

# TTK PRESTIGE LIMITED

## FIFTY SECOND ANNUAL REPORT 2007 - 08

### CONTENTS

	Page		Page
Board of Directors	1	Schedules	26
Notice to Shareholders	2	Notes on Accounts	32
Director's Report including Management's Discussion and Analysis Report	7	Segment wise Revenue Results & Capital employed	38
Report on Corporate Governance	12	Balance Sheet Abstract & Company's General Business Profile	39
Report of Auditors	21	Cash Flow Statement	40
Balance Sheet	24	Historical Financial Highlights	41
Profit & Loss Account	25	ECS Mandate Form	43

### 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 - 635 126. Tamil Nadu.

Plot No. 38, Sipcot Industrial Complex  
Hosur - 635 109, Tamil Nadu.

Myleripalayam Village

Kovai Terku

Coimbatore - 641 032  
Tamilnadu.

Plot No. 1A & 2  
Dev Bhoomi Industrial Estate

Roorkee - 247 667  
Uttarakhand.

#### BANKERS

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

#### 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, Kolkatta, Lucknow, Ludhiana, Mumbai, Patna,  
Pune, Raipur, Trichy & Vijayawada

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty second Annual General Meeting of TTK PRESTIGE LIMITED will be held at Century Club, 1 Seshadri Road, Bangalore - 560 001 on Friday the 25th July, 2008 at 10-15 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2008 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. TT Raghunathan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr.(Mrs.) Latha Jagannathan who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. R. Srinivasan 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 Sec.198, 269, 309, 310, 311 & Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company, the re-appointment of Mr. TT Jagannathan as Executive Chairman of the Company for a period of 5 years from 1st July, 2008 by the Board of Directors on the terms and conditions specified in the explanatory statement to this resolution be and is hereby approved”.

“RESOLVED FURTHER THAT during any year of loss or inadequacy of profits, Salary and Allowances fixed by the Directors together with other perquisites shall be paid as minimum remuneration and that the Board of Directors be and are hereby authorised to make an application to the Central Government as may be necessary if such minimum remuneration exceeds the ceiling, if any, prescribed 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 authorised to revise the remuneration and benefits of Mr. TT Jagannathan from time to time within the ceiling prescribed under Schedule XIII to the

Companies Act, 1956, 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 the 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. TT Jagannathan – Executive Chairman as minimum remuneration for a period of 3 years with effect from 1<sup>st</sup> July 2008 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

Place : Bangalore  
Dated : 12<sup>th</sup> June, 2008

**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 25<sup>th</sup> July, 2008.
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 17<sup>th</sup> July, 2008 TO 25<sup>th</sup> July, 2008 (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. 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
31 <sup>st</sup> March, 2007	09-8-2014

9. Information required under Clause 49 VI A of the Listing Agreement with the Stock Exchange with respect to the Directors retiring by rotation and being eligible seeking re-appointment are as under:

**1. Mr. TT Raghunathan**

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

Mr. TT Raghunathan is a Commerce Graduate. He has been on the Board of your Company since 1995. He has vast industrial experience and has been actively involved in the management of various companies of the TTK Group.

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

The Resolution is commended for adoption.

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

**2. Dr. (Mrs.) Latha Jagannathan**

Dr. (Mrs) Latha Jagannathan retires by rotation and is eligible for re-election.

Dr. (Mrs.) Latha Jagannathan is a Medical Practitioner. She has been on the Board of the Company since 1988.

She is a Director on the Board of TTK-LIG Limited.

She chairs the Shareholders'/Investor Grievance Committee of the Company.

The Resolution is commended for adoption.

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

**3. Mr. R. Srinivasan**

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

Mr. R. Srinivasan is B.E. (Hons.) and is an independent professional having vast industrial experience and is also a Management Consultant. He has been on the Board of the Company since 2000.

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

He is also on the Board of ACE Designers Ltd., Cholamandalam MS General Insurance Co. Ltd, Kirloskar Oil Engines Ltd, Murugappa Morgan Thermal Ceramics Ltd, Nettur Technical Training Foundation, TTK Healthcare Limited, Tube Investments of India Ltd, Sundaram Fasteners Ltd, Mind Tree Consulting Limited, Yuken India Ltd, Dakshin Foundries Pvt. Ltd, TaeguTec India Pvt. Ltd & NTT Industries Private Ltd,

He is the Member of Audit Committee and Remuneration Committee of the Company.

He is the Chairman of Audit Committee of Sundaram Fasteners Ltd, ACE Designers Ltd., Cholamandalam MS Gen. Ins. Co. Ltd, Chairman of Share Transfer Committee of Yuken India Ltd, Member of Audit Committee of Yuken India Ltd, Tube Investments of India Ltd., Kirloskar Oil Engines Limited, MindTree Consulting Limited, Member of Remuneration Committee of Yuken India Ltd & MindTree Consulting Limited.

The Resolution is commended for adoption.

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

By Order of the Board

Place : Bangalore  
Dated : 12<sup>th</sup> June, 2008

**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. TT Jagannathan as Executive Chairman.

The current office of Mr. TT Jagannathan as Executive Chairman is valid up to 30<sup>th</sup> June 2008. The Board of Directors at their meeting held on 12<sup>th</sup> June 2008 have re-appointed Mr. TT Jagannathan for a period of 5 years from 1<sup>st</sup> July 2008 and fixed his remuneration as per the remuneration approved by the Remuneration Committee. The terms of his remuneration are as follows:

- |  |  |
|--|--|
| A. Salary                              | Rs.2,00,000 per month 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 and other related expenses to any place in India or abroad once a year.  |
| 5) Club Fees                           | Fees for two clubs not including admission and life membership fee.  |
| 6) Personal Accident                   | 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.   |
| 5. Hospitalization                     | - As per rules of the company.   |
| D. 1. Car                              | Free use of Company maintained car.  |
| 2. Telephone                           | Telephone at residence.  |
| E. Commission                          | Will be entitled to remuneration calculated at 5% of the net profit of the Company computed in accordance with Sec.198 of the Companies Act, 1956 and the difference between the amount so calculated at 5% and the amount paid by way of salary and other allowances described above shall be paid as commission. |

The above remuneration exclusive of Commission shall be paid as minimum remuneration in the year of loss or inadequacy of profits. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule XIII to the Companies Act, 1956, or any statutory modifications thereof, the company shall seek permission of Central Government as may be necessary in accordance with provisions governing payment of remuneration in force at the relevant point of time.

The re-appointment of and his terms of remuneration require the approval of the Shareholders in General Meeting. Hence the resolution is placed before the meeting.

Mr. TT Jagannathan is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 33 years.

The resolution is commended for adoption.

Mr. TT Jagannathan, Mr. TT Raghunathan and Mrs.Latha Jagannathan are deemed to be interested in this resolution.

### ITEM No. 8

#### Minimum Remuneration

Mr. TT Jagannathan has been re-appointed as Executive Chairman of the Company for a period of 5 years from 1<sup>st</sup> July 2008 on certain terms and conditions of remuneration. As recommended by the Remuneration Committee, your Board of Directors wishes to ensure certain Minimum Remuneration to Mr. TT Jagannathan in the event of loss/inadequacy of profits. Such payment of Minimum Remuneration requires the approval of shareholders by means of a Special Resolution. The conditions stipulated for payment of Minimum Remuneration have been complied with. The prescribed particulars as required under Schedule XIII to the Companies Act, 1956 are furnished in the Annexure.

The resolution is commended for adoption.

Mr. TT Jagannathan, Mr. TT Raghunathan and Dr. (Mrs) Latha Jagannathan are deemed to be interested in this resolution.

By Order of the Board

Place : Bangalore  
Dated : 12<sup>th</sup> June, 2008

**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)

I. GENERAL INFORMATION											
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 2007-2008	<table border="1"> <thead> <tr> <th>Export</th> <th>Import</th> <th>Net Foreign Exchange Earnings</th> </tr> <tr> <th>Rs. lacs</th> <th>Rs. lacs</th> <th>Rs. lacs</th> </tr> </thead> <tbody> <tr> <td>1825</td> <td>1772</td> <td>53</td> </tr> </tbody> </table>	Export	Import	Net Foreign Exchange Earnings	Rs. lacs	Rs. lacs	Rs. lacs	1825	1772	53
Export	Import	Net Foreign Exchange Earnings									
Rs. lacs	Rs. lacs	Rs. lacs									
1825	1772	53									
6.	Foreign Investments or collaborators, if any.	None									
II. INFORMATION ABOUT THE APPOINTEE:											
1.	Background details	Mr. TT Jagannathan									
		Mr. TT Jagannathan is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 33 years.									
2.	Past remuneration	As per Annexure 1									
3.	Recognition or awards	Gold Medalist from IIT, Chennai									
4.	Job profile and his suitability	He is the Executive Chairman in charge of overall management of the Company including Long Term Strategy and Innovation. He has the requisite qualification and experience to hold this post.									
5.	Remuneration proposed	Refer 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	Related to Mr. TT Raghunathan and Dr.(Mrs.) Latha Jagannathan									
III. OTHER INFORMATION:											
i)	Reasons for loss or inadequate profits	The company had inadequate profits for about five years from 2002. From the current financial year the company has got adequate profits. However, by way of abundant caution, this resolution is placed before the shareholders to ensure Minimum Remuneration under unforeseen circumstances.									
ii)	Steps taken or proposed to be taken for improvement	The company has already turned around and is making profits.  The shareholders are also requested to refer to the Managements' Discussion & Analysis Report included in Directors' Report for further details.									
iii)	Expected increase in productivity and profits in measurable terms	The company has made a profit of Rs. 24 Crores & Rs. 17 Crores before tax during the year 2007-08 & 2006-07 respectively. The company expects to improve upon this performance in the coming years.									
IV. DISCLOSURES											
		The details of the remuneration package of TT Jagannathan are furnished in Annexure 1.  The other disclosures required are furnished under the Column "Disclosures" in our Report on Corporate Governance.									

