	Yes	2*	-	-
Mr. K. Shankaran	6	Yes	3*	3	-
Mr. Dileep Kumar Krishnaswamy	6	Yes	-	-	-
Mr. Arun K. Thiagarajan	4	Yes	11	8	1

Other directorship does not include private companies.

\*includes directorship of one overseas subsidiary.

## TTK PRESTIGE LIMITED

### 4. Audit committee :

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 292A of the Companies Act, 1956 as regards composition of Audit Committee.

The Audit Committee consists of three Non-executive Independent Directors. The Committee has held five meetings during the financial year 2007 i.e., 25<sup>th</sup> May 2006, 20<sup>th</sup> June 2006, 15<sup>th</sup> July 2006, 18<sup>th</sup> October 2006, and 30<sup>th</sup> January 2007. The Composition of the Audit Committee as on 31<sup>st</sup> March 2007 and the attendance of members at the meetings of the Audit Committee held during the financial year 2007 are as follows:

Members of the Audit Committee	No. of meetings attended
Mr. Ajay I. Thakore (Chairman)	5
Dr. (Mrs.) Vandana R. Walvekar	5
Mr. R. Srinivasan	5

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

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/ related party transactions, reviewing the Managements' Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee has discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee has also discussed major issues related to risk management and compliances.

In addition, the Committee has discharged such other role / function as envisaged under Clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 292A of the Companies Act, 1956.

### 5. Remuneration Committee:

The Remuneration Committee consists of three Non-executive Independent Directors namely, Mr. Ajay I. Thakore as Chairman and Dr.(Mrs.) Vandana R. Walvekar & Mr.R.Srinivasan as Members of the Committee.

The role of the Remuneration Committee is to recommend to the Board, the remuneration package of the Executive Directors. Remuneration of Executive Directors is governed by the external competitive environment, track record, potential and performance of the executive and performance of the Company.

The Company has a credible and transparent Policy in determining and accounting for the remuneration of the Executive / Non-executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the Members.

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 twice during the year under review, on: 20<sup>th</sup> June 2006 and 30<sup>th</sup> January 2007.

**6. Directors' Remuneration**

The details of remuneration paid to whole-time directors for the year 2006-07 are as follows :

Name/Designation	Salary Rs.	HRA and other allowances Rs.	Contribution to PF and other funds Rs.	Performance Bonus Commission Rs.	Total Rs.	Tenure of appointment
T T Jagannathan Executive Chairman	1200000	2400000	434040	-	4034040	5 years from 1 <sup>st</sup> July 2003
S. Ravichandran Managing Director	1500000	1376806	542550	723194	4142550	5 years from 5 <sup>th</sup> Feb 2007

The Managerial remuneration paid to the Wholetime Directors is within the ceiling prescribed under Schedule XIII to the Companies Act, 1956.

The Company currently does not have Stock Option Schemes.

The company paid sitting fees of Rs.10,000/- per meeting of the Board/Committee, attended to each of the non-executive directors during the year 2006-07. No other payment is made to the Non-executive Directors.

**7. 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 81. No requests for dematerialization were pending for approval as on 31<sup>st</sup> March, 2007.

The committee met once during the year.

**8. Particulars of Directors appointed/re-appointed.****a. Mr. Ajay I. Thakore**

Mr. Ajay I. Thakore retires by rotation and is eligible for re-election.

Mr. Ajay I. Thakore is a qualified Chartered Accountant and a practising Advocate & tax consultant. He has been on the Board of the company since 1974.

He is the Chairman of Chandramouli Holding & Leasing (P) Ltd and Director of Madhav Marbles & Granites Ltd. and Ardheesh Chemicals Pvt. Ltd.

Mr. Ajay I. Thakore is the Chairman of Audit Committee and Remuneration Committee of the Company and also a member of Audit Committee of Madhav Marbles & Granites Ltd.

**b. Dr. (Mrs.) Vandana R. Walvekar**

Dr. (Mrs.) Vandana R. Walvekar retires by rotation and is eligible for re-election.

Dr. (Mrs.) Vandana R. Walvekar is a Gynaecologist. She has been on the Board of the Company since 1975.

She is a member of Audit Committee & Remuneration Committee of the Company.

## TTK PRESTIGE LIMITED

### c. Mr. K. Shankaran

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

Mr. K. Shankaran is a qualified Cost & Management Accountant and Company Secretary and he has been the whole time Secretary of the Company since 1990. He was inducted into your Board from 1993.

Mr. K. Shankaran is also on the Board of TTK Healthcare Limited, Prestige Housewares (I) Limited, TTK Healthcare Services (P) Ltd, TTK Services (P) Limited and Mantra Inc. USA.

He is a member of Shareholders'/Investor Grievance Committee of the Company and member of Audit Committee, Shareholders' / Investor Grievance Committee & Remuneration Committee of TTK Healthcare Limited.

## 9. General Body Meetings

Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time	No. of Special resolutions passed
2003-04	78, Old Madras Road, Dooravaninagar, Bangalore	27.9.2004	11.00 a.m.	-
2004-05	78, Old Madras Road, Dooravaninagar, Bangalore	23.8.2005	11.00 a.m.	1
2005-06	78, Old Madras Road, Dooravaninagar, Bangalore	29.8.2006	12.00 noon	3

No Postal Ballot was conducted during the financial year 2006-2007. However, the Company had sent a Postal Ballot notice dated 21st June, 2007 as per Section 372A of the Companies Act, 1956 for the approval of Shareholder and return.

## 10. Disclosures :

### (a) Related Party Disclosure :

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

### (b) Compliances by the Company :

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years. Hence, the question of penalties or strictures being imposed by SEBI, the Stock Exchanges or any statutory authorities does not arise.

### (c) Whistle Blower Policy :

The Company does not have a formal whistle blower policy. However, access to Audit Committee is made available to every employee.

### (d) The details of compliance with Mandatory / Non Mandatory requirements :

The Company has complied with all the mandatory requirements of the Corporate Governance Code including Board Composition, Audit Committee, Share Holders Grievance Committee, Disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

With respect to Non-mandatory requirements, the Company has a Remuneration Committee in place and has no qualifications in the Auditors Report.

## 11. Means of Communication :

While the Annual Report is sent to household address of shareholders, quarterly results are published in leading newspapers and are also available on Company's website [www.ttkprestige.com](http://www.ttkprestige.com) and SEBI's website [sebidifar.nic.in](http://sebidifar.nic.in)



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. Presentations, if any, made at Analyst Meets are displayed on the Company's website.

Managements' Discussion and Analysis Report is separately provided in this Annual Report as part of Directors' Report.

## 12. General Shareholder Information

### a. Date, Time and Venue of Annual General Meeting

- Date and Time 10<sup>th</sup> August, 2007 at 12.05 p.m.
- Venue Rotary Club of Bangalore  
No. 20, Lavelle Road, Bangalore - 560 001.

### b. Financial Calendar

- Annual General Meeting 10<sup>th</sup> August, 2007
- Quarterly Results - 30.6.2007 Last week of July, 2007
- Quarterly Results - 30.9.2007 Last week of October, 2007
- Quarterly Results - 31.12.2007 Last week of January, 2008
- Quarterly Audited/Annual Results - 31.3.2008 Last week of June, 2008

### c. Book Closure dates - AGM

3<sup>rd</sup> August 2007 to 10<sup>th</sup> August 2007  
(both days inclusive)

### d. Dividend payment date

The dividend will be paid on or before 8<sup>th</sup> September 2007

### e. Listing of Equity Shares on the Stock Exchanges at

Your Company's shares are listed in Mumbai Stock Exchange and National Stock Exchange and the annual listing fees for these two stock exchanges have already been paid.

### f. Stock Code

- Trading Symbol & Code
- Bombay Stock Exchange - TTK PRESTIGE - 517 506
- Trading Symbol N.S.E - TTKPRESTIG

### g. Demat ISIN Numbers in NSDL & CDSL

- INE690A01010

### h. Stock Market Data (National Stock Exchange)

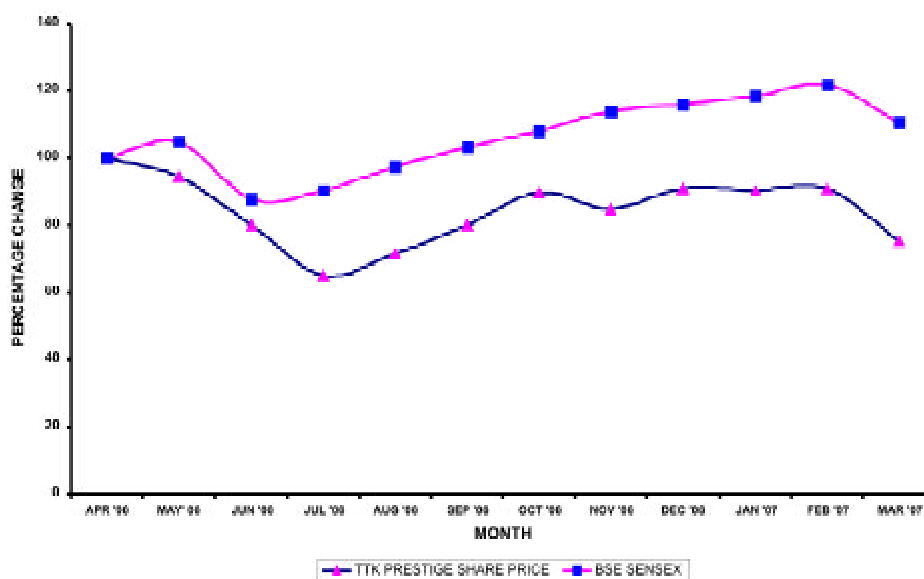
Month	NATIONAL STOCK EXCHANGE			MUMBAI STOCK EXCHANGE		
	High	Low	Volume	High	Low	Volume
Apr 2006	165.00	140.00	358745	166.00	136.05	247892
May 2006	156.00	110.05	238143	156.90	100.00	112343
Jun 2006	130.00	71.10	492086	133.00	72.80	218783
Jul 2006	108.30	90.00	133475	108.00	90.00	57552
Aug 2006	118.00	92.65	129689	118.80	91.30	69198
Sept 2006	132.10	111.00	214551	133.00	110.45	173040
Oct 2006	149.00	121.10	147754	149.00	121.50	134034
Nov 2006	141.95	115.00	98902	141.00	109.00	120724
Dec 2006	151.85	120.05	314116	151.00	124.00	269518
Jan 2007	149.00	125.00	358049	150.00	123.60	419038
Feb 2007	148.00	121.00	181544	151.00	110.00	243308
Mar 2007	125.90	93.00	212179	125.00	91.50	189897

## TTK PRESTIGE LIMITED

### i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price	% Change	BSE Sensex	% Change
	(High)		(High)	
APRIL '06	166.0	-	12102.00	-
MAY '06	156.9	-5	12671.11	5
JUNE '06	133.0	-20	10626.84	-12
JULY '06	108.0	-35	10940.45	-10
AUGUST '06	118.8	-28	11794.43	-3
SEPTEMBER '06	133.0	-20	12485.17	3
OCTOBER '06	149.0	-10	13075.85	8
NOVEMBER '06	141.0	-15	13799.08	14
DECEMBER '06	151.0	-9	14035.30	16
JANUARY '07	150.0	-10	14325.92	18
FEBRUARY '07	151.0	-9	14723.88	22
MARCH '07	125.0	-25	13386.95	11

TTK PRESTIGE SHARE PRICE VS BSE SENSEX



### j. Registrars & Transfer Agents :

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

Karvy Computershare (P) Limited  
Plot No. 17 - 24, Vittal Rao Nagar  
Madhapur, Hyderabad - 500 081.

### k. Share Transfer system

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form.

Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.

Demat requests are put through as per NSDL / CDSL guidelines.