Annexure 1

REMUNERATION DETAILS

Details		Past Remuneration	Proposed Remuneration
A.	Salary	Rs.1,00,000 per month	Rs.2,00,000 per month 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.	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.	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.	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 and other related expenses to any place in India or abroad once a year.	For self and family, to and fro Airfare and other related expenses to any place in India or abroad once a year.
	5. Club Fees	Fees for two clubs not including admission and life membership fee.	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.	Personal accident cover, as per the rules of the company.
C.	Other Benefits		
	1. Provident Fund Contribution	- As per rules of the company	- As per rules of the company
	2. Superannuation Contribution	- As per rules of the company	- As per rules of the company
	3. Leave and Leave encashment benefits	- As per rules of the company	- As per rules of the company
	4. Gratuity	- As per rules of the company	- As per rules of the company
	5. Hospitalisation	- As per rules of the company	- As per rules of the company
D.	1. Car	Free use of the Company maintained Car with driver	Free use of the Company maintained Car with driver
	2. Telephone	Telephone at residence	Telephone at residence
E.	Commission	Will be entitled to remuneration calculated at 5% of the net profit of the Company computed in accordance with Sec.198 of the Companies Act, 1956 and the difference between the amount so calculated at 5% and the amount paid by way of salary and other allowances described above shall be paid as commission.	Will be entitled to remuneration calculated at 5% of the net profit of the Company computed in accordance with Sec.198 of the Companies Act, 1956 and the difference between the amount so calculated at 5% and the amount paid by way of salary and other allowances described above shall be paid as commission.

The above remuneration exclusive of Commission shall be paid as minimum remuneration in the year of loss or inadequacy of profits. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule XIII to the Companies Act, 1956, or any statutory modifications thereof, the company shall seek permission of Central Government as may be necessary in accordance with provisions governing payment of remuneration in force at the relevant point of time.

## DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Fifty Second Annual Report, together with the Audited Accounts of the Company, for the year ended 31<sup>st</sup> March 2008 as follows:

## FINANCIAL RESULTS

(Rupees in lakhs)

	2007-08	2006-07
Sales (inclusive of excise duty)	33985	29325
Other income	149	66
Profit before Extra-Ordinary item	2115	1660
Net Extra-Ordinary income	331	-
Profit/(Loss) before tax	2446	1660
Tax Provision	380	483
Net Profit/(Loss)	2067	1177
Transfer to General Reserve	208	120
Proposed Dividend (including tax)	465	398
Surplus carried to balance sheet	1394	658

## REVIEW OF PERFORMANCE :

The performance highlights are as follows :

- Sales grew by around 16%
- Profit before extra ordinary items increased by 27%.
- Profit after tax increased by 75.6%.
- Operating EBIDTA/ Sales ratio improved to 9.65% from 8.79%
- Borrowings reduced by Rs.27 Crores
- Operating EBIDTA/Capital Employed ratio improved sharply to 27.23% from 20.05%
- Earnings Per share rose to Rs.18.21 from Rs.10.31 i.e a growth of 77%
- The Uttarakhand unit commenced commercial production from June 2007
- All round productivity improvement achieved i.e in labour, working capital and manufacturing operations.

The net extra-ordinary income of Rs.3.31 crores is on account of income recognized on property development account and other property transactions net of loss on divestment of investments including the investment in subsidiary Mantra. Inc.

During the year the Board has decided to classify the assets as those relating to Kitchen Appliances Division and as those relating to Properties and Investments. This segmentation is effective from the last quarter of 2007-08. This will enable the company to recognize income on account of property rentals separately.

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

## MANAGEMENTS' DISCUSSION AND ANALYSIS

## A. INDUSTRY SCENERIO

The buoyancy witnessed in the economy till 2006-07 was somewhat dampened during 2007-08 on account of inflation. 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 market 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 growing aggressively in the last 5 years building on its core strengths of brand, manufacturing, designing, distribution, sourcing and service capabilities.

Your company has already earned the recognition of 'Super Brand' in the kitchenware segment. Now your company has been declared as India's most preferred brand 'Mera Brand' by the 5<sup>th</sup> Consumer World Awards in the pressure cooker category. Mera Brand is the resultant of "Nationwide consumer survey". It proposes to be an ISI, Agmark or FPO like mark and a certification by consumers of their trust/loyalty, to incorporate in product packaging, print/electronic media or in various marketing tools to validate leadership in the market place.

Your company's brand has been successfully extended well beyond pressure cookers and cookware. Your company is now poised to occupy the entire kitchen and moving towards "Total Kitchen Solutions". The growing revolution in retail format and the entry of large players in this segment offers a great opportunity in future. Based on this retail revolution your company has embarked upon two more retail opportunities apart from the successful "Prestige Smart Kitchen". These two formats consist of "Prestige Kitchen Boutique" and "Prestige Life Style Store".

The threats continue to be from unorganized players and regional brands that compete with unviable low pricing

# TTK PRESTIGE LIMITED

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 :

1. **Kitchen Appliances Segment** : 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)

	2007-08			2006-07		
	Dome- stic	Export	Total	Dome- stic	Export	Total
Pressure Cookers	16796	1815	18611	14923	1416	16339
Non-stick Cookware	5388	9	5397	4321	28	4349
Kitchen Electric Appliances	4712	-	4712	3865	-	3865
Gas Stoves	3535	-	3535	3162	-	3162
Others	1722	8	1730	1519	90	1609
Total	32153	1832	33985	27790	1534	29324

- Domestic Sales registered a growth of 16 % while exports registered a growth of around 19%.
- The growth in non-traditional product lines like kitchen electrical appliances and gas stoves has been very impressive at 22% and 12% respectively.
- In spite of severe cost push especially during the first half of the year, your Company was able to improve its EBIDTA/Sales ratio to 9.65% from 8.79% through improved realizations and operational efficiencies.
- Significant improvements were made in working capital utilization thus improving the free cash flow which resulted in sharp reduction in debt burden.
- Your Company's new products including Prestige Nakshatra are well received in the market. Your company introduced 5 new categories with 45 SKUs. In all 86 SKUs were introduced. Selective introduction of Modular kitchens is showing encouraging response.
- The Prestige Smart Kitchen retail net work was consolidated and improvised as per plans. While new outlets were opened, some pruning was also carried out discontinuing a few outlets which were not contributing. The number of outlets as at the end of 31.3.2008 was 173. The network now covers 16 States and 116 towns. The network contributes to nearly 17% of trade sales.
- Two 'Prestige Kitchen Boutiques' offering a wide range of modular kitchens were opened during the last quarter of the financial year.

## 2. Properties & Investment segment:

- This Segment consists of Dooravaninagar, Bangalore property under development and other commercial properties, besides inter-corporate investments. The inter-division revenue earned in this division is Rs.19 lakhs. This division is recognized effective 1<sup>st</sup> January 2008.
- Property Development** : The stand-by manufacturing activity at Dooravaninagar in Bangalore was discontinued during the second quarter of 2007-08. A Development Agreement was entered into and permission was granted to the Developer to commence development activities. The existing structures have been demolished. Sanction of plan for putting up a Mall of international standards is awaited. Your company will have a separate income stream of rentals as and when the project is complete and portions leased out. In the meantime the company has recognized capital income of Rs.21.38 crores pursuant to the granting of permission to the developer to enter the property. This income is classified under Extra-ordinary income.

## D. OUTLOOK

The industry in general from the start of this calendar year is witnessing some uncertainty on account of high oil prices and global inflationary trends. Your company will continue to improve upon the current strategies which are paying rich dividends and will take all efforts to maintain the last year's growth rates barring unforeseen circumstances.

## 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. Debt was reduced by Rs.27 crores. In spite of increase in the interest rates, the company was able to keep the ratio of interest to sales at lower levels.

## G. INVESTMENTS

Your company has disposed off its investments in Mantra, Inc. (a wholly owned subsidiary of the company), Ind Global Financial Trust Limited, Softel Machines Limited and TTK Tantex Limited. The aggregate loss on divestment amounting to Rs.20.30 crores is classified under extra-ordinary items.

## 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 now operational on the SAP Platform and this will further improve the internal control systems.

#### I. DEVELOPMENTS IN HUMAN RESOURCES

The direct employment strength stood at 852 as compared to 769 in the previous year.

#### CAPITAL EXPENDITURE & EXPANSION PLANS

Your company by and large completed the capital expenditure programme which commenced in 2005-06. The Uttarakhand Unit started commercial production during June 2007. The operations in the Coimbatore unit have been well consolidated.

#### MANTRA INC.

During the year your company disposed off its investments in Mantra, Inc. USA. Your company continues to own the brand 'Mantra' and will continue to export products to US through Mantra Inc.

#### DIRECTORS

Mr. TT Raghunathan, Dr. (Mrs.) Latha Jagannathan and Mr. R. Srinivasan retire by rotation and are eligible for re-election. The information on these retiring directors is provided in the Notice calling the Annual General Meeting. Mr. TT Jagannathan was reappointed as Executive Chairman for a further period of five years from 1.7.2008 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.339 lakhs as on 31st March 2008. There were no unclaimed deposits which remained unpaid as on that date.

#### DIVIDEND

Your directors recommend payment of a dividend Rs.3.50 per share for the financial year 2007-08.

#### FUTURISTIC STATEMENTS

This Directors Report and the Management Discussion and Analysis included therein may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

#### CORPORATE GOVERNANCE

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

#### EMPLOYEES

The 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.

Registered Office:  
11<sup>th</sup> Floor, Brigade Towers  
135, Brigade Road,  
Bangalore - 560 025

For and on behalf of the Board

(T.T. JAGANNATHAN)  
CHAIRMAN

Place : Bangalore  
Dated : 12<sup>th</sup> June 2008

# TTK PRESTIGE LIMITED

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 31<sup>st</sup> March 2008.