I. Shareholding Pattern as on 31<sup>st</sup> March, 2007 :

CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
<b>A. Promoter's holding*</b> Promoters & their relatives	8212964	72.36
<b>B Non-Promoters Holding</b>		
1. INSTITUTIONAL INVESTORS	6779	0.06
2. OTHERS		
a. Private Corporate Bodies	388011	3.43
b. Indian Public	2558120	22.54
c. NRIs**	134484	1.19
d. Any Other (please specify)		
Clearing Members	42082	0.37
Directors / Relatives / Associates (Independent and not in control of the company)	5944	0.05
<b>GRAND TOTAL</b>	<b>11348384</b>	<b>100.00</b>

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

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

m. Distribution of Shareholding as on 31<sup>st</sup> March, 2007 :

Category (Amount)	Shareholders			Shares	
	No. s	%	Total Shares	Rs.	%
1 - 5000	9527	94.02	1072561	10725610	9.45
5001 - 10000	302	2.98	252431	2524310	2.23
10001 - 20000	128	1.26	192206	1922060	1.69
20001 - 30000	50	0.49	124953	1249530	1.10
30001 - 40000	40	0.39	148143	1481430	1.31
40001 - 50000	18	0.18	85056	850560	0.75
50001 - 100000	30	0.30	221606	2216060	1.95
100001 & Above	38	0.38	9251428	92514280	81.52
Total	10133	100	11348384	113483840	100

n. Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2007 :

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	3920	8669755	76.40
No. of Shareholders in Electronic Mode	6213	2678629	23.60
<b>Total</b>	<b>10133</b>	<b>11348384</b>	<b>100.00</b>

## TTK PRESTIGE LIMITED

	National Securities Depository Limited (NSDL)		Central Depository Services Limited (CDSL)	
	2006-07	2005-06	2006-07	2005-06
Number of Shares Dematerialised	54172	165751	14650	22850
Number of Shares Rematerialised	803	NIL	310	NIL

- o. Outstanding GDRs / ADRs / Warrants or any convertible Instruments** The Company has not issued any GDRs/ADRs/ Warrants & Convertible Instruments.
- p. Plant Locations** 82 & 85, Sipcot Industrial Complex  
Hosur  
Dharmapuri District. TN  
  
Myleripalayam Village  
Kovai Terku  
Coimbatore  
Tamilnadu - 641 032.  
  
Plot No. 1 A & 2, Dev Bhoomi Industrial Estate  
Roorkee, Uttarakhand
- q. Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:**
- 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
  - Prestige Housewares (India) Limited
  - Packwell Packaging Products Limited
  - Pharma Research & Analytical Laboratories
  - Peenya Packaging Products

#### 14. DECLARATION/ CERTIFICATION

- a. **CODE of Conduct** : The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.
- b. **CEO / CFO Certification** : As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash flow statements for the year ended 31st March 2007.

#### Declaration by Managing Director on Code of Conduct

I, S. Ravichandran, Managing Director of TTK Prestige Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of TTK Prestige Ltd., which has been made applicable to all the Directors and senior Managers of the Company. The Code of Conduct has been affirmed to by all the Directors and Senior Managers of the Company. The said code of conduct has been posted on the Website of the Company [www.ttkprestige.com](http://www.ttkprestige.com)

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

S. RAVICHANDRAN  
Managing Director

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

To the Members of TTK Prestige Limited

We have examined the compliance of conditions of Corporate Governance by TTK Prestige Limited, for the year ended 31<sup>st</sup> March, 2007 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2007, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors' Grievance Committee.

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

For Messrs. S. VISWANATHAN  
Chartered Accountants

(C.N.SRINIVASAN)  
Partner

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**AUDITORS' REPORT**  
**To the Shareholders of TTK Prestige Limited**

We have audited the attached Balance Sheet of TTK Prestige Limited, as at 31<sup>st</sup> March 2007, 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 Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the 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. 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 it appears from our examination of those books.
- iii. The balance sheet, profit 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 31<sup>st</sup> March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with 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 31<sup>st</sup> March 2007;
  - 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

(C.N.SRINIVASAN)  
Partner  
Membership No.18205

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

## ANNEXURE TO 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) 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.3.12 Crores and the year-end balance of loan granted to such party was Rs.3.04 crores.
- (b) The loan granted to the wholly owned subsidiary company listed under section 301, is interest free as per the approval of RBI.
- (c) There is no stipulation in respect of repayment of principal amount on the above loan granted to the wholly owned subsidiary.
- (d) There is no overdue amount of loan granted to the above company.
- (e) The company has taken loan from seven parties and one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was 9.41 crores and the year end balance of loans taken from such parties was Rs.9.41 crores.
- (f) 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 are not, prima facie prejudicial to the interest of the company.
- (g) There is no overdue amount of loans and interest taken from 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 systems 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 directives issued by Reserve Bank of India and the provisions of section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under wherever applicable. 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. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31<sup>st</sup> March 2007 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 31<sup>st</sup> March 2007 and has not incurred cash losses during the financial year ended on that date and 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 utilised 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.
- (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

(C.N.SRINIVASAN)  
Partner

Membership No.18205

Place : Bangalore  
Date : 14th June 2007

# TTK PRESTIGE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31st March 2007		As at 31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>I SOURCE OF FUNDS</b>					
1. SHAREHOLDERS' FUND					
Capital	1	113,338,840		113,336,840	
Reserves and surplus	2	<u>437,705,692</u>	551,044,532	<u>359,854,084</u>	473,190,924
2. LOAN FUNDS					
Secured Loans	3	469,197,749		461,505,122	
Unsecured Loans	4	<u>266,089,000</u>	735,286,749	<u>110,978,000</u>	572,483,122
Deferred Tax Liability (Net)			<u>30,576,396</u>		<u>5,331,650</u>
TOTAL			<u>1,316,907,677</u>		<u>1,051,005,696</u>
<b>II APPLICATION OF FUNDS</b>					
1. FIXED ASSETS					
Gross Block	5	642,422,815		567,991,597	
Less : Depreciation		<u>346,734,368</u>		<u>324,744,295</u>	
Net Block		<u>295,688,447</u>		<u>243,247,302</u>	
Add : Capital Work-in-Progress		<u>62,585,328</u>	358,273,775	<u>9,291,248</u>	252,538,550
2. INVESTMENTS	6		181,224,316		181,224,316
3. CURRENT ASSETS					
LOANS & ADVANCES					
Stock-in-Trade	7	738,963,798		572,894,725	
Sundry Debtors	8	413,203,643		276,977,640	
Cash and Bank Balances	9	67,403,980		92,642,969	
Loans and Advances	10	<u>179,220,085</u>		<u>115,492,952</u>	
		<u>1,398,791,506</u>		<u>1,058,008,286</u>	
Less : Current Liabilities & Provisions					
Liabilities	11	544,205,794		395,263,262	
Provisions	12	<u>78,304,697</u>		<u>47,759,335</u>	
		<u>622,510,491</u>		<u>443,022,597</u>	
Net Current Assets			776,281,015		614,985,689
4. MISCELLANEOUS EXPENDITURE			1,128,571		2,257,141
TOTAL			<u>1,316,907,677</u>		<u>1,051,005,696</u>

Note : 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 and on behalf of the Board

For Messrs. S. VISWANATHAN  
Chartered Accountants

T. T. Jagannathan  
Executive Chairman

S. Ravichandran  
Managing Director

Ajay I. Thakore  
Director

C. N. SRINIVASAN  
Partner

R. Srinivasan  
Director

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

Place : Bangalore  
Date : 14<sup>th</sup> June 2007



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Year ended 31st March 2007		Year ended 31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	13	2,932,498,488		2,318,312,704	
Less : Excise duty relatable to Sales		122,326,287	2,810,172,201	98,333,097	2,219,979,607
Other Income	14		<u>6,618,767</u>		<u>210,901</u>
			2,816,790,968		2,220,190,508
<b>EXPENDITURE</b>					
Material Consumption	15	1,526,118,673		1,187,383,311	
Expenses	16	1,101,601,496		892,809,164	
Depreciation (As per Schedule 5)		<u>22,008,431</u>	2,649,728,600	<u>18,858,995</u>	2,099,051,470
Profit / (Loss) before VRS amortisation & Tax			167,062,368		121,139,038
Amotisation of VRS payments			1,128,570		1,128,570
Profit before Tax			165,933,798		120,010,468
Provision for Tax					
- Current Tax (Min. Alternate Tax)		18,061,126		9,795,941	
- Fringe Benefit Tax (includes Rs.757,413 on account of Previous year)		4,961,193		3,600,000	
- Deferred Tax		<u>25,244,746</u>	48,267,065	<u>35,467,471</u>	48,863,412
Profit / (Loss) after Tax			117,666,733		71,147,056
Proposed Dividend			34,045,152		28,334,210
Tax on dividend			5,785,974		3,973,873
Transferred to General Reserve			12,000,000		7,200,000
Profit / (Loss) carried to Balance sheet			65,835,608		31,638,973
Earnings per share			10.37		6.27
Notes on Accounts	17				

Note : 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 and on behalf of the Board

For Messrs. S. VISWANATHAN  
Chartered Accountants

T T Jagannathan  
Executive Chairman

S. Ravichandran  
Managing Director

Ajay I. Thakore  
Director

C. N. SRINIVASAN  
Partner

R. Srinivasan  
Director

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

# TTK PRESTIGE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>1. CAPITAL</b>				
Authorised Share Capital 15,000,000 Equity Shares of Rs.10/- each		<u>150,000,000</u>		<u>150,000,000</u>
Issued, Subscribed :				
11,348,384 Equity Shares of Rs.10/- each out of which 7,869,064 Shares of Rs.10 each allotted as Bonus Shares fully paid-up by capitalisation of Reserves	113,483,840		113,483,840	
Less : Calls unpaid	<u>145,000</u>	113,338,840	<u>147,000</u>	113,336,840
<b>2. RESERVES &amp; SURPLUS :</b>				
Revaluation Reserve :				
As per last Balance Sheet	31,894,361		33,941,938	
Less : Deduction	<u>-</u>	31,894,361	<u>2,047,577</u>	31,894,361
Share Premium Account	61,410,959		61,410,959	
Less : Calls unpaid	<u>1,160,500</u>	60,250,459	<u>1,176,500</u>	60,234,459
General Reserve :				
As per last Balance Sheet	267,725,264		228,886,291	
Add : Amount transferred from Profit & Loss Account	12,000,000		7,200,000	
Add : Surplus in Profit & Loss Account	<u>65,835,608</u>	345,560,872	<u>31,638,973</u>	267,725,264
		<u>437,705,692</u>		<u>359,854,084</u>
<b>3. SECURED LOANS</b>				
Term Loan from Canara Bank, M.G. Road Bangalore, secured by equitable mortgage of Land & Buildings and hypothecation of Plant & Machinery and Current assets of the company on paripassu with Bank of Baroda.		31,000,000		59,000,000
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 paripassu basis.				
1. Cash Credit	102,314,629		122,991,372	
2. Demand Loan	216,175,620		95,250,000	
3. ECB Loan	<u>119,707,500</u>	438,197,749	<u>184,263,750</u>	402,505,122
		<u>469,197,749</u>		<u>461,505,122</u>
<b>4. UNSECURED LOANS</b>				
- Fixed Deposits from Directors		4,200,000		4,200,000
- Fixed Deposits from Others		31,889,000		26,778,000
- Inter corporate Deposits		80,000,000		80,000,000
- Short Term Loan from Bank		<u>150,000,000</u>		-
		<u>266,089,000</u>		<u>110,978,000</u>