A. CONSERVATION OF ENERGY AS PER FORM A - Not Applicable

B. PARTICULARS AS PER FROM 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 made four design applications.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOW

1) Inflow

Export of Goods (FOB)	-	Rs.1824.99 lakhs
-----------------------	---	------------------

2) Outflow

Import of Goods & Others	-	Rs.1772.47 lakhs
--------------------------	---	------------------

Registered Office:  
11<sup>th</sup> Floor, Brigade Towers  
135, Brigade Road  
Bangalore 560 025

For and on behalf of the Board

(T.T. JAGANNATHAN)  
CHAIRMAN

Place : Bangalore

Dated : 12<sup>th</sup> June 2008

## Annexure to the Directors Report 2007-2008

## 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, 2008.

Name	Designation	Qualification	Experience in years	Remuneration Rs.	Age	Commencement of Employment	Particulars of last employment
TT Jagannathan *	Executive Chairman	B.Tech (IIT, Chennai) M.S. (Operations Research) Cornell University New York	37	11530036	59	01/01/1975	G.M., TT Maps & Publications Ltd.,
S. Ravichandran *	Managing Director	B.Tech., P.G.D.B.A	35	7521817	56	05/02/1997	President Maxworth Orchards (India) Ltd., Chennai
K. Shankaran	Director & Secretary	B.Com., AICWA FCS, MAC	34	6395912	54	09/10/1990	Secretary Spencer & Co., Ltd., Chennai
M. Chandru Kalro	Executive Vice President Marketing	B.E.	22	4458209	44	29/03/1993	Asst. Manager (Marketing) BPL India Limited

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

None of the employees excepting Mr. TT Jagannathan is a relative of any of the Directors. Mr. TT Jagannathan is the brother of Mr. TT 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)  
Chairman

Place: Bangalore  
Date : 12.6.2008

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. TT Jagannathan Executive Chairman
Promoter/Non-Executive Directors	Mr. TT 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 Walvekar Mr. Dileep Kumar Krishnaswamy Mr. Arun K. Thiagarajan

Mr. TT Jagannathan is the brother of Mr. TT Raghunathan  
Dr. (Mrs.) Latha Jagannathan is the wife of Mr. TT Jagannathan.

3. Board Meetings, Attendance and other Directorships.

The company held 7 Board meetings during the period 1-4-2007 to 31.3.2008. The dates of the meetings are 11<sup>th</sup> May, 2007, 14<sup>th</sup> June, 2007, 27<sup>th</sup> July, 2007, 10<sup>th</sup> August, 2007, 30<sup>th</sup> October, 2007, 29<sup>th</sup> January, 2008, 15<sup>th</sup> February 2008. The attendance particulars are as follows:

Name of the Director	Attendance Particulars		No. of other directorships and committee membership/chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. T T Jagannathan	7	Yes	6*		
Mr. T T Raghunathan	5	Yes	4		
Dr. (Mrs.) Latha Jagannathan	7	Yes	1		
Mr. Ajay I Thakore	4	Yes	3		
Mr. R. Srinivasan	6	Yes	11	8	4
Dr. (Mrs) Vandana Walvekar	5	Yes	-		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	3	
Mr. Dileep K Krishnaswamy	6	Yes	-		
Mr. Arun K Thiagarajan	3	Yes	11	9	1

Other directorship does not include private companies. \*includes directorship of one overseas body corporate.

#### 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 four Non-executive Independent Directors. Mr. Dileep K Krishnaswamy, another independent director was inducted on 29<sup>th</sup> January 2008. The Committee has held five meetings during the financial year 2007-08 i.e., 14<sup>th</sup> June, 2007, 23<sup>rd</sup> July, 2007, 30<sup>th</sup> October, 2007, 29<sup>th</sup> January, 2008, 15<sup>th</sup> March 2008. The Composition of the Audit Committee as on 31<sup>st</sup> March 2008 and the attendance of members at the meetings of the Audit Committee held during the financial year 2007-08 are as follows:

Members of the Audit Committee	No. of meetings attended
Mr. Ajay I Thakore (Chairman)	4
Dr. (Mrs.) Vandana Walvekar	5
Mr. R. Srinivasan	5
Mr. Dileep K Krishnaswamy	2

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 Management 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 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.

#### 6. Directors' Remuneration

The details of remuneration paid to whole-time directors for the year 2007-08 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	1800000	1086942	651000	7992094	11530036	5 years from 1 <sup>st</sup> July 2003
S. Ravichandran Managing Director	1800000	1611806	651000	3459011	7521817	5 Years from 5 <sup>th</sup> Feb 2007

## TTK PRESTIGE LIMITED

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 2007-08. No other payment is made to the Non-executive Directors.

### 7. Shareholders'/Investors' Grievance Committee

This committee consists of Mr. TT Jagannathan, Mr. S Ravichandran, Dr. (Mrs.) Latha Jagannathan and Mr. K Shankaran. This committee is chaired by Dr. (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 62. No requests for dematerialization were pending for approval as on 31<sup>st</sup> March, 2008.

The committee met once during the year.

### 8. Particulars of Directors appointed/re-appointed.

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

Mr. TT Raghunathan is a Commerce Graduate. He has been on the Board of the Company since 1995. He has vast industrial experience and has been actively involved in the management of various companies of the TTK Group.

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

He holds 2000 shares in the Company.

- b. **Dr. (Mrs.) Latha Jagannathan**

Dr. (Mrs) Latha Jagannathan retires by rotation and is eligible for re-election.

Dr. (Mrs.) Latha Jagannathan is a Medical Practitioner. She has been on the Board of the Company since April 1988.

She is a Director on the Board of TTK-LIG Limited.

She chairs the Shareholders'/Investor Grievance Committee of the Company.

She does not hold any shares in the Company.

- c. **Mr. R. Srinivasan**

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

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

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

He is also on the Board of ACE Designers Ltd., Cholamandalam MS General Insurance Co. Ltd, Kirloskar Oil Engines Ltd, Murugappa Morgan Thermal Ceramics Ltd, Nettur Technical Training Foundation, TTK Healthcare Limited, Tube Investments of India Ltd, Sundaram Fasteners Ltd, Mind Tree Consulting Limited, Yuken India Ltd, Dakshin Foundries Pvt. Ltd, TaeguTec India Pvt. Ltd & NTTF Industries Private Ltd,

He is the Member of Audit Committee and Remuneration Committee of the Company.

He is the Chairman of Audit Committee of Sundaram Fasteners Ltd, ACE Designers Ltd., Cholamandalam MS Gen. Ins. Co. Ltd, Chairman of Share Transfer Committee of Yuken India Ltd, Member of Audit Committee of Yuken India Ltd, Tube Investments of India Ltd., Kirloskar Oil Engines Limited, MindTree Consulting Limited, Member of Remuneration Committee of Yuken India Ltd & MindTree Consulting Limited.

He does not hold any shares in the Company.

## 9. General Body Meetings

Location and time for last 3 Annual General Meetings were :

Year	Location	Date	Time	No. of spl. resolutions passed
2004-05	78, Old Madras Road Dooravaninagar, Bangalore	23.08.2005	11.00 a.m.	1
2005-06	78, Old Madras Road Dooravaninagar, Bangalore	29.08.2006	11.00 a.m.	2
2006-07	Rotary Club of Bangalore 20, Lavelle Road, Bangalore	10.08.2007	12.05 p.m.	1

Two special resolutions requiring postal ballot were passed through during the last year.

## 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) Code of conduct for prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a modified Code of Conduct for prevention of Insider Trading with effect from 29<sup>th</sup> January 2008. This Code of Conduct is applicable to all Directors and such designated employees of the company who are expected to have access to unpublished price sensitive information relating to the company.

### (e) 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 published on Company's website [www.ttkprestige.com](http://www.ttkprestige.com) and SEBI's website [sebidifar.nic.in](http://sebidifar.nic.in)

# TTK PRESTIGE LIMITED

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 Analysts Meet are displayed on the Company's website.

Management 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 25<sup>th</sup> July 2008
- Venue 10.15 a.m

### b. Financial Calendar

- Annual General Meeting 25<sup>th</sup> July 2008
- Quarterly Results - 30.6.2008 Last week of July, 2008
- Quarterly Results - 30.9.2008 Last week of October, 2008
- Quarterly Results - 31.12.2008 Last week of January, 2009
- Audited/Annual Results - 31.3.2009 Last week of June, 2009

### c. Book Closure date

17<sup>th</sup> July 2008 to  
25<sup>th</sup> July 2008 for AGM  
(both days inclusive)

### d. Dividend payment date

The dividend will be paid on or  
before 23<sup>rd</sup> August 2008

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

Your Company's shares are listed in  
Bombay Stock Exchange Limited and  
National Stock Exchange of India Ltd  
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 - 517506
- National Stock Exchange - TTKPRESTIG EQ