## SCHEDULES (Contd.)

5. FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31st March, 2006	Additions during the Year	Deductions during the Year	Cost as at 31st March, 2007	As at 31st March, 2006	Deductions during the Year	Charged during the Year	As at 31st March, 2007	Net Book Value as at 31st March, 2007	Net Book Value as at 31st March, 2006
Land	Rs. 83,058,871	-	Rs. -	Rs. 83,058,871	Rs. -	Rs. -	Rs. -	Rs. -	Rs. 83,058,871	Rs. 83,058,871
Leasehold Land	-	23,343,620	-	23,343,620	-	-	-	-	23,343,620	-
Buildings	127,414,082	6,158,900	-	133,572,982	89,528,836	-	2,580,867	92,109,703	41,463,279	37,885,246
Plant & Machinery	267,290,931	25,882,642	-	293,173,573	178,180,416	-	10,952,426	189,132,842	104,040,731	89,110,515
Electrical Installations	16,786,101	2,961,410	-	19,747,511	10,561,854	-	653,801	11,215,655	8,531,856	6,224,247
Tools, Moulds & Dies	25,173,337	310,035	-	25,483,372	17,260,577	-	2,128,741	19,389,318	6,094,054	7,912,760
Furniture, Fixtures & Fittings	20,024,954	3,515,200	-	23,540,154	15,616,606	-	1,056,645	16,673,251	6,866,903	4,408,348
Office Equipment	16,201,729	3,450,128	-	19,651,857	11,337,166	-	1,296,270	12,633,436	7,018,421	4,864,563
Vehicles	760,326	454,623	39,494	1,175,455	343,045	18,358	101,231	425,918	749,537	417,281
ERP Software	-	7,380,000	-	7,380,000	-	-	909,863	909,863	6,470,137	-
<b>Total</b>	<b>556,710,331</b>	<b>73,456,558</b>	<b>39,494</b>	<b>630,127,395</b>	<b>322,828,500</b>	<b>18,358</b>	<b>19,679,844</b>	<b>342,489,986</b>	<b>287,637,409</b>	<b>233,881,831</b>
Capital Work-in-Progress	9,291,248	62,585,328	9,291,248	62,585,328	-	-	-	-	62,585,328	9,291,248
<b>Total</b>	<b>566,001,579</b>	<b>136,041,886</b>	<b>9,330,742</b>	<b>692,112,723</b>	<b>322,828,500</b>	<b>18,358</b>	<b>19,679,844</b>	<b>342,489,986</b>	<b>350,222,737</b>	<b>243,173,079</b>
Motors Cars under Lease	11,281,266	1,014,154	-	12,295,420	1,915,795	-	2,328,587	4,244,382	8,051,038	9,365,471
<b>Grand Total</b>	<b>577,282,845</b>	<b>137,056,040</b>	<b>9,330,742</b>	<b>705,008,143</b>	<b>324,744,295</b>	<b>18,358</b>	<b>22,008,431</b>	<b>346,734,368</b>	<b>358,273,775</b>	<b>252,538,550</b>

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

		31st March 2007		31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>6.</b>	<b>INVESTMENTS</b>				
	<b>Shares (Quoted) :</b>				
	1) 1,440 Equity Shares of Rs. 10/- each, fully paid-up in TTK HEALTH CARE Limited (Market value Rs. 81.50 Ps.)		165,000		165,000
	<b>Shares (Unquoted) :</b>				
	2) 391,350 Equity Shares of Rs. 10/- each, fully paid-up in TTK Tantex Ltd	3,959,894		3,959,894	
	Less : Reduction in share value Rs.1 per share	391,350		391,350	
		<u>3,568,544</u>		<u>3,568,544</u>	
	Less : Provision for Diminution in value	<u>3,568,544</u>	0	<u>3,568,544</u>	0
	3) 5% - 5,000 Optionally Convertible Preference Shares of Rs.100/- each, fully paid up.	500,000		500,000	
	Less : Provision for Diminution in value	<u>500,000</u>	0	<u>500,000</u>	0
	4) 373,805 Equity Shares of Rs. 10/- each, fully paid-up in Prestige Housewares (India) Ltd.		3,738,050		3,738,050
	5) 12,500 Equity shares of Rs.10/- each, fully paid-up of M/s. Ind-Global Financial Trust		500,000		500,000
	6) 131,333 shares of Common Stock of Mantra Inc. USA, wholly owned subsidiary of the Company		159,821,266		159,821,266
	7) 324,860 Equity Shares of Rs.10/- each, fully paid up of M/S. Softel Machines Limited		17,000,000		17,000,000
			<u>181,224,316</u>		<u>181,224,316</u>
	Notes :				
	1) Aggregate value of quoted Investments		165,000		165,000
	2) Aggregate value of unquoted Investments		181,059,316		181,059,316
	3) Market value of quoted Investments		117,360		126,432
	4) TTK Health care Limited, TTK Tantex Limited and Prestige Housewares (India) Ltd are group companies				
<b>7.</b>	<b>STOCK-IN-TRADE :</b>				
	(Valued at cost)				
	Raw Materials		237,596,344		157,972,166
	Stores and Spareparts		8,670,393		8,723,131
	Work-in-Progress		63,953,562		55,807,901
	Finished Goods		428,743,499		350,391,527
	(As Certified by Management)		<u>738,963,798</u>		<u>572,894,725</u>

## SCHEDULES (Contd.)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>8. SUNDRY DEBTORS:</b> (Considered good for which the Company holds no Security other than the Debtors' Personal Security)				
More than 6 months-Considered good (includes due from subsidiary Rs. 9,529,964 P.Y. 2,202,355)		39,387,564		20,443,101
Other Debts ( includes Due from subsidiary : Rs. 8,726,438) P.Y. 17,192,937)		373,816,079		256,534,539
		<u>413,203,643</u>		<u>276,977,640</u>
<b>9. CASH &amp; BANK BALANCES:</b>				
Cash on Hand		448,357		457,557
Balances with Scheduled Banks:				
In Current Account	41,847,818		63,259,719	
In Deposit Account	<u>25,107,805</u>	<u>66,955,623</u>	<u>28,925,693</u>	<u>92,185,412</u>
		<u>67,403,980</u>		<u>92,642,969</u>
<b>10. LOANS &amp; ADVANCES :</b>				
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 (P. Y. Rs 3.12 Crores) Maximum amount outstanding during the year Rs. 3.04 Crores (P.Y 3.12 Crores)		117,238,398		91,406,185
Balances with Excise Authorities		31,289,455		12,888,629
Advance Income Tax		<u>30,692,232</u>		<u>11,198,138</u>
		<u>179,220,085</u>		<u>115,492,952</u>
<b>11. CURRENT LIABILITIES:</b>				
Acceptances	102,202,318		84,305,168	
Sundry Creditors for goods supplied	181,723,310		147,908,444	
Unclaimed Dividend	1,338,168		1,302,528	
For Other Liabilities	256,240,541		159,570,732	
Interest accrued but not due on loans	<u>2,701,457</u>		<u>2,176,390</u>	
		<u>544,205,794</u>		<u>395,263,262</u>
<b>12. PROVISIONS:</b>				
(a) Proposed Dividends		34,045,152		28,334,210
(b) Provision for Income tax		29,912,378		11,851,252
(c) Provision for Fringe Benefit tax		8,561,193		3,600,000
(d) Provision for Dividend Tax		<u>5,785,974</u>		<u>3,973,873</u>
		<u>78,304,697</u>		<u>47,759,335</u>

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>13. SALES :</b>				
Pressure Cookers & Pressure Pans	1,633,916,318		1,372,954,910	
Cookware	434,866,540		357,423,015	
Spares & Components	111,193,237		110,409,992	
Wheel Skin	6,731,447		8,505,401	
Knives	4,810,611		1,416,453	
Gas Stoves	316,196,612		225,371,094	
Kitchen Tools	22,054		-	
Kitchen Electrical Appliances	386,518,145		216,325,422	
Barbecues	2,108,708		173,176	
Modular Kitchen	15,245,014		3,512,561	
Others	341,573		89,166	
Scrap Disposal	20,548,229		22,131,514	
	<u>2,932,498,488</u>		<u>2,318,312,704</u>	
<b>14. OTHER INCOME :</b>				
Interest on Fixed Deposit with Banks and others	913,525		1,447,650	
Govt. Compensation accrued on Land acquisition	-		3,656,739	
Profit/Loss on sale of Assets	74,154		817,626	
Profit/Loss on sale of Shares	-		(964,800)	
Exchange gain/(loss)	4,401,420		(6,366,651)	
Others	1,229,668		1,620,337	
	<u>6,618,767</u>		<u>210,901</u>	
<b>15. MATERIAL CONSUMPTION :</b>				
	Tonnes		Tonnes	
Aluminium	2,775	422,895,055	2,396	335,625,587
Stainless Steel	265	48,372,303	447	61,256,817
Others	Various Units	1,145,166,320	Various Units	791,704,930
		<u>1,616,433,678</u>		<u>1,188,587,334</u>
Add : Opening Stock of Finished Goods & Work-in-Progress		406,199,428		403,977,868
		<u>2,022,633,106</u>		<u>1,592,565,202</u>
Less : Closing Stock of Finished Goods & Work-in-Progress		492,697,061		406,199,428
		<u>1,529,936,045</u>		<u>1,186,365,774</u>
Excise duty differential in Increase( Decrease) in Inventory		(3,817,372)		1,017,537
<b>CONSUMPTION</b>		<u>1,526,118,673</u>		<u>1,187,383,311</u>

## SCHEDULES (Contd.)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>16. EXPENSES:</b>				
Salaries, Wages & Bonus		153,438,174		146,314,891
Contribution to Gratuity Fund		4,666,093		4,325,968
Contribution to P.F. and other Funds		11,885,177		11,330,542
Employees Welfare Expenses		16,532,540		11,599,292
Power & Fuel		29,223,692		29,030,536
Sundry Manufacturing Expenses		18,176,669		6,852,131
Repairs & Maintenance:				
Buildings	2,178,350		4,634,171	
Machinery	7,285,547		6,734,134	
Other Assets	<u>2,853,398</u>		<u>1,597,871</u>	
		12,317,295		12,966,176
Consumption of Stores and Spare parts		11,822,659		9,383,513
Rent		6,863,143		3,874,968
Insurance		6,018,358		5,805,466
Travelling & Conveyance		32,426,012		26,226,229
Motor Vehicle Expenses		4,790,385		3,361,581
Additional Sales Tax/TOT		16,275,625		14,132,475
Rates & Taxes		2,231,950		1,501,352
Interest & Bank Charges :				
Interest	68,792,251		55,049,392	
Bank Charges	<u>11,667,380</u>		<u>11,114,184</u>	
		80,459,631		66,163,576
Lease Rental		18,590		149,237
Carriage Outwards :				
Freight	124,303,743		88,767,556	
Insurance	<u>3,370,052</u>		<u>1,862,808</u>	
		127,673,795		90,630,364
Directors Sitting Fees		540,000		200,000
Audit Fees		567,896		444,988
Legal & Professional Charges		3,760,543		3,379,366
Postage & Communication Expenses		8,912,643		8,596,776
Printing & Stationery		4,637,987		4,176,290
Entertainment Expenses		113,667		181,384
Advertisement & Selling Expenses		223,931,351		191,041,535
Distribution Expenses		58,919,414		52,144,634
Commission to Selling agents		10,373,078		6,416,837
Miscellaneous Expenses		32,213,328		26,239,191
Refurbishing / Warranty claims of subsidiary company		3,686,419		0
Discount		216,730,460		152,638,101
Donations		1,520,000		1,658,434
Bad Debts written off		874,921		<u>2,043,331</u>
		<u>1,101,601,496</u>		<u>892,809,164</u>
For Messrs. S. VISWANATHAN Chartered Accountants	For and on behalf of the Board			
C.N.SRINIVASAN Partner	T. T. Jagannathan Executive Chairman	S. Ravichandran Managing Director	Ajay I. Thakore Director	
Place : Bangalore Date : 14 <sup>th</sup> June 2007	R. Srinivasan Director	K. Shankaran Director & Secretary	V. Sundaresan Vice President - Finance	

# TTK PRESTIGE LIMITED

## 17. NOTES ON ACCOUNTS

Forming part of the Balance Sheet & Profit and Loss Account (For the year ended 31st March, 2007)

### 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. ERP Software, being intangible asset is depreciated at 20% on straight line basis in line with AS 26. 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 31.03.2007.
  - a) Raw Material/Packing Material - At cost net of centvat
  - b) Stores and Spares - At cost
  - c) Work-in-progress - At direct cost
  - d) Finished Goods - As per Accounting Standard 2 of ICAI
- 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) **Retirement Benefits :**  
In line with AS-15 the Company is providing for accrued liability for Gratuity and Superannuation on the basis of contribution made to respective funds and on the basis of actuarial valuation in respect of Leave Benefit.
- 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 transaction 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, as per AS 11.

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

### 3 (a) Quantitative particulars - Manufactured Products

Particulars	Installed Capacity	Opening Stock	Production/ Purchases	Sales	Closing Stock
Pressure Cookers & Pans	20,00,000	3,37,696 (3,28,156)	17,83,307 (16,30,920)	18,25,736 (16,21,380)	2,95,267 (3,37,696)
Cookware	5,00,000	2,35,484 (2,41,560)	11,93,184* (11,16,994)	11,79,119 (11,23,070)	2,49,549 (2,35,484)
Wheel skin	NA	Nil Nil	2,500 (3,355)	2,500 (3,355)	Nil Nil

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

\* Includes purchases 693482 Units (previous year 355253)



## 3. (b) Quantitative particulars - Traded Products

	Knives	Stoves	Electrical Mixie
Opening Stock	9796 (19673)	24646 (25480)	50522 (37448)
Purchases	209647 (0)	224940 (171772)	166069 (180596)
Sales	85470 (9877)	210097 (172606)	178416 (167522)
Closing Stock	133973 (9796)	39489 (24646)	38175 (50522)

## 4. Value of Opening/Closing stocks

Particulars	Opening Stock Value (Rs.)	Closing Stock Value (Rs.)
Pressure Cookers	189,257,307 (184,842,942)	167,143,000 (189,257,307)
Cookware	53,700,569 (54,689,588)	63,143,122 (53,700,569)
Knives	735,221 (642,834)	5,118,930 (735,221)
Stoves	26,389,657 (25,063,189)	43,851,825 (26,389,657)
Mixie	22,471,255 (20,088,490)	32,213,979 (22,471,255)
Iron Box	5,263,643 (3,212,426)	3,680,967 (5,263,643)
Others	52,573,876 (54,038,284)	113,591,676 (52,573,876)
<b>Total</b>	<b>350,391,528</b> <b>(342,577,753)</b>	<b>428,743,499</b> <b>(350,391,528)</b>

## 5) 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 Mantra Inc.  
(Wholly owned subsidiary)

This being a long term strategic investment and considering the improvement in operational efficiency and future potential, no provision for diminution in the value of investments is considered necessary.

## TTK PRESTIGE LIMITED

- 6) The previous year's figures have been regrouped and reclassified wherever necessary to make them comparable with the figures of the current year.
- 7) Salaries and Wages includes an additional provision for accrued liability on account of Leave encashment to the extent of Rs. 219,509 (P/Y : Rs.1,984,899) and the cumulative figure is Rs.9,118,544 (P/Y: Rs. 8,899,035). This is as per AS 15 of ICAI.
- 8) Remuneration to Whole time Directors :

	<b>2006-2007 Rs.</b>	<b>2005-2006 Rs.</b>
1. Salary	2,700,000	2,700,000
2. Contribution to Provident & Other Funds	976,590	976,500
3. Performance Bonus Commission	723,194	708,484
4. Other Allowances	3,776,806	3,664,277
	<b>8,176,590</b>	<b>8,049,261</b>

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

Since only minimum remuneration is paid to the whole time directors, calculation of managerial remuneration as per section 198 is not applicable.

- 9) Audit Fee Includes

	<b>2006-2007 Rs.</b>	<b>2005-2006 Rs.</b>
For Audit (including Tax Audit)	393,260	246,739
Certification Fee incl. taxation matters	72,956	96,976
Other matters	30,866	21,275
Out of Pocket Expenses	22,200	79,998

- 10) Earnings in Foreign Exchange:  
On account of Export Sale less returns calculated

	<b>2006-2007</b>	<b>2005-2006</b>
a) at FOB basis (Rs.)	151,507,044	158,040,854
b) at CIF Basis (Rs.)	153,406,368	159,993,667

- 11) Expenditure in Foreign Currency :

	<b>2006-2007 Rs.</b>	<b>2005-2006 Rs.</b>
1. Travelling Expenses	707,400	334,523
2. Other Expenses	6,219,889	3,407,983
A. Equity in Mantra Inc. (WOS)	-	44,050,000
B. Warranty claims of Mantra Inc. (WOS)	-	27,319,700
C. Reimbursement of Exhibition expenses to Mantra Inc. (WOS)	2,234,146	5,336,065
3. CIF Value of Imports:		
Imports (on payment basis) of Raw Materials	153,103,051	78,285,071

- 12) Interest includes Rs. 21,536,208 towards interest on fixed loan (previous year Rs. 12,612,100) and Rs. 420,000 (previous year Rs. 962,858) being interest on fixed deposit placed by Directors.

## 13) Contingent Liabilities :

	2006-2007 Rs.	2005-2006 Rs.
a) Bank Guarantees / LC	86,570,516	56,772,919
b) Estimated amount of contract remaining to be executed on Capital A/c. not provided for	52,997,377	10,512,928
c) Securitisation of Accounts Receivables	85,533,541	61,179,114
d) Tax matters under appeal (IT/ST/ED)	37,818,825	31,914,349
e) * Fringe Benefit tax not provided for - pending stay obtained from Hon'ble High Court of Karnataka	-	902,000

\* Fringe Benefit Tax was paid under protest, since the matter is pending before The Hon'ble High Court of Karnataka. In case of a favourable decision, the Company would be entitled to seek refund of the same.

## 14) Sundry Creditors include an amount of Rs. 179,557,932, due to SSI Units. The parties to whom Amounts is due beyond 30 days but within the contract period are :

Amrapali Industries, Amarapali Plastic Industries, Arundati Colour Cartons, Bhuvanewari Engineering Enterprises, Barcode Systems, Classic Packaging, Classic Welding Products private Ltd Consolidated Mops, Delite Plastics Moulding Industries, Daxso prints, EssEss Mould Co., Kundgol Cottage Industries, Mohan Industrial Suppliers, Peenya Packaging Products, Prestige Bakelite Moulders, Publicity Products, Rubber General Industries, 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, Aruna industrial works, Gautams, Chethan Automac, D.S. Engineering, D.S. Precision Industrial, Gaurang Home Appliances, Maruthi Packaging Industries, Micro Metal Coats, Evershine industries, P.S. Industries, Ramya Poly Udyog, Raga Precisions, Skyproducts, Sri Balaji enterprises, Sri Raghu Industries, Welflex polymer Pvt. Ltd, Shree pal industries, Sri lakshmi packagings, Precision screws, Alfa fluid piping system (p) Ltd, Bangalore,. Fareed aluminium p Ltd, Fortune plastech, Leo metal private ltd, Pride uttam metal appliances, Santhosh industries, Sree ragava metal works, Sumuka industries, Sri Raghavendra industries, Vijaya lakshmi metalloids, Aavkar Industries, Acharya Industries, Agathya, Ameen enterprises, Asian springs, Century Extrusions, Contax, Dara Industries, Darshan Enterprises, Els Enterprises, Ess Ell Pest control, Hi fabs, Innova printing & packaging, Kavitha fabs, Manjunatha auto products, Navoday rotographs, Nikunj Eximp enterprises, Prd Enterprises, Radhika Engineering corporation, Soham Precimek (India) Ltd, Sri venkateswara printers, Aarudhra enterprises, Amman power printing press, Brahad elastomers, Cast Fab engineers, J.R. Packages Pvt Ltd., Kraftpack cartons, Sidharth industries, South field powders limited, Star plastics, SV rubber industries Amplas Polymer Pvt Ltd., Vikram Industries, Mas Weltech, Maa Sales, Marpol Pvt. Ltd., Shree Momai Fastners Pvt., Ltd., Royal Packaging, Delta Enterprises, Innovations, Vikram Moulding Industries, Chamundi Enterprises, Dhanlakshmi Brass Industries, Srinivasa Industrial Chemicals, Green Line International, Kitchen Gadgets, Kaiser Appliances.

## 15) The company operates in a single segment of Kitchen appliances.

## 16) Disclosure as per Accounting Standard 19

The company has acquired certain items of Vehicles on Financial Lease on or after April 1, 2001 amounting to Rs. 12,278,590 (Previous year – 11,281,266)

The Minimum lease rental outstanding as of 31<sup>st</sup> March 2007 in respect of these assets are as follows : (in Rs.)

Particulars	Total Minimum lease Payment outstanding as on		Future interest on outstanding lease payments as on		Present value of Minimum lease payments as on	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Within One year	3,307,440	3,032,400	947,055	1,092,463	2,360,385	1,939,937
Later than one year and not later than 5 Years	7,460,030	9,513,680	1,047,998	1,704,248	6,412,032	7,809,432
Later than 5 years	-	-	-	-	-	-

## TTK PRESTIGE LIMITED

### 17) Related party transactions as per Accounting standard 18 :

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

Subsidiary :  
Mantra Inc. USA

Associates :  
Prestige Housewares India Limited

Others :

TTK Health Care Limited, Peenya packaging Products, TTK LIG Limited, T T Krishnamachari & Co, TTK Tantex Limited, and TTK Services (P) Limited.

Key Management Personnel and their relatives: Mr. T T Jagannathan, Mr. T T Raghunathan Mr. S. Ravichandran, Mr. K. Shankaran, Dr. (Mrs.) Latha Jagannathan, Dr. T T Mukund, Mr. T T Lakshman, Ms. Aditya and Ms. Bhanu Raghunathan

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

(in Rs.)

Particulars	Subsidiary	Associates/ Others	Key Management Personnel & Relatives	Total
Sales	24,798,892	773,038	-	25,571,930
Purchases	-	40,328,837	-	40,328,837
Salary	-	-	10,967,266	10,967,266
Interest Payments	-	6,000,000	1,410,000	7,410,000
Others	5,039,183	49,884,954	848,222	55,772,359

#### (c) Balances outstanding as on 31.3.2007

Particulars	Subsidiary	Associates/ Others	Key Management Personnel & Relatives
Fixed Deposits (due by the Company)	-	-	14,100,000 (14,000,000)
Loans given (due to the Company)	30,394,000 (31,206,000)	-	-
Amount due to the company against supplies	18,256,402 (19,395,292)	247,062 -	-
Inter Corporate Deposit (due by the company)	-	80,000,000 (80,000,000)	-
Amount Owed by Company against purchases	-	11,433,468 (5,733,041)	-
Investments	159,821,266 (159,821,266)	20,903,050 (20,903,050)	-
Other Current Liabilities	5,039,183 (2,126,557)	- (2,477,518)	726,317 (3,410,816)

## 18) Deferred tax Break-up

(in Rs.)

	31.3.2007	31.3.2006
i) Deferred tax liability related to fixed Assets	30,576,396	28,656,498
ii) Deferred tax asset on account of Accumulated losses as per IT Act, 1961 etc.,	-	23,324,848
<b>Deferred tax (net)</b>	<b>(30,576,396)</b>	<b>(5,331,650)</b>

## 19) Earnings per share as per accounting standard 20 (AS-20)

(Rs. In Lakhs)

	31.3.2007	31.3.2006
Profit after tax as per Profit and Loss A/c before extra-ordinary items	1189.11	722.76
Weighted Average number of Equity Shares used as Denominator for calculating EPS (in lakhs shares)	113.48	113.48
<b>Earnings per share of Rs.10/- each:-</b>		
Before Extra-ordinary items (Rs.)	10.48	6.37
After Extra-ordinary items (Rs.)	10.37	6.27

## 20) Disclosure required by AS 29 Provisions, Contingent Liabilities and Contingent Assets.

Movement in Provisions (figures in brackets are in respect of the previous year)

(in Rs.)