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

- INE690A01010

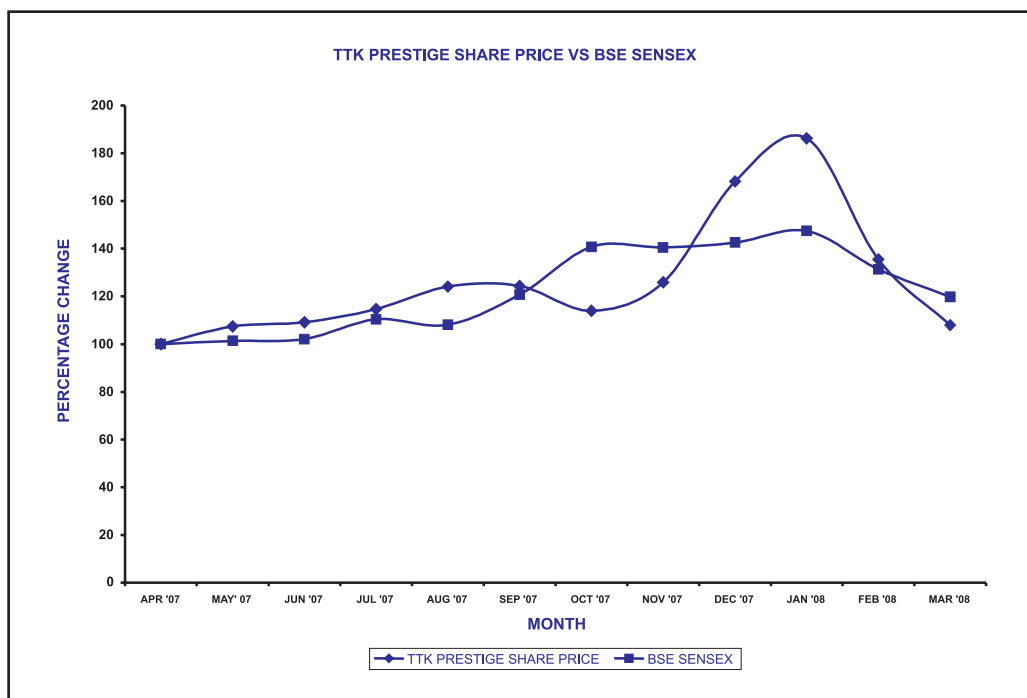
### h. Stock Market Data

Month	NATIONAL STOCK EXCHANGE			BOMBAY STOCK EXCHANGE LTD		
	High	Low	Volume	High	Low	Volume
Apr 2007	128.00	113.30	187439	125.50	113.05	76706
May 2007	134.00	115.40	259752	134.80	116.05	195925
Jun 2007	138.90	120.40	194620	137.00	110.10	153914
Jul 2007	144.50	125.05	272975	143.90	125.00	287399
Aug 2007	154.50	126.50	216103	155.80	128.00	210974
Sept 2007	157.00	125.00	151416	156.00	131.05	123486
Oct 2007	141.90	112.00	214770	143.00	110.50	241400
Nov 2007	160.00	121.00	233213	158.00	106.00	197588
Dec 2007	209.95	142.00	609308	211.00	152.00	438663
Jan 2008	234.00	120.50	643182	233.70	117.25	530779
Feb 2008	164.90	126.50	98772	170.00	127.00	85891
Mar 2008	137.75	102.50	139673	135.50	102.00	130898



i) Stock Performance Vs BSE Sensex :

Month	TTK Share Price	% Change	BSE Sensex	% Change
	High		High	
Apr 2007	125.50	-	14383.72	-
May 2007	134.80	7	14576.37	1
Jun 2007	137.00	9	14683.36	2
Jul 2007	143.90	15	15868.85	10
Aug 2007	155.80	24	15542.40	8
Sept 2007	156.00	24	17361.47	21
Oct 2007	143.00	14	20238.16	41
Nov 2007	158.00	26	20204.21	40
Dec 2007	211.00	68	20498.11	43
Jan 2008	233.70	86	21206.77	47
Feb 2008	170.00	35	18895.34	31
Mar 2008	135.50	8	17227.56	20



j. Registrars & Transfer Agents:  
Share transfer and communication regarding share certificates, dividends and change of address

Karvy computershare (P) Limited  
Plot No. 17 to 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.

# TTK PRESTIGE LIMITED

## I. Shareholding Pattern as on 31<sup>st</sup> March, 2008 :

	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A.	Promoter's holding* Promoters & their relatives	8212964	72.37
B	Non-Promoters Holding		
1.	INSTITUTIONAL INVESTORS		
	Mutual Funds/UTI	234429	2.07
	Financial Institutions/Banks	3379	0.03
	FII's	207811	1.83
2.	OTHERS		
	a. Private Corporate Bodies	284965	2.51
	b. Indian Public	2263182	19.95
	c. NRIs**	129733	1.14
	d. Any Other (please specify) Clearing Members Directors/Relatives/Associates (Independent and not in control of the company)	5977 5944	0.05 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 2008 :

Category (Amount)	Shareholders			Shares	
	No.s	%	Total Shares	Rs.	%
1 - 5000	9210	94.85	991410	9914100	8.74
5001 - 10000	246	2.53	202923	2029230	1.79
10001 - 20000	97	1.00	147792	1477920	1.30
20001 - 30000	44	0.45	116335	1163350	1.03
30001 - 40000	30	0.31	110454	1104540	0.97
40001 - 50000	16	0.16	75800	758000	0.67
50001 - 100000	24	0.25	180277	1802770	1.59
100001 & Above	43	0.44	9523393	95233930	83.92
Total	9710	100	11348384	113483840	100

## n. Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2008 :

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	3501	8621656	75.97
No. of Shareholders in Electronic Mode	6209	2726728	24.03
<b>Total</b>	<b>9710</b>	<b>11348384</b>	<b>100.00</b>

Days taken for Dematerialisation	No. of Requests	No. of Shares	% of Shares
15 days	NIL	NIL	NIL

	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2007-08	2006-07	2007-08	2006-07
Number of Shares Dematerialised	33000	54172	15100	14650
Number of Shares Rematerialised	1	803	Nil	310

- o. Outstanding GDRs / ADRs/ Warrants or any convertible Instruments
- The Company has not issued any GDRs/ADRs/ Warrants & Convertible
- p. Plant Locations
- Plot Nos. 82 & 85, Sipcot Industrial Complex, Hosur – 635 126  
Tamilnadu
- Plot No.38, Sipcot Industrial Complex  
Hosur – 635 109, Tamilnadu
- Myleripalayam Village  
Kovai Terku  
Coimbatore, Tamilnadu – 641 032.
- Plot No.1A & 2,  
Dev Bhoomi Industrial Estate,  
Roorkee, Uttarakhand – 247 667.
- 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
  - Cable & Wireless Networks India (P) Limited
  - Packwell Packaging Products Limited
  - Pharma Research & Analytical Laboratories
  - Peenya Packaging Products

### 13. 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 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 31<sup>st</sup> March 2008.

---

### 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: 12<sup>th</sup> June 2008

S.RAVICHANDRAN  
Managing Director

# TTK PRESTIGE LIMITED

## 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, 2008 as stipulated in Clause 49 of the Listing Agreement(s) entered in to 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, 2008, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors Grievance Committee.

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

For M/s S VISWANATHAN  
Chartered Accountants

Place : Bangalore  
Date : 12<sup>th</sup> June, 2008

C N SRINIVASAN  
Partner

**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 2008, 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, 2008 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, 2008 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 Note no.8 relating to recognition of revenue arising out of transfer pursuant to Development Agreement and its impact on Financial Statements and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a. in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008;
  - 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 : 12<sup>th</sup> June 2008

## 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.3.04 Crores and the year-end balance of loan granted to such party was Nil.
- (b) The loan granted to the wholly owned subsidiary company listed under section 301, is interest free as per the approval of RBI.
- (c) The company 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.9.40 crores.
- (d) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in register maintained under section 301 of the Companies Act, 1956 and are not, prima facie prejudicial to the interest of the company.
- (e) 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 31st March 2008 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses as at 31st March 2008 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 applied for the purpose for which the loans were obtained.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investments.
- (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: 12<sup>th</sup> June 2008

# TTK PRESTIGE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2008

RUPEES IN LAKHS

	Schedule	As at	
		31st March 2008	31st March 2007
<b>I SOURCE OF FUNDS</b>			
1. SHAREHOLDERS' FUND			
Capital	1	1133.40	1133.39
Reserves and surplus	2	<u>5755.29</u>	<u>4377.05</u>
		-	-
		6888.69	5510.44
2. LOAN FUNDS			
Secured Loans	3	2048.28	4691.99
Unsecured Loans	4	<u>2639.05</u>	<u>2660.89</u>
		-	-
		4687.33	7352.88
Deferred Tax Liability(Net)		307.55	305.76
TOTAL		<u>11883.57</u>	<u>13169.08</u>
<b>II APPLICATION OF FUNDS</b>			
1. FIXED ASSETS			
Gross Block	5	6742.85	6424.23
Less: Depreciation		<u>3609.36</u>	<u>3467.34</u>
Net Block		<u>3133.49</u>	<u>2956.89</u>
Add: Capital Work-in-Progress		<u>2527.66</u>	<u>625.85</u>
		-	-
		5661.15	3582.74
2. INVESTMENTS	6	39.03	1812.24
3. CURRENT ASSETS LOANS & ADVANCES			
Stock-in-Trade	7	6067.96	7389.63
Sundry Debtors	8	4728.44	4132.04
Cash and Bank Balances	9	1063.55	674.04
Loans and Advances	10	<u>1699.30</u>	<u>1792.19</u>
		<u>13559.25</u>	<u>13987.90</u>
Less : Current Liabilities & Provisions			
Liabilities	11	5917.66	5350.86
Provisions	12	<u>1458.20</u>	<u>874.23</u>
		<u>7375.86</u>	<u>6225.09</u>
4. Net Current Assets		6183.39	7762.81
Miscellaneous Expenditure		-	11.29
TOTAL		<u>11883.57</u>	<u>13169.08</u>
Notes on Accounts	18		

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 : 12<sup>th</sup> June 2008



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

RUPEES IN LAKHS

SCHEDULE		Year Ended 31st March 2008		Year Ended 31st March 2007	
<b>INCOME</b>					
Sales	13	33985.46		29324.99	
Less : Excise duty relatable to Sales		1391.42	32594.04	1223.26	28101.73
Other Income	14		149.37		66.19
			<u>32743.41</u>		<u>28167.92</u>
<b>EXPENDITURE</b>					
Material Consumption	16	17926.57		15261.19	
Expenses	17	12305.72		11016.02	
Depreciation (As per Schedule 5)		<u>384.48</u>		<u>220.08</u>	
		-	30616.77	-	26497.29
Profit\ (Loss) before VRS amortisation & tax			2126.64		1670.63
Amotisation of VRS payments			11.29		11.29
Profit Before Extra-ordinary items			2115.35		1659.34
Extraordinary income (net )	15		331.12		0.00
Profit before Tax			2446.47		1659.34
Provision for Tax					
- Current Tax (Min. Alternate Tax)		272.14		180.61	
- Fringe Benefit Tax		44.50		49.61	
- Deferred Tax		<u>63.31</u>		<u>252.45</u>	
			379.95		482.67
Profit\ (Loss)after Tax			2066.52		1176.67
Proposed Dividend			397.19		340.45
Tax on dividend			67.50		57.86
Transferred to General Reserve			208.00		120.00
Profit\ (Loss) carried to Balance Sheet			1393.83		658.36
Earnings per share			18.21		10.37
Notes on Accounts	18				

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 : 12<sup>th</sup> June 2008