Particulars	As at 01.04.2006	Additions	Amount used	As at 31.03.2007
Income Tax	11,851,252 (2,055,311)	18,061,126 (9,795,941)	Nil (Nil)	29,912,378 (11,851,252)
Fringe Benefit Tax	3,600,000 (0)	4,961,193 (3,600,000)	Nil (Nil)	8,561,193 (3,600,000)

Annexure to our Report of date

For and on behalf of the Board

For Messrs. S. VISWANATHAN  
Chartered AccountantsT. T. Jagannathan  
Executive ChairmanS. Ravichandran  
Managing DirectorAjay I. Thakore  
DirectorC.N.SRINIVASAN  
PartnerR. Srinivasan  
DirectorK. Shankaran  
Director & SecretaryV. Sundaresan  
Vice President - Finance

Place : Bangalore

Date : 14<sup>th</sup> June 2007

# TTK PRESTIGE LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS		<b>(Rupees in Thousands)</b>
	Registration Number / CIN	U31909KA1955PLC001750	
	State Code	08	
	Balance Sheet Date	31.03.2007	
II	CAPITAL RAISED DURING THE YEAR		(Amount in Thousands)
	Public Issue	Nil	
	Rights Issue	Nil	
	Bonus Issue	Nil	
	Private Placement	Nil	
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		(Amount in Thousands)
	Total Liabilities	1316908	
	Total Assets	1316908	
	Sources of Funds		
	Paid up capital	113338	
	Reserves & Surplus	437706	
	Secured Loans	469198	
	Unsecured loans	266089	
	Application of Funds		
	Net Fixed assets	358274	
	Investments	181224	
	Net current Assets	776281	
	Miscellaneous Expenditure	1128	
	Deferred Tax Liability	(30576)	
IV	PERFORMANCE OF THE COMPANY		
	Turnover	2816791	
	Total Expenditure	2649729	
	Profit/(loss) before Tax	167062	
	Profit/(loss) after Tax	117667	
	Earnings Per Share (in Rs )	10.37	
	Dividend Rate %	30	
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	
Annexure to our Report of Date		For and on behalf of the Board	
For <b>Messrs. S. VISWANATHAN</b> <i>Chartered Accountants</i>		<b>T T Jagannathan</b> <i>Executive Chairman</i>	<b>S. Ravichandran</b> <i>Managing Director</i>
<b>C.N. SRINIVASAN</b> <i>Partner</i>		<b>R. Srinivasan</b> <i>Director</i>	<b>Ajay I. Thakore</b> <i>Director</i>
		<b>K. Shankaran</b> <i>Director &amp; Secretary</i>	<b>V. Sundaresan</b> <i>Vice President - Finance</i>
Place : Bangalore			
Date : 14 <sup>th</sup> June 2007			

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007**  
(as per Accounting Standards AS (3) Issued by the Institute of Chartered Accountants of India)

		(Rupees in lakhs)			
		As at 31st March 2007		As at 31st March 2006	
		Rs.	Rs.	Rs.	Rs.
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
	Net profit (Loss) Before Taxation		1659.34		1200.10
	Adjustments for :				
	Depreciation	220.08		188.59	
	Profit/Loss On Sale Of Assets	0.74		1.46	
	Interest/Dividend Recd.	(9.14)		(14.48)	
	Interest Expense	687.79		550.49	
	Voluntary Retirement Debit	11.29	910.76	11.29	737.35
	Operating Profit before Working Capital Changes		<u>2570.10</u>		<u>1937.45</u>
	Adjustments for :				
	Decrease In Debtors	(1362.26)		452.72	
	Increase In Inventories	(1660.69)		(187.52)	
	Increase In Creditors	1489.42		157.66	
	Increase In Other Receivables	(390.19)	(1923.72)	(88.76)	334.10
	Cash Generated from Operations		646.38		2271.55
	Income Tax (Paid) Refund		(248.38)		(119.00)
	Net Cash from Operating Activities		<u>398.00</u>		<u>2152.55</u>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase Of Fixed Assets		(1277.65)		(231.45)
	Sale/Purchase Of Investments		0.00		(309.09)
	Sale Proceeds Of Fixed Assets		0.95		11.66
	Interest Received		9.14		14.48
			(1267.56)		(514.40)
	Net Cash Used In Investing Activities		(869.56)		1638.15
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds From Issue of Share Capital		0.00		2.07
	Redemption of Term Loans		(280.00)		(2051.77)
	Bank Borrowings		356.93		1392.61
	Refund / Acceptance of Deposits		51.11		(110.67)
	Dividend Paid		(323.08)		(256.25)
	Interest Paid		(687.79)		(550.49)
	Short Term Loan from Banks		1500.00		0.00
	Net Cash Used In Financing Activities		<u>617.17</u>		<u>(1574.50)</u>
	Net Increase In Cash And Cash Equivalents		(252.39)		63.65
	Cash And Cash Equivalent At The Begining	926.43		862.78	
	Cash And Cash Equivalent At The End	674.04	(252.39)	926.43	63.65

As per our Report attached.

For and on behalf of the Board

For Messrs. S. VISWANATHAN  
Chartered AccountantsT T Jagannathan  
Executive ChairmanS. Ravichandran  
Managing DirectorAjay I. Thakore  
DirectorC.N.SRINIVASAN  
PartnerR. Srinivasan  
DirectorK. Shankaran  
Director & SecretaryV. Sundaresan  
Vice President - FinancePlace : Bangalore  
Date : 14<sup>th</sup> June 2007

## TTK PRESTIGE LIMITED

### STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

1.	Name of the Subsidiary	MANTTRA INC.		
2.	Financial year of the company ended on	31.3.2007		
3.	(i) Common stock in subsidiary company	131333 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 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	Loss 5074873		
	(b) For the previous financial years of the Subsidiary since it became subsidiary of TTK Prestige Limited	Loss 95699006		
	For Messrs. <b>S. VISWANATHAN</b> <i>Chartered Accountants</i>	<b>T T Jagannathan</b> <i>Executive Chairman</i>	<b>S. Ravichandran</b> <i>Managing Director</i>	<b>Ajay I. Thakore</b> <i>Director</i>
	<b>C.N.SRINIVASAN</b> <i>Partner</i>	<b>R. Srinivasan</b> <i>Director</i>	<b>K. Shankaran</b> <i>Director &amp; Secretary</i>	<b>V. Sundaresan</b> <i>Vice President - Finance</i>
	Place : Bangalore Date : 14 <sup>th</sup> June 2007			



# TTK PRESTIGE LIMITED

## HISTORICAL FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)										
HISTORICAL DATA	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
<b>PERFORMANCE</b>										
1 Total Income	29391.17	23185.24	19182.58	15246.28	11330.62	14124.15	13850.73	13957.20	14715.39	11634.62
2 Profit before Interest, Depreciation, Extra ordinary items & tax	2578.63	1950.47	1201.75	1170.75	(611.48)	1074.06	954.07	1124.92	1832.7	1103.98
3 Interest	687.92	550.49	618.38	921.18	953.58	772.27	578.04	557.94	518.21	346.29
4 Depreciation	220.08	188.59	186.98	183.37	177.18	180.72	188.77	192.56	171.22	164.76
5 Extra - ordinary items	11.29	11.29	11.29	11.29	-	19.70	19.70	-	-	-
6 Profit before tax	1659.34	1200.10	385.10	54.91	(1742.24)	101.37	167.56	374.42	1143.27	592.93
7 Taxation Provision	482.67	488.63	3.76	33.6	(595)	31.27	12.44	10.00	210.00	85.00
8 Profit After tax	1176.67	711.47	381.34	21.31	(1147.24)	70.10	155.12	364.42	933.27	507.93
9 Dividend provision	340.45	283.34	226.64	-	-	-	169.97	283.71	340.45	283.71
10 Dividend Tax	57.86	39.74	29.62	-	-	-	17.34	31.21	37.45	28.37
11 Dividend Declared %	30	25	20	-	-	-	15	25	30	25
<b>Sources &amp; Application of Funds</b>										
<b>Sources</b>										
1 Share Capital	1133.39	1133.37	1133.18	1133.18	1133.18	1133.18	1133.13	1133.13	1133.13	1133.05
2 Reserves & surplus	4377.06	3598.54	3228.75	3103.67	3444.10	6595.54	6819.07	6891.57	6887.38	6376.69
3 Loan Funds	7352.87	5724.83	6494.66	7645.40	8086.27	6659.85	4978.46	3389.25	3118.06	3871.99
<b>Total</b>	<b>12863.32</b>	<b>10456.74</b>	<b>10856.59</b>	<b>11882.25</b>	<b>12663.55</b>	<b>14388.57</b>	<b>12930.66</b>	<b>11413.95</b>	<b>11138.57</b>	<b>11381.73</b>
<b>Application</b>										
4 Fixed Assets WDV incl assets kept for disposal	3582.74	2525.39	2506.48	3187.97	3074.25	3367.05	3480.04	2889.71	2749.61	2368.67
5 Investments	1812.24	1812.24	1512.79	1512.79	1701.05	1937.67	1521.35	468.16	402.87	502.88
6 Net Current Assets	7762.81	6149.86	6502.1	6824.09	7512.87	8141.75	7850.47	8056.08	7986.09	8510.18
7 Miscellaneous Expenditure	11.29	22.57	33.86	45.14	33.70	942.10	78.80	-	-	-
8 Deferred Tax Asset / Liability	(305.76)	(53.32)	301.36	312.26	341.68	-	-	-	-	-
<b>Total</b>	<b>12863.32</b>	<b>10456.74</b>	<b>10856.59</b>	<b>11882.25</b>	<b>12663.55</b>	<b>14388.57</b>	<b>12930.66</b>	<b>11413.95</b>	<b>11138.57</b>	<b>11381.73</b>

## MANTTRA INC.

TEXACO CENTRE, 400 POYDRAS STREET  
NEW ORLEANS, LOUISIANA - 70130 - 3245

### DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with the audited accounts of the company for the year ended 31<sup>st</sup> March 2007.

#### FINANCIAL RESULTS

(Rupees in lakhs)

Particulars	2006-07	2005-06
Sales	483.56	562.51
Other Income	53.26	152.31
Profit / Loss	(50.74)	1.66

#### REVIEW OF PERFORMANCE

There has been a drop in sales as compared to the previous year, as there were no supplies from the Holding Company during the fourth Quarter of 2006-07, due to industrial unrest in their manufacturing plant at Hosur.

##### Finance:

Your company has successfully worked on various cost cutting methods and this has resulted in reduction in expenditure. However, strengthening of Rupee has impacted exchange earnings.

##### General :

Your company's accounts have been drawn up in US Dollars and certified by a Public Accountant (CPA), in USA. Based on this Certification, the enclosed financial statements have been cast in line with the requirements of the Indian Companies Act and the results have been restated in Indian Rupees.

Signed on behalf of the Board

T T Jagannathan  
Chairman

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**AUDITORS' REPORT**

To TTK Prestige Limited

We have audited the attached Balance Sheet of MANTRRA INC, USA wholly owned subsidiary company of TTK Prestige Limited as at 31<sup>st</sup> March 2007, 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 Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of sub-section (4A) of Section 227 of the 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. Mantrra 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 it 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;
- vii. 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 31<sup>st</sup> March 2007; and
  - b. in so far as it relates to the Profit and Loss Account, of the Loss of the Company for the period ended on that date.
  - c. In the case of the cash flow statement, of the cash flow for the year ended on that date.