# TTK PRESTIGE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

RUPEES IN LAKHS

	As at 31st March 2008		As at 31st March 2007	
<b>1. CAPITAL</b>				
Authorised Share Capital 1,50,00,000 Equity Shares of Rs.10/- each		<u>1500.00</u>		<u>1500.00</u>
Issued , Subscribed :				
1,13,48,384 Equity Shares of Rs.10/- each out of which 78,69,064 Shares of Rs.10 each allotted as Bonus Shares fully paid-up by capitalisation of Reserves		<u>1134.84</u>		<u>1134.84</u>
Less: Calls unpaid		<u>1.44</u>		<u>1.45</u>
		<u>1133.40</u>		<u>1133.39</u>
<b>2. RESERVES &amp; SURPLUS :</b>				
Revaluation Reserve :				
As per last Balance Sheet		<u>318.94</u>		<u>318.94</u>
Less: Deduction		<u>104.20</u>		<u>-</u>
		<u>214.74</u>		<u>318.94</u>
Share Premium Account		<u>614.11</u>		<u>614.11</u>
Less : Calls unpaid		<u>11.49</u>		<u>11.61</u>
		<u>602.62</u>		<u>602.50</u>
General Reserve:		<u>3455.61</u>		<u>2677.25</u>
As per last Balance Sheet				
Add : Amount transferred from Profit & Loss Account		<u>208.00</u>		<u>120.00</u>
Less : Amount adjusted in opening balance for Gratuity accruals as per AS-15 (net of Tax Expense)		<u>119.51</u>		<u>-</u>
		<u>3544.10</u>		<u>2797.25</u>
Add : Surplus in Profit & Loss Account		<u>1393.83</u>		<u>658.36</u>
		<u>4937.93</u>		<u>3455.61</u>
		<u>5755.29</u>		<u>4377.05</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.		<u>30.00</u>		<u>310.00</u>
From Canara Bank and Bank of Baroda secured by equitable Mortgage of Land & Buildings & hypothecation of Plant & Machinery and current assets of the Company on paripassu basis.				
1. Cash Credit		<u>648.06</u>		<u>1023.15</u>
2. Demand Loan		<u>818.16</u>		<u>2161.76</u>
3. ECB Loan		<u>552.06</u>		<u>1197.08</u>
		<u>2018.28</u>		<u>4381.99</u>
		<u>2048.28</u>		<u>4691.99</u>
<b>4. UNSECURED LOANS</b>				
- Fixed Deposits from Directors		<u>42.00</u>		<u>42.00</u>
- Fixed Deposits from Others		<u>297.05</u>		<u>318.89</u>
- Inter corporate Deposits		<u>800.00</u>		<u>800.00</u>
- Short Term Loan from Bank		<u>1500.00</u>		<u>1500.00</u>
		<u>2639.05</u>		<u>2660.89</u>

## SCHEDULES (Contd.)

5. FIXED ASSETS		RUPEES IN LAKHS									
		GROSS BLOCK					DEPRECIATION				
Particulars	Cost as at 31st March, 2007	Additions during the Year	Deductions during the Year	Cost as at 31st March, 2008	As at 31st March, 2007	Deductions for the year	Charged during the year	As at 31st March, 2008	Net Book Value as at 31st March, 2008	Net Book Value as at 31st March, 2007	
Land	830.59	-	501.32	329.27	-	-	-	-	329.27	830.59	
Leasehold Land at Roorkee	233.44	24.34	-	257.78	-	-	5.42	5.42	252.36	233.44	
Buildings	1335.73	308.14	300.89	1342.98	921.10	180.03	24.53	765.60	577.38	414.63	
Plant & Machinery	2931.74	660.32	35.60	3556.46	1891.33	28.96	261.10	2123.47	1432.99	1040.41	
Electrical Installations	197.48	93.34	49.45	241.37	112.16	33.12	7.97	87.01	154.36	85.32	
Tools, Moulds & Dies	254.83	8.10	0.00	262.93	193.89	-	14.55	208.44	54.49	60.94	
Furniture, Fixtures & Fittings	235.40	52.64	0.00	288.04	166.73	-	12.93	179.66	108.38	68.67	
Office Equipment	196.52	56.96	0.00	253.48	126.33	-	17.76	144.09	109.39	70.18	
Vehicles	11.75	2.62	0.58	13.79	4.26	0.35	1.13	5.04	8.75	7.50	
ERP Software	73.80	-	-	73.80	9.10	-	14.76	23.86	49.94	64.70	
<b>Total</b>	<b>6301.28</b>	<b>1206.46</b>	<b>887.84</b>	<b>6619.90</b>	<b>3424.90</b>	<b>242.46</b>	<b>360.15</b>	<b>3542.59</b>	<b>3077.31</b>	<b>2876.38</b>	
Capital Work-in-Progress* (Includes Doorvaninagar, Bangalore - Rs. 2319.78)	625.85	*2489.12	587.31	2527.66	-	-	-	-	2527.66	625.85	
<b>Total</b>	<b>6927.13</b>	<b>3695.58</b>	<b>1475.15</b>	<b>9147.56</b>	<b>3424.90</b>	<b>242.46</b>	<b>360.15</b>	<b>3542.59</b>	<b>5604.97</b>	<b>3502.23</b>	
Motors Cars under Lease	122.95	-	-	122.95	42.44	-	24.33	66.77	56.18	80.51	
<b>Grand Total</b>	<b>7050.08</b>	<b>3695.58</b>	<b>1475.15</b>	<b>9270.51</b>	<b>3467.34</b>	<b>242.46</b>	<b>384.48</b>	<b>3609.36</b>	<b>5661.15</b>	<b>3582.74</b>	

## Notes to Schedule no 5

- An amount of Rs.4.85 lakhs being 57% of the landed property has been reduced from the cost of land as the same is offered for development. The Revaluation Reserve amount of Rs. 104.20 lakhs pertaining to the above land is also reduced together with the cost of land. The Value of 43% portion of Land retained by the Company, with its proportionate Revaluation Reserve and the value of the building accruing on development is shown under Capital work-in-progress (Doorvaninagar).
- The Building situated on the above land has been written off in the books as the same is demolished consequent to the company entering into development agreement (Original cost :Rs.270.88 lakhs - Depreciation Rs.176.93 lakhs)
- The Electrical installations pertaining to the above building has been scrapped. (Original cost :Rs.49.44 lakhs - Depreciation Rs.33.12 lakhs)
- The machineries pertaining to the knife manufacturing plant which has been discarded during the year have been fully depreciated. The depreciation amount of Rs.91.44 lakhs relating to this Plant is included in the total depreciation for the year.

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31st March 2008	As at 31st March 2007
<b>6. INVESTMENTS</b>		
<b>Shares (Quoted) :</b>		
1) 1440 Equity Shares of Rs. 10/- each, fully paid-up in TTK Healthcare Limited (Market value Rs.75.65)	1.65	1.65
<b>Shares (Unquoted) :</b>		
2) 280000 Equity Shares of Rs. 10/- each, fully paid-up in TTK Tantex Ltd	35.69	35.69
Less : Provision for Diminution in value	<u>35.69</u>	<u>35.69</u>
	0.00	0.00
Less : Value of 280000 shares sold in 2007-08	<u>0.00</u>	0.00
3) 5% - 5000 Optionally Convertible Preference Shares of Rs.100/- each, fully paid up.	5.00	5.00
Less : Provision for Diminution in value	<u>5.00</u>	<u>5.00</u>
	0.00	0.00
Less : Value of 5000 shares sold in 2007-08	0.00	0.00
4) 3,73,805 Equity Shares of Rs. 10/- each, fully paid-up in Prestige Housewares (India) Ltd.	37.38	37.38
5) 12,500 Equity shares of Rs.10/- each, fully paid-up of M/s. Ind-Global Financial Trust.	5.00	5.00
Less : Sold during the year 2007-08	<u>5.00</u>	0.00
6) 131333 shares of Common Stock of Mantra Inc. USA, wholly owned subsidiary of the Company.	1598.21	1598.21
Less : value of 131333 shares sold in 2007-08	<u>1598.21</u>	0.00
7) 3,24,860 Equity Shares of Rs.10/- each, fully paid up of M/S. Softel Machines Limited	170.00	170.00
Less : Sold during the year 2007-08	<u>170.00</u>	<u>0.00</u>
	<u>39.03</u>	<u>1812.24</u>
<b>Notes :</b>		
1. Aggregate value of quoted Investments	1.65	1.65
2. Aggregate value of unquoted Investments	37.38	1810.59
3. Market value of quoted Investments	1.09	1.26
4. TTK Healthcare Limited and TTK Tantex Limited are group companies		
<b>7. STOCK-IN-TRADE :</b>		
(Valued at cost)		
Raw Materials	1467.43	2375.96
Stores and Spareparts	74.75	86.70
Work-in-Progress	320.23	639.54
Finished Goods	4205.55	4287.43
(As Certified by Management)	<u>6067.96</u>	<u>7389.63</u>

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31st March 2008	As at 31st March 2007
<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 Company under same management CY:114.28 PY: 95.30)	669.38	393.88
Less : Provision for Bad Debts	<u>9.49</u>	<u>393.88</u>
Other Debts (includes due from Company under same management CY:111.85 PY: 87.26)	4068.55	3738.16
	<u>4728.44</u>	<u>4132.04</u>
<b>9. CASH &amp; BANK BALANCES :</b>		
Cash on Hand	3.67	4.48
Balances with Scheduled Banks:		
In Current Account	793.11	418.48
In Deposit Account	266.77	251.08
	<u>1059.88</u>	<u>669.56</u>
	<u>1063.55</u>	<u>674.04</u>
<b>10. LOANS &amp; ADVANCES :</b>		
Recoverable in cash or kind or for Value to be received considered good		
( Due from Companies under the same management : CY: Nil PY: 304)	914.40	1172.38
Balances with Excise Authorities	174.97	312.89
Advance Income Tax	609.93	306.92
	<u>1699.30</u>	<u>1792.19</u>
<b>11. CURRENT LIABILITIES :</b>		
Acceptances	1624.67	1022.02
Sundry Creditors for goods supplied	1645.67	1817.23
Sundry Creditors for other Liabilities	2614.89	2471.22
Unclaimed Dividend	14.39	13.38
Interest accrued but not due on loans	18.04	27.01
	<u>5917.66</u>	<u>5350.86</u>
<b>12. PROVISIONS :</b>		
(a) Proposed Dividends	397.19	340.45
(b) Provision for Income tax	571.27	299.12
(c) Provision for Fringe Benefit tax	130.11	85.61
(d) Provision for Dividend Tax	67.50	57.86
(e) Other provisions - gratuity/ leave encashment	292.13	91.19
	<u>1458.20</u>	<u>874.23</u>