For Messrs. S. VISWANATHAN  
Chartered Accountants

(C.N.SRINIVASAN)  
Partner

Membership No.18205

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**Annexure to 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

(C.N. SRINIVASAN)  
Partner  
Membership No.18205

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**BALANCE SHEET AS AT 31ST MARCH 2007**

	Schedule	As at 31st March 2007		As at 31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b>SOURCE OF FUNDS</b>				
1	SHAREHOLDERS' FUND				
	Capital	1	159,821,266		159,821,266
	Reserves and Surplus		<u>-</u>		<u>-</u>
			159,821,266		159,821,266
2	LOAN FUNDS				
	Secured Loans		-		-
	Unsecured Loans	2	<u>30,394,000</u>		<u>31,206,000</u>
			30,394,000		31,206,000
	<b>TOTAL</b>		<u>190,215,266</u>		<u>191,027,266</u>
<b>II</b>	<b>APPLICATION OF FUNDS</b>				
1	FIXED ASSETS	3			
	Gross Block		1,806,966		1,806,966
	Less : Depreciation		<u>455,663</u>		<u>357,928</u>
	Net Block		1,351,303		1,449,038
2	CURRENT ASSETS, LOANS AND ADVANCES				
	Stock-in-Trade	4	48,316,758		57,175,169
	Sundry Debtors	5	22,562,084		23,676,675
	Cash and Bank Balances	6	3,198,581		3,257,752
	Loans and Advances	7	<u>9,835,449</u>		<u>7,822,103</u>
			83,912,872		91,931,699
	Less : Current Liabilities & Provisions				
	Liabilities	8	<u>18,549,809</u>		<u>20,779,501</u>
	Net Current Assets		65,363,063		71,152,198
3	Profit and Loss Account		123,500,900		118,426,030
	<b>TOTAL</b>		<u>190,215,266</u>		<u>191,027,266</u>

Note : 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

For and on behalf of the Board

C.N. SRINIVASAN  
Partner

T T Jagannathan  
Chairman

S. Ravichandran  
Director

K. Shankaran  
Director

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**MANTTRA INC.****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

	Schedule	Year ended 31st March 2007		Year ended 31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	9	48,355,766		56,251,085	
Other Income	10	<u>5,326,499</u>	53,682,265	<u>15,213,148</u>	71,464,233
<b>EXPENDITURE</b>					
Material Consumption	11	36,203,981		39,711,351	
Expenses	12	22,455,422		31,489,123	
Depreciation (As per Schedule 3)		<u>97,735</u>	58,757,138	<u>97,735</u>	71,298,209
<b>Profit after Tax</b>			<b>(5,074,873)</b>		166,024
<b>Balance transferred to Surplus Account</b>			<b>(5,074,873)</b>		166,024
Notes on Accounts	13				

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

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

For **Messrs S. VISWANATHAN**  
*Chartered Accountants*

For and on behalf of the Board

**C.N. SRINIVASAN**  
*Partner*

**T. T. Jagannathan**  
*Chairman*

**S. Ravichandran**  
*Director*

**K. Shankaran**  
*Director*

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

		31st March 2007				31st March 2006					
		Rs.		Rs.		Rs.		Rs.			
<b>1</b>	<b>CAPITAL</b>										
	Authorized Share Capital (1,00,000 Equity Shares of no par value)										
	Subscribed, Issued and Paid-up : 131,333 Equity Shares of no par value			<u>159,821,266</u>				<u>159,821,266</u>			
<b>2</b>	<b>UNSECURED LOANS</b>										
	From Holding Company			<u>30,394,000</u>				<u>31,206,000</u>			
				<u>30,394,000</u>				<u>31,206,000</u>			
<b>3</b>	<b>FIXED ASSETS</b>										
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 31st March, 2006	Additions during the Year	Deductions during the Year	Cost as at 31st March, 2007	As at 31st March, 2006	Deductions during the Year	Charged during the Year	As at 31st March, 2007	Net Book Value as at 31st March, 2007	Net Book Balue as at 31st March, 2006
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Forklift	1,676,357	-	-	1,676,357	285,490	-	79,626	365,116	1,311,241	1,390,867
	Office Equipment	26,730	-	-	26,730	5,080	-	1,270	6,350	20,380	21,650
	Computers	103,879	-	-	103,879	67,358	-	16,839	84,197	19,682	36,521
	Total	1,806,966	-	-	1,806,966	357,928	-	97,735	455,663	1,351,303	1,449,038
<b>4</b>	<b>STOCK-IN-TRADE</b>										
	Finished Goods (As Certified by Management)					<u>48,316,758</u>				<u>57,175,169</u>	
<b>5</b>	<b>SUNDRY DEBTORS</b>										
	(Considered good for which the Company holds no Security other than the Debtors' personal Security)										
	Less than 6 months			<u>4,748,334</u>				4,156,495			
	More than 6 months considered good			<u>17,813,750</u>		<u>22,562,084</u>		19,520,180		<u>23,676,675</u>	
	Considered doubtful			<u>6,549,212</u>				6,724,180			
	Less : Provision			<u>6,549,212</u>		0		<u>6,724,180</u>		0	
						<u>22,562,084</u>				<u>23,676,675</u>	
<b>6</b>	<b>CASH &amp; BANK BALANCES</b>										
	Cash on Hand										
	Balances with Scheduled Banks:										
	Bank of Baroda			<u>946,792</u>				1,306,454			
	Bank of America			<u>2,251,789</u>				<u>1,951,298</u>			
						<u>3,198,581</u>				<u>3,257,752</u>	

# MANTRA INC.

## SCHEDULES (Contd.)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>7 LOANS &amp; ADVANCES</b>				
Recoverable in cash or kind or for value to be received				
Exhibition/Marketing Expenses recoverable	1,352,764		2,126,560	
Refurbishing/Warranty Claim (from TTKPL)	3,686,419		-	
Other Advances	<u>4,796,265</u>	9,835,448	<u>5,695,543</u>	7,822,103
<b>8 CURRENT LIABILITIES</b>				
Sundry Creditors for goods supplied	18,256,402		19,395,292	
Expenses Payable	293,407		-	
Royalty Payable	<u>-</u>	18,549,809	<u>1,384,209</u>	20,779,501
<b>9 SALES</b>				
Pressure Cookers & Pressure Pans		48,355,766		56,251,085
<b>10 OTHER INCOME</b>				
Exchange Gain	378,425		331,555	
Refurbishing/Warranty Claim	3,686,419		-	
Others	<u>1,26,1655</u>	5,326,499	<u>14,881,593</u>	15,213,148
<b>11 MATERIAL CONSUMPTION</b>				
Opening Stock of Finished Goods		57,175,187		69,014,380
Add : Purchases		<u>27,345,552</u>		<u>27,872,140</u>
		84,520,739		96,886,520
Less : Closing Stock of Finished Goods		<u>48,316,758</u>		<u>57,175,169</u>
Consumption		<u>36,203,981</u>		<u>39,711,351</u>
<b>12 EXPENSES</b>				
Salary		4,666,173		2,845,498
Travelling		718,068		327,299
Warehousing Expenses		5,253,628		11,409,079
Repairs		117,212		12,622
Insurance		155,579		151,025
Rates & Taxes		111,427		173,200
Selling Expenses		9,250,617		11,596,834
Communication Expenses		1,150,753		1,716,799
Legal & Professional Charges		422,060		431,374
Freight & Clearing Expenses		385,366		1,657,345
Interest & Bank Charges		66,021		1,168,048
Bad Debts		<u>158,518</u>		<u>0</u>
		<u>22,455,422</u>		<u>31,489,123</u>

Note : 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 and on behalf of the Board

For Messrs S. VISWANATHAN  
Chartered Accountants

C.N. SRINIVASAN  
Partner

T T Jagannathan  
Chairman

S. Ravichandran  
Director

K. Shankaran  
Director

Place : Bangalore  
Date : 14<sup>th</sup> June 2007



13. NOTES ON ACCOUNTS

Forming part of the Balance Sheet and Profit and Loss Account (for the year ended 31st March 2007)

- a) Significant Accounting Policies :
  - I) Accounting Concepts.
  - II) 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.
  - 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 Transactions : All revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- b) Figures have been rounded off to the nearest Rupee.
- c) Detailed Quantitative particulars of Sales and Stock :

**QUANTITATIVE PARTICULARS :**

PARTICULARS	YEAR	QUANTITIES (NOS) Pressure Cooker
Opening Stock	2006-07	55082
	2005-06	72161
Purchases	2006-07	33964
	2005-06	38332
Sales	2006-07	43433
	2005-06	55411
Closing Stock	2006-07	45613
	2005-06	55082

**OPENING/CLOSING STOCK VALUE - FINISHED GOODS :**

Particulars	Year	Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value
Pressure Cookers & Pans	2006-07	55,082	56,372,273	45,613	47,289,413
	2005-06	72,161	67,974,969	55,082	56,372,273
Others	2006-07		802,896		1,027,345
	2005-06		1,039,411		802,896
Total	2006-07		57,175,169		48,316,758
	2005-06		69,014,380		57,175,169

- d) Sundry Creditors represent the Holding Company.
- e) The entire Share Capital of the Company (131,333 shares of common stock aggregating to Rs.159,821,266) is held by the Holding Company - TTK Prestige Limited.
- f) Previous year figures have been re-grouped and re-classified wherever necessary.

- g) The Company operates in a single segment of Kitchen Appliances.  
 h) The Company had transactions with the Holding Company and no other Group Company.  
 i) Cash Flow from Operating activities :-

**Cash Flow Statement for the year ended 31st March 2007**

(Rs. In Lakhs)				
A) Cash Flow from Operating Activities	2006-07		2005-06	
Net Profit/Loss	(50.74)		1.66	
Adjustment for Depreciation/Amortization	0.98		0.98	
Operating Profit before Working Capital Changes		(49.76)		2.64
Adjustment for :-				
(Increase)/Decrease in Debtors	11.15		128.98	
(Increase)/Decrease in Inventories	88.57		118.39	
Increase/(Decrease) in Creditors	(22.31)		(455.29)	
(Increase)/Decrease in Other Receivables	(20.13)		204.15	
Total		57.28		(3.77)
Net Cash Flow from Operating Activities		7.52		(1.13)
<b>B) Cash Flow from Investing Activities :</b>		0.00		0.00
<b>C) Cash Flow from Financing Activities :-</b>				
Increase/(Decrease) in Loan		(8.12)		(431.74)
Increase/(Decrease) in Share Capital		0.00		440.50
<b>NET CASH FLOW</b>		(0.60)		7.63
Cash and Cash Equivalent at beginning		32.58		24.95
Cash and Cash Equivalent at the end		31.98		32.58
Net		(0.60)		7.63

As per our Report attached

For and on behalf of the Board

For **Messrs S. VISWANATHAN**  
*Chartered Accountants*

**C.N. SRINIVASAN**  
*Partner*

**T T Jagannathan**  
*Chairman*

**S. Ravichandran**  
*Director*

**K. Shankaran**  
*Director*

Place : Bangalore  
 Date : 14<sup>th</sup> June 2007

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

		Schedule	As at 31st March 2007		As at 31st March 2006	
			Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b>SOURCE OF FUNDS</b>					
1.	SHAREHOLDERS' FUND					
	Capital	1	113,338,840		113,336,840	
	Reserves and surplus	2	<u>424,996,591</u>	538,335,431	<u>350,917,133</u>	464,253,973
2.	LOAN FUNDS					
	Secured Loans	3	469,197,749		461,505,122	
	Unsecured Loans	4	<u>266,089,000</u>	735,286,749	<u>110,978,000</u>	572,483,122
	Deferred tax Liability (Net)			30,576,396		5,331,650
	TOTAL		<u>1,304,198,576</u>		<u>1,042,068,745</u>	
<b>II</b>	<b>APPLICATION OF FUNDS</b>					
1.	FIXED ASSETS					
	Gross Block	5	644,229,781		569,798,563	
	Less: Depreciation		<u>347,190,032</u>		<u>325,102,223</u>	
	Net Block		297,039,749		244,696,340	
	Add: Capital Work-in-Progress		<u>62,585,328</u>	359,625,077	<u>9,291,248</u>	253,987,588
2.	INVESTMENTS	6		21,403,050		21,403,050
3.	CURRENT ASSETS					
	LOANS & ADVANCES					
	Stock-in-Trade	7	778,912,094		620,398,714	
	Sundry Debtors	8	417,509,325		281,259,023	
	Cash and Bank Balances	9	70,602,561		95,900,721	
	Loans and Advances	10	<u>153,622,350</u>		<u>89,982,495</u>	
			<u>1,420,646,330</u>		<u>1,087,540,953</u>	
	Less: Current Liabilities & Provisions					
	Current Liabilities	11	539,460,019		394,520,916	
	Provisions	12	<u>78,304,697</u>		<u>47,759,335</u>	
			<u>617,764,716</u>		<u>442,280,251</u>	
	Net Current Assets			802,881,614		645,260,702
	Miscellaneous Expenditure			<u>120,288,835</u>		<u>121,417,405</u>
	TOTAL		<u>1,304,198,576</u>		<u>1,042,068,745</u>	