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31st March 2008	As at 31st March 2007
<b>13. SALES:</b>		
Pressure Cookers & Pressure Pans	18611.36	16339.16
Cookware	5397.36	4348.67
Spares & Components	1202.72	1111.93
Wheel Skin	0.00	67.31
Knives & tools	123.35	48.33
Gas Stoves	3535.11	3161.97
Kitchen Electrical Appliances	4711.92	3865.18
Babecues	20.79	21.09
Modular Kitchen	70.66	152.45
Others	0.39	3.42
Scrap Disposal	311.80	205.48
	<u>33985.46</u>	<u>29324.99</u>
<b>14. OTHER INCOME:</b>		
Interest on Government Compensation	48.44	0.00
Interest from Banks	6.63	9.14
Profit/Loss on sale of Assets	4.56	0.74
Exchange gain/(loss)	64.09	44.01
Scrap income on closure of Bangalore factory	18.87	0.00
Others	6.78	12.30
	<u>149.37</u>	<u>66.19</u>
<b>15. EXTRAORDINARY ITEMS</b>		
<b>INCOME</b>		
Income recognised on transfer relating to property development	2138.70	-
Profit on sale of Immovable property	263.10	-
Compensation received from Govt. on compulsory acquisition of land	29.89	-
	<u>2431.69</u>	<u>-</u>
<b>EXPENSES</b>		
Bangalore Factory Closure expenses	70.82	-
Loss on account of divestment of Wholly owned subsidiary	1865.50	-
Loss on sale of other shares	164.25	-
	<u>2100.57</u>	<u>-</u>
<b>NET OF EXTRAORDINARY ITEMS</b>	331.12	-
<b>16. MATERIAL CONSUMPTION :</b>		
	Tonnes	Tonnes
Aluminium	2950.00	2775.00
Stainless Steel	593.00	265.00
Others	Various	Various
	<u>Units</u>	<u>Units</u>
	17490.41	16164.34
Add : Opening Stock of Finished Goods & Work-in-Progress	4926.97	4061.99
	<u>22417.38</u>	<u>20226.33</u>
Less : Closing Stock of Finished Goods & Work-in-Progress	4525.78	4926.97
	<u>17891.60</u>	<u>15299.36</u>
Excise duty differential in Increase( Decrease) in Inventory	34.97	-38.17
<b>CONSUMPTION</b>	<u>17926.57</u>	<u>15261.19</u>

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31st March 2008	As at 31st March 2007	
<b>17. EXPENSES:</b>			
Salaries, Wages & Bonus	2287.61	1534.38	
Contribution to Gratuity Fund	62.92	46.66	
Contribution to P.F. and other Funds	148.34	118.85	
Employees Welfare Expenses	239.30	165.33	
Power & Fuel	252.75	292.24	
Sundry Manufacturing Expenses	226.94	181.77	
Repairs & Maintenance :			
Buildings	44.43	21.78	
Machinery	56.43	72.86	
Other Assets	68.96	28.53	
	<u>169.82</u>	<u>123.17</u>	
Consumption of Stores and Spare parts	153.88	118.23	
Rent	126.82	68.63	
Insurance	82.54	60.18	
Travelling & Conveyance	359.35	324.26	
Motor Vehicle Expenses	55.03	47.90	
Additional Sales Tax/TOT/ Rates & Taxes	0.00	100.06	
	22.78	22.32	
Interest & Bank Charges:			
Interest	767.48	687.92	
Bank Charges	154.83	116.67	
	<u>922.31</u>	<u>804.60</u>	
Lease Rental	0.00	0.19	
Carriage Outwards:			
Freight	1411.12	1243.04	
Insurance	22.47	33.70	
	<u>1433.59</u>	<u>1276.74</u>	
Directors Sitting Fees	4.70	5.40	
Audit Fees	7.58	5.68	
Legal & Professional Charges	55.98	37.61	
Postage & Communication Expenses	111.57	89.13	
Printing & Stationery	43.84	46.38	
Entertainment Expenses	2.06	1.14	
Advertisement & Selling Expenses	2406.81	2239.31	
Distribution Expenses	680.48	589.19	
Commission to Selling agents	112.14	103.73	
Miscellaneous Expenses	398.13	322.13	
Refurbishing/Warranty claims	35.70	36.86	
Discount	1878.21	2230.00	
Donations	15.05	15.20	
Provision for Bad Debts/Bad Debts written off	9.49	8.75	
	<u>12305.72</u>	<u>11016.02</u>	
For and on behalf of the Board			
For Messrs. S. VISWANATHAN <i>Chartered Accountants</i>	T. T. Jagannathan <i>Executive Chairman</i>	S. Ravichandran <i>Managing Director</i>	Ajay I. Thakore <i>Director</i>
C. N. SRINIVASAN Partner	R. Srinivasan Director	K. Shankaran Director & Secretary	V. Sundaresan Vice President - Finance
Place : Bangalore Date : 12 <sup>th</sup> June 2008			

18. Notes on Accounts

Forming part of the Balance Sheet and Profit & Loss Account (For the year ended 31st March, 2008)

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 capitalized 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 is provided on pro-rata basis.

Leasehold land is amortized over the period of the lease.

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 31.03.2008.

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

vi) Investments :

These are shown at cost. Dividend income from investments is accounted on declaration by the investee company

vii) Retirement Benefits :

In line with AS-15 the Company is providing for accrued liability for Superannuation Benefit on the basis of contribution made to respective funds and on the basis of actuarial valuation in respect of Gratuity and 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 capitalized 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 are given in Rs. Lakhs.

3 (a) Quantitative particulars (in units) - Manufacture Products

Particulars	Installed Capacity	Opening Stock	Production/ Purchases	Sales	Closing Stock
Pressure Cookers & Pans	4000000	295267	2161112	2133118	323261
	(2000000)	(337696)	(1783307)	(1825736)	(295267)
Cookware	1800000	249549	1123993*	1193269	180273
	(500000)	(235484)	(1193184)	(1179119)	(249549)

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

\* Includes Purchases 596714 units (previous year 693482)



## 18. Notes on Accounts (Contd...)

## (b) Quantitative particulars (in units) - Traded Products

	Knives	Stoves	Electrical Mixie
Opening Stock	133973 (9796)	39489 (24646)	38175 (50522)
Purchases	109404 (209647)	214618 (224940)	192352 (166069)
Sales	150820 (85470)	216390 (210097)	191038 (178416)
Closing Stock	92557 (133973)	37717 (39489)	39489 (38175)

## 4. Value of Opening/Closing stocks

Particulars	Opening Stock Value (Rs. in lakhs)	Closing Stock Value (Rs. in lakhs)
Pressure Cookers	1671.43	1818.13
	(1892.57)	(1671.43)
Cookware	631.43	469.82
	(537.00)	(631.43)
Knives	51.18	39.54
	(7.35)	(51.18)
Stoves	438.51	468.28
	(263.89)	(438.51)
Mixie	322.13	380.13
	(224.71)	(322.13)
Iron Box	36.80	35.01
	(52.63)	(36.80)
Others	1135.91	994.60
	(525.73)	(1135.91)
<b>Total</b>	<b>4287.43</b>	<b>4205.55</b>
	<b>(3503.91)</b>	<b>(4287.43)</b>

## 5) Investments

- a) Quoted Investments : These investments are carried at their cost of acquisition.
  - b) During the year the Company divested its entire holding in Mantra Inc, the Wholly Owned Subsidiary and therefore Mantra Inc. ceased to be its subsidiary as on 31<sup>st</sup> March 2008. The divestment was made in compliance with the relevant Regulations. The loss on such divestment, including the Loan exposure amounting to Rs.1865 lakhs is accounted for in the Books. The Company continues to own the Brand "Mantra" and will continue to export to US Market through Mantra, Inc.
  - c) The company has also disposed off other un-related/inter corporate investments in TTK Tantex Limited, Ind-Global Financial Trust Limited and Softel Machines Limited and the loss on account of the same amounting to Rs.164 lakhs is also booked in accounts.
- 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) (a) Salaries and Wages includes an additional provision for accrued liability on account of Leave encashment to the extent of Rs.3.62 lakhs (P/Y: Rs.2.19 lakhs) and the cumulative figure is Rs.94.81 lakhs (P/Y: Rs.91.18 lakhs). This is as per AS 15 of ICAI.
- (b) An amount of Rs.119.51 lakhs (net of deferred tax benefit) being the accrued liability on account of Retirement Gratuity based on the Actuarial Valuation has been adjusted against the Opening Reserves, in accordance with the transitional provisions of AS15 (revised).

18. Notes on Accounts (Contd...)

- 8) During the year the Company has entered into an agreement for development of the Property at Dooravaninagar, Bangalore. Pursuant to this agreement, the manufacturing operations were closed in the said property. The Developer was granted permission to enter the property and commence development. In terms of the agreement, the Company is required to convey 57% of the undivided portion of the land in favour of the Developer or its nominees as and when the development is complete. The Company will get 43% of the Developed property in consideration of the Demolition of existing space and conveyance of 57% of the undivided share of the land to the Developer or its Nominee.

Based on legal/expert opinion obtained by the Company in this regard, the Company has recognized the income as arising out of transfer under provisions of tax laws. The Gross Income so recognized is Rs.2237.51 lakhs. This amount together with the proportionate cost of the remaining Land aggregating to Rs.2319.78 lakhs is carried under the Head Capital-work-in-progress (Dooravaninagar) under Fixed Assets Schedule in the Balance Sheet. The gain on this transaction after adjusting the book value of the building which is demolished is Rs.2138.70 lakhs as reflected in Schedule 15.