Note : 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

For and on behalf of the Board

C.N.SRINIVASAN  
Partner

T T Jagannathan  
Executive Chairman

S. Ravichandran  
Managing Director

Place : Bangalore  
Date: 14<sup>th</sup> June 2007

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Schedule	31st March 2007		31st March 2006	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	13	2,953,508,702		2,346,691,649	
Less : Excise duty relatable to Sales		<u>122,326,287</u>	2,831,182,415	<u>98,333,097</u>	2,248,358,552
Other Income	14		<u>8,258,835</u>		<u>15,424,049</u>
			<u>2,839,441,250</u>		<u>2,263,782,601</u>
<b>EXPENDITURE</b>					
Material Consumption	15	1,533,674,366		1,196,443,508	
Expenses	16	1,120,370,499		924,298,287	
Depreciation (As per Schedule 5)		<u>22,106,166</u>	2,676,151,031	<u>18,956,730</u>	2,139,698,525
Profit / (Loss) before VRS amortisation & tax			163,290,219		124,084,076
Amotisation of VRS payments			1,128,570		1,128,570
Profit before Tax			162,161,649		122,955,506
Provision for Tax					
- Current Tax (Min. Alternate Tax)		18,061,126		9,795,941	
- Fringe Benefit Tax (includes Rs. 757,413 on account of Previous year)		4,961,193		3,600,000	
- Deferred Tax		<u>25,244,746</u>	48,267,065	<u>35,467,471</u>	48,863,412
Profit\ (Loss) after Tax			113,894,584		74,092,094
Proposed dividend			34,045,152		28,334,210
Tax on Dividend			5,785,974		3,973,873
Transferred to General Reserve			12,000,000		7,200,000
Profit\ (Loss) carried to					
Balance sheet			62,063,458		34,584,011
Earnings per share			10.04		6.53
Notes on Accounts	17				
Note : 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 <b>Messrs. S. VISWANATHAN</b> <i>Chartered Accountants</i>		For and on behalf of the Board			
<b>C.N.SRINIVASAN</b> <i>Partner</i>		<b>T T Jagannathan</b> <i>Executive Chairman</i>		<b>S. Ravichandran</b> <i>Managing Director</i>	
Place : Bangalore Date: 14 <sup>th</sup> June 2007		<b>K. Shankaran</b> <i>Director &amp; Secretary</i>		<b>V. Sundaresan</b> <i>Vice President - Finance</i>	

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>1. CAPITAL</b>				
Authorised Share Capital 15,000,000 Equity Shares of Rs.10/- each		<u>150,000,000</u>		<u>150,000,000</u>
Issued, Subscribed :				
11,348,384 Equity Shares of Rs.10/- each out of which 7,869,064 Shares of Rs.10 each allotted as Bonus Shares fully paid-up by capitalisation of Reserves	113,483,840		113,483,840	
Less : Calls unpaid	<u>145,000</u>	113,338,840	<u>147,000</u>	113,336,840
<b>2. RESERVES &amp; SURPLUS :</b>				
Revaluation Reserve : As per last Balance Sheet	33,941,938		33,941,938	
Less : Deduction	<u>2,047,577</u>	31,894,361	<u>2,047,577</u>	31,894,361
Share Premium Account	61,410,959		60,234,459	
Less : Calls unpaid	<u>1,160,500</u>	60,250,459	<u>1,176,500</u>	60,234,459
General Reserve : As per last Balance Sheet	258,788,313		217,004,302	
Add : Amount transferred from Profit & Loss Account	12,000,000		7,200,000	
Add : Surplus in Profit & Loss Account	<u>62,063,458</u>	<u>332,851,771</u>	<u>34,584,011</u>	<u>258,788,313</u>
		<u>424,996,591</u>		<u>350,917,133</u>
<b>3. SECURED LOANS</b>				
Term Loan from Canara Bank, M.G. Road Bangalore , secured by equitable mortgage of Land & Buildings and hypothecation of Plant & Machinery and Current assets of the company on paripassu with Bank of Baroda.		31,000,000		59,000,000
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 paripassu basis.				
1. Cash Credit	102,314,629		122,991,372	
2. Demand Loan	216,175,620		95,250,000	
3. ECB Loan	<u>119,707,500</u>	<u>438,197,749</u>	<u>184,263,750</u>	<u>402,505,122</u>
		<u>469,197,749</u>		<u>461,505,122</u>
<b>4. UNSECURED LOANS</b>				
- Fixed Deposits from Directors		4,200,000		4,200,000
- Fixed Deposits from Others		31,889,000		26,778,000
- Intercorporate Deposits		80,000,000		80,000,000
- Short Term Loan from Bank		150,000,000		0
		<u>266,089,000</u>		<u>110,978,000</u>

TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

SCHEDULES (Contd...)

5. FIXED ASSETS

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 31st March, 2006	Additions during the Year	Deductions during the Year	Cost as at 31st March, 2007	As at 31st March, 2006	Deductions during the Year	Charged during the Year	As at 31st March, 2007	Net Book Value as at 31st March, 2007	Net Book Value as at 31st March, 2006
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	83,058,871	-	-	83,058,871	-	-	-	-	83,058,871	83,058,871
Leasehold Land	-	23,343,620	-	23,343,620	-	-	-	-	23,343,620	-
Buildings	127,414,082	6,158,900	-	133,572,982	89,528,836	-	2,580,867	92,109,703	41,463,279	37,885,246
Plant & Machinery	268,967,288	25,882,642	-	294,849,930	178,465,906	-	11,032,053	189,497,959	105,351,971	90,501,383
Electrical Installations	16,786,101	2,961,410	-	19,747,511	10,561,854	-	653,801	11,215,655	8,531,856	6,224,247
Tools, Moulds & Dies	25,173,337	310,035	-	25,483,372	17,260,577	-	2,128,741	19,389,318	6,094,054	7,912,760
Furniture, Fixtures & Fittings	20,024,954	3,515,200	-	23,540,154	15,616,606	-	1,056,645	16,673,251	6,866,903	4,408,348
Office Equipment	16,332,338	3,450,128	-	19,782,466	11,409,604	-	1,314,379	12,723,983	7,058,483	4,922,733
Vehicles	760,326	454,623	39,494	1,175,455	343,045	18,358	101,231	425,918	749,537	417,281
ERP Software	-	7,380,000	-	7,380,000	-	-	909,863	909,863	6,470,137	-
<b>Total</b>	<b>558,517,297</b>	<b>73,456,558</b>	<b>39,494</b>	<b>631,934,361</b>	<b>323,186,428</b>	<b>18,358</b>	<b>19,777,580</b>	<b>342,945,650</b>	<b>288,988,711</b>	<b>235,330,869</b>
Capital Work-in-Progress	9,291,248	62,585,328	9,291,248	62,585,328	-	-	-	-	62,585,328	9,291,248
<b>Total</b>	<b>567,808,545</b>	<b>136,041,886</b>	<b>9,330,742</b>	<b>694,519,689</b>	<b>323,186,428</b>	<b>18,358</b>	<b>19,777,580</b>	<b>342,945,650</b>	<b>351,574,039</b>	<b>244,622,117</b>
Motors Cars under Lease	11,281,266	1,014,154	-	12,295,420	1,915,795	-	2,328,587	4,244,382	8,051,038	9,365,471
<b>Grand Total</b>	<b>579,089,811</b>	<b>137,056,040</b>	<b>9,330,742</b>	<b>706,815,109</b>	<b>325,102,223</b>	<b>18,358</b>	<b>22,106,167</b>	<b>347,190,032</b>	<b>359,625,077</b>	<b>253,987,588</b>

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## SCHEDULES (Contd...)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>6. INVESTMENTS</b>				
Shares (Quoted):				
1. 1440 Equity Shares of Rs. 10/- each, fully paid-up in TTK HEALTH CARE Limited (Market value Rs. 81.50 Ps)		165,000		165,000
Shares (Unquoted) :				
2. 391350 Equity Shares of Rs. 10/- each, fully paid-up in TTK Tantex Ltd	3,959,894		3,959,894	
Less : Reduction in share value Rs. 1/- per Share	<u>391,350</u>		<u>391,350</u>	
	3,568,544		3,568,544	
Less : Provision for Diminution in value	3,568,544	0	3,568,544	0
3. 5% - 5000 optionally Convertible Preference Shares of Rs.100/- each, fully paid up	500,000		500,000	
Less : Provision for Diminution in value	<u>500,000</u>	0	<u>500,000</u>	0
4. 3,73,805 Equity Shares of Rs. 10/- each, fully paid-up in Prestige Housewares (India) Ltd.		3,738,050		3,738,050
5. 12,500 Equity shares of Rs.10/- each, fully paid-up of M/s. Ind-Global Financial Trust		500,000		500,000
6. 3,24,860 Equity Shares of Rs.10/- each, fully paid up of M/S. Softel Machines Limited		<u>17,000,000</u>		<u>17,000,000</u>
		<u>21,403,050</u>		<u>21,403,050</u>
<b>Notes :</b>				
1) Aggregate value of quoted Investments		165,000		165,000
2) Aggregate value of unquoted Investments		21,238,050		21,238,050
3) Market value of quoted Investments		117,360		126,432
4) TTK Health care Limited, TTK Tantex Limited, Prestige Housewares (India) Limited are group companies				

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## SCHEDULES (Contd..)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>7. STOCK-IN-TRADE :</b>				
(Valued at cost)				
Raw Materials		237,596,344		157,972,166
Stores and Spare parts		8,670,393		8,723,131
Work-in-Progress		63,953,562		55,729,405
Finished Goods		468,691,795		397,974,012
(As Certified by Management)		<u>778,912,094</u>		<u>620,398,714</u>
<b>8. SUNDRY DEBTORS:</b>				
(Considered good for which the Company holds no Security other than the Debtors' Personal Security)				
More than 6 months - Considered good		48,474,876		22,397,241
More than 6 months - Considered doubtful	6,549,212		6,724,180	
Less : Provision	<u>6,549,212</u>	0	<u>6,724,180</u>	0
Other Debts		<u>369,034,449</u>		<u>258,861,782</u>
		<u>417,509,325</u>		<u>281,259,023</u>
<b>9. CASH &amp; BANK BALANCES:</b>				
Cash on Hand		448,357		457,557
Balances with Scheduled Banks :				
In Current Account	42,794,610		66,517,471	
In Deposit Account	<u>27,359,594</u>	<u>70,154,204</u>	<u>28,925,693</u>	<u>95,443,164</u>
		<u>70,602,561</u>		<u>95,900,721</u>
<b>10. LOANS &amp; ADVANCES:</b>				
Recoverable in cash or kind or for Value to be received considered good		91,640,663		65,895,728
Balances with Excise Authorities		31,289,455		12,888,629
Advance Income Tax		<u>30,692,232</u>		<u>11,198,138</u>
		<u>153,622,350</u>		<u>89,982,495</u>
<b>11. CURRENT LIABILITIES :</b>				
Acceptances	102,202,318		84,305,169	
Sundry Creditors for goods supplied	181,723,311		147,908,444	
Unclaimed Dividend	1,338,168		1,302,528	
For Other Liabilities	251,494,765		158,828,384	
Interest accrued but not due on loans	<u>2,701,457</u>		<u>2,176,391</u>	
		<u>539,460,019</u>		<u>394,520,916</u>
<b>12. PROVISIONS:</b>				
(a) Proposed Dividends		34,045,152		28,334,210
(b) Provision for Income tax				
Opening Balance	11,851,252		2,055,311	
Add : Provision Made During the year	<u>18,061,126</u>	<u>29,912,378</u>	<u>9,795,941</u>	11,851,252
(c) Provision for Fringe Benefit Tax		8,561,193		3,600,000
(d) Provision for Dividend Tax		<u>5,785,974</u>		<u>3,973,873</u>
		<u>78,304,697</u>		<u>47,759,335</u>



# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## SCHEDULES (Contd...)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>13. SALES:</b>				
Pressure Cookers & Pressure Pans		1,654,926,532		1,401,333,855
Cookware Items		434,866,540		357,423,015
Spares & Components		111,193,237		110,409,992
Wheel Skin		6,731,447		8,505,401
Knives		4,810,611		1,416,453
Gas Stoves		316,196,612		225,371,094
Kitchen Tools		22,054		0
Kitchen Electrical Appliances		386,518,145		216,325,422
Barbecues		2,108,708		173,176
Modular Kitchen		15,245,014		3,512,561
Others		341,573		89,166
Scrap Disposal		20,548,229		22,131,514
		<u>2,953,508,702</u>		<u>2,346,691,649</u>
<b>14. OTHER INCOME :</b>				
Interest on Fixed Deposit with Banks and others		913,525		1,447,650
Govt. Compensation accrued on Land acquisition		0		3,656,739
Profit/Loss on sale of Assets		74,154		817,626
Profit/Loss on sale of Shares		0		(964,800)
Exchange gain/(loss)		4,779,833		(6,035,096)
Others		2,491,323		16,501,930
		<u>8,258,835</u>		<u>15,424,049</u>
<b>15. MATERIAL CONSUMPTION :</b>				
	Tonnes		Tonnes	
Aluminium	2,775	422,895,055	2,146	335,625,587
Stainless Steel	265	48,372,303	616	61,256,817
Others	Various Units	1,145,166,320	Various Units	791,704,930
		1,616,433,678		1,188,587,334
<i>Add</i> : Opening Stock of Finished Goods & Work-in-Progress		<u>453,703,417</u>		<u>460,542,054</u>
		2,070,137,095		1,649,129,388
<i>Less</i> : Closing Stock of Finished Goods & Work-in-Progress		<u>532,645,357</u>		<u>453,703,417</u>
		1,537,491,738		1,195,425,971
Excise duty differential in Increase (Decrease) in Inventory		(3,817,372)		1,017,537
<b>CONSUMPTION</b>		<u>1,533,674,366</u>		<u>1,196,443,508</u>

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## SCHEDULES (Contd..)

	31st March 2007		31st March 2006	
	Rs.	Rs.	Rs.	Rs.
<b>16. EXPENSES :</b>				
Salaries, Wages & Bonus		158,104,347		152,906,885
Contribution to Gratuity Fund		4,666,093		4,325,968
Contribution to P.F. and other Funds		11,885,177		10,124,199
Employees Welfare Expenses		16,532,540		9,880,307
Power & Fuel		29,223,692		29,030,536
Sundry Manufacturing Expenses		18,176,669		6,852,131
Repairs & Maintenance :				
Buildings	2,178,350		4,634,171	
Machinery	7,285,547		6,734,134	
Other Assets	2,970,610		1,610,493	
		12,434,507		12,978,798
Consumption of Stores and Spare parts		11,822,659		9,383,513
Rent		6,863,143		3,874,968
Insurance on Assets		6,173,937		5,956,491
Travelling & Conveyance		33,144,080		26,377,744
Motor Vehicle Expenses		4,790,385		3,267,824
Additional Sales Tax		16,275,625		14,132,475
Rates & Taxes		2,343,377		1,674,552
Interest & Bank Charges :				
Interest	68,792,251		55,049,392	
Bank Charges	11,733,401		12,282,232	
		80,525,652		67,331,624
Lease Rental		18,590		149,237
Carriage Outwards :				
Freight	124,689,109		90,424,901	
Transit Insurance	3,370,052		1,862,808	
		128,059,161		92,287,709
Directors Sitting Fees		540,000		200,000
Audit Fees		567,896		444,988
Legal & Professional Charges		4,182,603		3,810,740
Postage & Communication Expenses		10,063,396		10,313,575
Printing & Stationery		4,637,987		4,176,290
Entertainment Expenses		113,667		181,384
Advertisement & Selling Expenses		233,181,968		202,638,369
Distribution Expenses		64,173,042		63,553,713
Commission to Selling agents		10,373,078		6,416,837
Miscellaneous Expenses		32,213,328		25,687,564
Discount		216,730,461		152,638,101
Donations		1,520,000		1,658,434
Bad Debts		1,033,439		2,043,331
		<u>1,120,370,499</u>		<u>924,298,287</u>
As per our Report Attached.				
For <b>Messrs. S. VISWANATHAN</b> Chartered Accountants				
<b>C. N. SRINIVASAN</b> Partner	<b>T T Jagannathan</b> Executive Chairman		<b>S. Ravichandran</b> Managing Director	
Place : Bangalore Date : 14 <sup>th</sup> June 2007	<b>K. Shankaran</b> Director & Secretary		<b>V. Sundaresan</b> Vice President - Finance	

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## 17. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (1) SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements relate to TTK Prestige Limited ("the Company") and its wholly owned subsidiary Mantra Inc, U.S.A.

- (a) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra Company transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS 21), issued by the Institute of Chartered Accountants of India.
- (b) Significant accounting Policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated financial position of the Companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.
- (c) Foreign Currency Transactions :
- In the case of the foreign subsidiary, all revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- d) Investments other than in subsidiaries and in respect of an Associate not having operations, have been valued as per Accounting Standard (AS 13), issued by the Institute of Chartered Accountants of India.
- (e) Other significant accounting policies are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of TTK Prestige Limited and its subsidiary.

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

### (3) Contingent Liabilities :

(in Rs.)

	2006-07	2005-06
a) Bank Guarantees / LC	86,570,516	56,772,919
b) Estimated amount of contract remaining to be executed on Capital A/c. not provided for	52,997,377	10,512,928
c) Securitisation of Accounts Receivables	85,533,541	61,179,114
d) Tax matters under appeal( IT/ST/ED)	37,818,825	31,914,349
e) * Fringe Benefit Tax not provided for - pending stay obtained from Hon'ble High court of Karnataka	-	902,000

\* Fringe Benefit Tax was paid under protest, since the matter is pending before The Hon'ble High Court of Karnataka. In case of a favourable decision, the Company would be entitled to seek refund of the same.

(4) The company operates in a single segment of Kitchen appliances.

## TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

(5) Related party transactions as per Accounting standard 18 :

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

Associates:

Prestige Housewares India Limited

Others:

TTK HealthCare Limited, Peenya Packaging Products, TTK LIG Limited, T T Krishnamachari & Co, TTK Tantex Limited, and TTK Services (P) Limited.

Key Management Personnel and their relatives: Mr. T T Jagannathan,

Mr. T T Raghunathan, Mr. S. Ravichandran Mr. K. Shankaran, Dr. (Mrs.) Latha Jagannathan,

Dr. T T Mukund, Mr. T T Lakshman, Ms. Aditya and Ms. Bhanu Raghunathan

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

(in Rs.)

Particulars	Associates/ Others	Key Management Personnel & Relatives	Total
Sales	773,038	-	773,038
Purchases	40,328,837	-	40,328,837
Salary	-	13,661,266	13,661,266
Interest Payments	6,000,000	1,410,000	7,410,000
Others	49,884,954	848,222	50,733,176

(c) Balances outstanding as on 31.3.2007

(in Rs.)

Particulars	Associates/ Others	Key Management Personnel & Relatives
Fixed Deposits (due by the company)		14,100,000 (14,000,000)
Inter Corporate Deposit due by the company	80,000,000 (80,000,000)	-
Amount Owed by co against purchases	11,433,468 (5,733,041)	-
Investments	20,903,050 (20,903,050)	-
Other Current Liabilities	- (2,477,518)	726,317 (3,410,816)

## TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

6) Deferred tax break-up		(in Rs.)	
	31.3.2007	31.3.2006	
i) Deferred tax liability related to fixed Assets	30,576,396	28,656,498	
ii) Deferred tax asset on account of accumulated losses as per IT Act, 1961 etc;	-	23,324,848	
<b>Deferred tax (net)</b>	<b>30,576,396</b>	<b>(5,331,650)</b>	

7) Earnings per share as per accounting standard 20 (AS-20)		(Rs. In Lakhs)	
	31.3.2007	31.3.2006	
Profit after tax as per Profit and Loss A/c before extra-ordinary items	1150.23	752.21	
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs shares)	113.48	113.48	
<b>Earnings per share of Rs.10/- each:-</b>			
Before Extra-ordinary items (Rs.)	10.14	6.62	
After Extra-ordinary items (Rs.)	10.04	6.53	

For **Messrs. S. VISWANATHAN**  
Chartered Accountants

**C.N.SRINIVASAN**  
Partner

**T T Jagannathan**  
Executive Chairman

**S. Ravichandran**  
Managing Director

Place : Bangalore  
Date : 14<sup>th</sup> June 2007

**K. Shankaran**  
Director & Secretary

**V. Sundaresan**  
Vice President - Finance

# TTK PRESTIGE LIMITED - CONSOLIDATED ACCOUNTS

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

(as per Accounting Standards AS (3) Issued by the Institute of Chartered Accountants of India)

	As at 31st March 2007		As at 31st March 2006	
	Rs.	Rs.	Rs.	Rs.
(Rupees in lakhs)				
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit (Loss) Before Taxation		1621.62		1229.52
Adjustments for :				
Depreciation	221.06		189.57	
Profit/Loss on Sale of Assets	0.74		1.46	
Interest / Dividend Received	(9.14)		(14.48)	
Interest Expense	687.79		550.49	
Voluntary Retirement Debit	11.29		11.29	
		<u>911.74</u>		<u>738.33</u>
Operating Profit before Working Capital Changes		2533.36		1967.85
Adjustments for :				
Decrease in Debtors	(1362.50)		153.84	
Increase in Inventories	(1585.13)		(96.92)	
Increase in Creditors	1769.12		370.17	
Increase in other Receivables	(709.07)		(118.36)	
		<u>(1887.58)</u>		<u>308.73</u>
Cash Generated from Operations		645.78		2276.58
Income Tax (Paid) / Refund		(248.38)		(119.00)
Net Cash from Operations		<u>397.40</u>		<u>2157.58</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1277.65)		(231.45)	
Sale/Purchase of Investments	0.00		131.41	
Sale Proceeds of Fixed Assets	0.95		11.66	
Interest Received	9.14		14.48	
		<u>(1267.56)</u>		<u>(73.90)</u>
Net Cash used in Investing Activities		(870.16)		2083.68
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Share Capital	0.00		2.07	
Redemption of Term Loans	(280.00)		(2489.67)	
Bank Borrowings	356.93		1392.61	
Refund/Acceptance of Deposits	51.11		(110.67)	
Dividend Paid	(323.08)		(256.25)	
Interest Paid	(687.79)		(550.49)	
Short Term Loan from Banks	1500.00		0.00	
Net Cash used in Financing Activities		<u>617.17</u>		<u>(2012.40)</u>
Net Increase in Cash and Cash Equivalents		(252.99)		71.28
Cash and Cash Equivalent at the Beginning	959.01		887.73	
Cash and Cash Equivalent at the End	<u>706.02</u>	<u>(252.99)</u>	<u>959.01</u>	71.28

As per our Report attached.

For **Messrs. S. VISWANATHAN**  
Chartered Accountants

**C.N.SRINIVASAN**  
Partner

Place : Bangalore  
Date: 14<sup>th</sup> June 2007

For and on behalf of the Board

**T T Jagannathan**  
Executive Chairman

**K. Shankaran**  
Director & Secretary

**S. Ravichandran**  
Managing Director

**V. Sundaresan**  
Vice President - Finance