- 9) Remuneration to whole time Directors : (Rs. in Lakhs)

	2007-2008	2006-2007
1. Salary	36.00	27.00
2. Contribution to Provident & other funds	13.02	9.76
3. Performance Bonus / Commission	114.51	7.23
4. Other Allowances	26.98	37.77
	190.51	81.76

The computation of net profits in accordance with Sec.309 (5) of the Companies Act 1956 for the year ended on 31<sup>st</sup> March 2008:

	(Rs. in Lakhs)	
Profit Before taxation as per Profit & Loss Account		2446.47
Add :		
Directors' Remuneration including Director's fees	195.22	
Depreciation charged in the accounts	384.48	
	-----	579.70
Less:		
(1) Net gain on transactions required to be excluded u/ s 349		
Extra ordinary items as per Schedule 15 to Accounts	331.12	
Add : Profit on sale of Assets included	4.56	
In Schedule 14 to Accounts	-----	
	335.68	
(2) Depreciation as per Section 350	384.48	720.16
	-----	
		(140.46)
		-----
Net Profit as per Section 309(5)		2306.01
		-----
Commission payable to Executive Directors		114.51

- 10) Fringe Benefit Tax was paid under protest, since the matter is pending before The Hon'ble Supreme Court of India. In case of a favourable decision, the Company would be entitled to seek refund of the same.

- 11) Audit Fee Includes (Rs. in lakhs)

	2007-2008	2006-2007
For Audit (including Tax Audit)	5.61	3.93
Certification Fee incl. taxation matters	1.75	1.03
Out of Pocket Expenses	0.21	0.22

## 18. Notes on Accounts (Contd...)

## 12) Earnings in Foreign Exchange :

On account of Export Sale less returns calculated

(Rs. in lakhs)

	2007-2008	2006-2007
a) at FOB basis	1824.99	1515.07
b) at CIF Basis	1831.22	1534.06

## 13) Expenditure in Foreign Currency :

(Rs. in lakhs)

	2007-2008	2006-2007
1. Travelling Expenses	7.30	7.07
2. Other Expenses	100.27	84.53
3. CIF Value of Imports:		
Imports (On Payment basis) of Raw Materials	1664.90	1531.03

14) Interests includes Rs.190.73 lakhs towards interest on fixed loan (previous year Rs. 215.36 lakhs) and Rs. 42 lakhs (previous year Rs.42 lakhs) being interest on fixed deposit placed by Directors.

## 15) Contingent Liabilities :

(Rs. in lakhs)

	2007-2008	2006-2007
a) Bank Guarantees / LC	304.03	865.70
b) Estimated amount of contract remaining to be executed on Capital A/c. not provided for	329.39	529.97
c) Securitisation of Accounts Receivables	699.33	855.33
d) Tax matters under appeal( IT/ST/ED)	438.33	378.18
e) Property Tax under dispute	54.82	-

16) (a) Sundry Creditors include an amount of Rs. 1275.69 lakhs. In absence of data from creditors on their status under Micro, Small and Medium Enterprises Development Act, 2006, amount due to them is not ascertainable. The parties to whom amounts are due beyond 30 days but within the contract period are :

Avkar Industries, Acharya Industries, Alfa Fluid Piping systems Pvt Ltd, Amplas Polymers Pvt Ltd., Amrapali Industries, Amarapali Plastic Industries, Anubhav Enterprises, Arundati Colour Cartons, Associated appliances, Barcode systems and consultancy, Bhuvanewari Engineering Enterprises, Brahad Elastomers Pvt Ltd, Canbara industries, Catfab Engineering (P) Ltd, Classic Welding Products private Ltd, Chamundi Enterprises, Chetan automac, Consolidated Mops, Delite Plastics Moulding Industries, Dara Industries, D.S.Engineering, D.S.Precision Industrial Products, Delta Enterprises, EssEss Mould Co., Evershine Industries, Fareed Sons Aluminium (P) Ltd, Fortune Plastech, Gautams, Gaurang home appliances, Greenline International, Greenline appliances, Innova Printing & Packaging Co, Innovations, Kitchen gadgets, Kraftpack cartons, Kundgol Cottage Industries, J.R.Packages (P) Ltd, Kaiser Appliances, Leo Metal Private Ltd, MAA Sales, Manjunatha Auto Products, Maruthi Packaging Industries, Mas weltech, Micro Metal coats, Mohan Industrial Suppliers, Navoday Rotographs, Peenya Packaging Products, Prestige Bakelite Moulders, PRD Enterprises, Precision Screws, Publicity Products, Raga Precisions, Royal packaging, Rubber General Industries, Santosh Industries, Sri Momai Engineering Works, Shree Momai Fasteners PVT.Ltd, Shree Momai Products, Shree PLA Private Ltd, Siddarth Industries, Sky Products, Soham Precimek, Sree Raghava Metal Works, Sri Balaji Enterprises, Sri Guru Automatics, Sri Raghavendra Industries, Srinivasa Industrial Chemicals, Star Plastics, Sumuka Industries, SV Rubber Industries, Taylor Rubber Pvt. Ltd., Uttam Metal Industries, United Buff Manufacturing Company, Vijayalakshmi Metalalloys, Vikram Industries, Vishnu Pressings, Valox Works and V. G . P . Enterprises.

17) The company has formed two segments namely Kitchen Appliances and Property & Investment.

18. Notes on Accounts (Contd...)

18) 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. Nil (Previous year – 122.78 lakhs)

The Minimum lease rental outstanding as of 31<sup>st</sup> March 2008 in respect of these assets is as follows :

(Rs. in lakhs)

Particulars	Total Minimum lease Payment outstanding as on		Future interest on outstanding lease payments as on		Present value of Minimum lease payments as on	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Within One year	33.07	33.07	6.40	9.47	26.67	23.60
Later than one year and not later than 5 Years	41.52	74.60	4.08	10.47	37.44	64.12
Later than 5 years	0	0	0	0	0	0

19) Related party transactions as per Accounting standard 18 :

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

Subsidiary : ( till divestment)  
Mantra Inc. USA

Associates :

Prestige Housewares India Limited

Others :

TTK Healthcare Limited, Peenya packaging Products, TTK LIG Limited, TT Krishnamachari & Co, TTK Tantex Limited, TTK Services (P) Limited and Packwell Packaging Products 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 :

(Rs. in lakhs)

Particulars	Subsidiary (till divestment)	Associates/ Others	Key Management Personnel & Relatives	Total
Sales	226.13	-	-	226.13
Purchases	-	409.18	-	409.18
Salary	-	-	258.19	258.19
Interest Payments	-	60.16	14.08	74.24
Others	35.69	650.59	-	686.28

## 18. Notes on Accounts (Contd...)

## (c) Balances outstanding as on 31.3.2008

(Rs. in lakhs)

Particulars	Subsidiary	Associates/ Others	Key Management Personnel & Relatives
Fixed Deposits (due by the company)	-	-	140.00
	-	-	(141.00)
Loans given (due to the Company)	(303.94)	-	-
	-	-	-
Amount due to the company against supplies	(182.56)	222.85	-
	-	(2.47)	-
Inter Corporate Deposit (due by the company)	-	800.00	-
	-	(800.00)	-
Amount Owed by company against purchases	-	109.00	-
	-	(114.33)	-
Investments	(1598.21)	39.03	-
	-	(209.03)	-
Other Current Liabilities	-	35.69	143.92
	(50.39)	(0)	(7.26)

## 20) Deferred Tax Break-up

(Rs. in lakhs)

		31.03.2008	31.03.2007
i)	Deferred tax liability related to fixed Assets	389.65	305.76
ii)	Deferred tax asset on account of capital losses and Provision for gratuity	82.10	0
	<b>Deferred tax (net)</b>	<b>(307.55)</b>	<b>(305.76)</b>

## 21) Earnings per share per accounting standard 20 (AS - 20)

(Rs. in lakhs)

	31.03.2008	31.03.2007
Profit after tax as per Profit and Loss a/c before extra-ordinary items	1772.91	1189.11
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.)	15.62	10.48
After Extra-ordinary items (Rs.)	18.21	10.37

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

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

(Rs. in lakhs)

Particulars	As at 01.04.2007	Additions	Amount used	As at 31.03.2008
Income Tax	299.12	273.13	Nil	572.25
	(118.51)	(180.61)	(Nil)	(299.12)
Fringe Benefit Tax	85.61	44.50	Nil	130.11
	(36.00)	(49.61)	(Nil)	(85.61)
Gratuity/Leave Encashment	91.18	200.94	Nil	292.12
	(88.99)	(2.19)	(Nil)	(91.18)

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 - FinancePlace : Bangalore  
Date : 12<sup>th</sup> June 2008

# TTK PRESTIGE LIMITED

## SEGMENT WISE REVENUE RESULTS & CAPITAL EMPLOYED

RS. IN LAKHS	
Particulars	2007-08
SEGMENT REVENUE	
Kitchen Appliances	
Gross sales	33985
Less: Excise Duty	1391
Net Sales / Income from Operations	32594
Property&Investment	19
Total Segment Revenue	32613
Less; Inter-Segment Revenue	-19
Net Sales	32594
SEGMENT RESULTS	
[Profit/(Loss) before Intrest & Tax]	
Kitchen Appliances	
Property & Investment	19
Total Segment Results	2893
Less: Interest Expenses	767
Less:Unallocable Expenses ( Net of unallocable income)	
Total Profit (+) / Loss(-) from ordinary activities before tax and exceptional items	2126
Less: Exceptional items - VRS amortized	11
Total Profit (+) / Loss(-) from ordinary activities before tax and after exceptional items	2115
Extra-ordinary income (net of tax expense: Rs.37 lacs )	331
Total Profit (+) / Loss(-) from ordinary activities before tax and after extraordinary items	2446

### RECONCILIATION OF TOTAL CAPITAL EMPLOYED VS. CAPITAL EMPLOYED IN SEGMENTS

	2007-2008
Net Fixed Assets	3341.37
Total current Assets	13559.25
Capital Work-in-Progress (Dooravaninagar)	2319.78
	19220.4
Less : Current Liabilities (excluding Provision for Dividend)	6911.16
Sub-Total	12309.24
Less : Deferred Tax Liability - not to be considered	307.54
Total Capital Employed in the Company	12001.7
SEGMENTWISE CAPITAL EMPLOYED	
Kitchen Appliances	9449.85
Property & Investment	2393.11
Unallocated	158.73
	12001.69

#### Notes :

Segments have been identified in line with Accounting Standard on Segment Reporting (AS -17), considering the organisation structure and differential risks and returns.

The different Business segments identified are : (a) Kitchen Appliances (b) Property & Investment.

The segmentwise Revenue, Results and Capital Employed figures relate to respective amounts directly identifiable to each of the segments.

In the year 2006-07, the company operated in single segment of Kitchen Appliances

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

I	REGISTRATION DETAILS	
	Registration Number	U31909KA1955PLC001750
	State Code	08
	Balance Sheet Date	31.03.2008
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	1234827
	Total Assets	1234827
	Sources of Funds	
	Paid up capital	113340
	Reserves & Surplus	575529
	Secured Loans	204828
	Unsecured loans	263905
	Application of Funds	
	Net Fixed assets	566115
	Investments	3903
	Net current Assets	618839
	Miscellaneous Expenditure	0
	Deferred Tax Asset (Liability)	(30755)
	Accumulated Losses	0
IV	PERFORMANCE OF THE COMPANY	
	Turnover	327341
	Total Expenditure	3061677
	Profit/(loss) before Tax	244648
	Profit/(loss) after Tax	206652
	Earnings Per Share (in Rs )	18.21
	Dividend Rate %	35
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 Messrs. S. VISWANATHAN  
*Chartered Accountants*T. T. Jagannathan  
*Executive Chairman*S. Ravichandran  
*Managing Director*Ajay I. Thakore  
*Director*C.N. SRINIVASAN  
PartnerR. Srinivasan  
DirectorK. Shankaran  
Director & SecretaryV. Sundaresan  
Vice President - Finance

Place : Bangalore

Date : 12<sup>th</sup> June 2008

# TTK PRESTIGE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

(AS PER ACCOUNTING STANDARD AS(3) ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA)

		As at 31st March 2008		Rupees in lakhs As at 31st March 2007	
		Rs.	Rs.	Rs.	Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES: (before extraordinary items)				
	Net Profit(Loss) Before Taxation		2115.35		1659.34
	ADJUSTMENTS FOR:				
	Depreciation	384.48		220.08	
	Profit/Loss on Sale of Assets	-4.56		-0.74	
	Interest/Dividend Recd.	-6.63		-9.14	
	Interest Expense	767.48		687.79	
	Voluntary Retirement Debit	11.29	1152.06	11.29	909.28
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3267.41		2568.62
	ADJUSTMENTS FOR:				
	(Increase)/ Decrease In Debtors	-596.40		-1362.26	
	(Increase)/Decrease In Inventories	1321.67		-1660.69	
	Increase/(Decrease) In Creditors	586.69		1489.42	
	(Increase)/Decrease In Other Receivables	357.40	1669.36	-390.19	-1923.72
	CASH GENERATED FROM OPERATIONS		4936.77		644.90
	INCOME TAX PAID(REFUND)		-303.01		-248.38
	NET CASH FROM OPERATION BEFORE EXTRA ORDINARY ITEM		4633.76		396.52
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase/ Sale of Fixed Assets		-2202.59		-1276.17
	Sale/Purchase of Investments		1773.21		0.00
	Sale Proceeds of Fixed Assets		11.42		0.95
	Interest Received		6.63		9.14
	Net Cash Used In Investing Activities		-411.33		-1266.08
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Term Loans		-280.00		-280.00
	Bank Borrowings		-2365.29		356.93
	Refund/Acceptance of Deposits		-21.84		51.11
	Dividend Paid		-398.31		-323.08
	Interest Paid		-767.48		-687.79
	Short Term Loan from Banks		0.00		1500.00
	Net Cash Used In Financing Activities		-3832.92		617.17
	NET INCREASE IN CASH AND CASH EQUIVALENTS		389.51		-252.39
	CASH AND CASH EQUIVALENT AT THE BEGINING	674.04		926.43	
	CASH AND CASH EQUIVALENT AT THE END	1063.55	389.51	674.04	-252.39

As per our Report attached.

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 : 12<sup>th</sup> June 2008



## HISTORICAL FINANCIAL HIGHLIGHTS

Rs. In lakhs											
HISTORICAL DATA		2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
<b>PERFORMANCE</b>											
1	Total Income	34134.83	29391.17	23185.24	19182.58	15246.28	11330.62	14124.15	13850.73	13957.20	14715.39
2	Profit before Interest, Depreciation,Extra ordinary items & tax	3433.43	2578.63	1950.47	1201.75	1170.75	-611.48	1074.06	954.07	1124.92	1832.70
3	Interest	767.48	687.92	550.49	618.38	921.18	953.58	772.27	578.04	557.94	518.21
4	Depreciation	384.48	220.08	188.59	186.98	183.37	177.18	180.72	188.77	192.56	171.22
5	Extra - ordinary items	319.84	11.29	11.29	11.29	11.29	0.00	19.70	19.70	0.00	0.00
6	Profit before tax	2446.47	1659.34	1200.10	385.10	54.91	-1742.24	101.37	167.56	374.42	1143.27
7	Taxation Provision	379.95	482.67	488.63	3.76	33.60	-595.00	31.27	12.44	10.00	210.00
8	Profit After tax	2066.52	1176.67	711.47	381.34	21.31	-1147.24	70.10	155.12	364.42	933.27
9	Dividend provision	397.19	340.45	283.34	226.64	0.00	0.00	0.00	169.97	283.71	340.45
10	Dividend Tax	67.50	57.86	39.74	29.62	0.00	0.00	0.00	17.34	31.21	37.45
11	Dividend Declared %	35.00	30.00	25.00	20.00	0.00	0.00	0.00	15.00	25.00	30.00
<b>Sources &amp; Application of Funds</b>											
<b>Sources</b>											
1	Share Capital	1133.40	1133.39	1133.37	1133.18	1133.18	1133.18	1133.18	1133.13	1133.13	1133.13
2	Reserves & surplus	5755.29	4377.06	3598.54	3228.75	3103.67	3444.10	6595.54	6819.07	6891.57	6887.38
3	Loan Funds	4687.33	7352.87	5724.83	6494.66	7645.40	8086.27	6659.85	4978.46	3389.25	3118.06
	<b>Total</b>	<b>11576.02</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>Application</b>											
4	Fixed Assets WDV	5661.15	3582.74	2525.39	2506.48	3187.97	3074.25	3367.05	3480.04	2889.71	2749.61
5	Investments	39.03	1812.24	1812.24	1512.79	1512.79	1701.05	1937.67	1521.35	468.16	402.87
6	Net Current Assets	6183.39	7762.81	6149.86	6502.10	6824.09	7512.87	8141.75	7850.47	8056.08	7986.09
7	Miscellaneous Expenses	0.00	11.29	22.57	33.86	45.14	33.70	942.10	78.80	0.00	0.00
8	Deferred Tax Asset (Liability)	-307.55	-305.76	-53.32	301.36	312.26	341.68	-	-	-	-
	<b>Total</b>	<b>11576.02</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>



# NOTES

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



Date :  
Mail this form to  
**Karvy Computershare (P) Limited**  
(Unit : TTK Prestige Limited)  
Plot No. 17 to 24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081.

Dear Sirs,

**MANDATE FORM - ELECTRONIC CLEARING SERVICE (ECS)**

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing) - (ECS). The particulars are :

1. Shareholder's Name	
2. Client ID / Folio No.	
3. D.P. ID	
4. Address	
5. Particulars of Bank Account	
a) Bank Name	
b) Branch Name & Address	
c) 9-Digit Code Number of the Bank appearing on the MICR Cheque issued by the Bank	
d) Account No. (as appearing in the Cheque Book)	
e) Account Type (SB / CA / CC)	
6. Date from which the mandate should be effective	

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information. I/We shall not hold the Company responsible. I also undertake to advise changes, if any in the particular of my account to facilitate updation of records for purposes of credit of dividend amount through ECS.

Signature of the shareholder(s)

- Note :
1. Please complete this form and send it to Karvy Computershare (P) Limited
  2. In case of more than one client Id / Folio please complete the details on separate sheets.
  3. ECS facility, at present may be availed by Members for a dividend amount upto Rs. 5,00,000. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.
  4. Please inform your depository Participant (DP) of any changes in Bank Account details.



Bank's Stamp

Date :

Signature of the Authorised Official of the Bank



**TTK PRESTIGE LIMITED**

Registered Office : 11th Floor, Brigade Towers, 135, Brigade Road, Bangalore - 560 025.

**ATTENDANCE SLIP**

**To be handed over at the entrance of the Meeting Hall**

Full Name of the member attending .....

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

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

Name of Proxy .....

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

I hereby record my presence at the 52<sup>nd</sup> ANNUAL GENERAL MEETING of the Company held at Century Club, 1 Seshadri Road Bangalore on Friday the 25<sup>th</sup> July, 2008, at 10.15 a.m.

Ledger Folio / Client ID No. ....

No. of Shares held .....

Member's / Proxy's Signature

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

**Note : Members are requested to bring their copies of the Annual Report to the Meeting.  
As per the policy of the Company no Gifts will be given at the Annual General Meeting.**



**TTK PRESTIGE LIMITED**

Registered Office : 11th Floor, Brigade Towers, 135, Brigade Road, Bangalore - 560 025.

**PROXY**

I / We.....

of .....

in the district of .....

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

of ..... in the district of

.....or failing him ..... in the district of

..... as my / our proxy to vote for me / us on my / our

behalf at the Fifty Second Annual General Meeting of the Company to be held on Friday the 25<sup>th</sup> July, 2008 and at any adjournment thereof.

Signed this ..... day of.....2008.

Ledger Folio / Client ID No. ....

No. of Shares held .....

Please affix Re. 1.00 Revenue Stamp

(Signature of Member)

Notes : Proxy must be deposited at the Registered Office of the Company not less than 48 HOURS before the commencement of the meeting.

