

## TTK PRESTIGE LIMITED

### FIFTY FOURTH ANNUAL REPORT 2009 - 10

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#### BOARD OF DIRECTORS

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

#### STATUTORY AUDITORS

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

#### COMPANY SECRETARY

K. Shankaran

REGISTERED OFFICE & WORKS  
Plot No. 38, SIPCOT Industrial Complex  
Hosur - 635 126, Tamil Nadu.

CORPORATE OFFICE  
11th Floor, Brigade Towers  
135, Brigade Road  
Bengaluru - 560 025.

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

Myleripalayam P.O.  
SF-234/1, Pollachi Road  
Coimbatore - 641 032, Tamil Nadu.

Plot No. 1A & 2  
Dev Bhoomi Industrial Estate  
Roorkee - 247 667  
Uttarakhand.

#### BANKERS

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

#### REGISTRARS & SHARE TRANSFER AGENTS

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

#### BRANCHES

Ahmedabad, Ambala, Bengaluru, Chennai, Cuttack, Delhi,  
Dehradun, Ernakulam, Ghaziabad, Goa, Guwahati, Hyderabad,  
Indore, Jaipur, Jamshedpur, Kolkatta, Lucknow, Ludhiana,  
Mumbai, Patna, Pune, Raipur, Trichy & Vijayawada

# TTK PRESTIGE LIMITED

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty fourth Annual General Meeting of TTK PRESTIGE LIMITED will be held at Ashok Leyland Management Development Centre, No. 312, SIPCOT Industrial Complex, Hosur - 635 126 (Adj to SBI, Mookandapalli branch and behind ICICI Bank ATM) on **Tuesday the 29<sup>th</sup> June, 2010 at 11.30 a.m.** to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ajay I Thakore who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. (Mrs) Vandana R. Walvekar who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. T T Raghunathan 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.

By Order of the Board

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010

**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 29<sup>th</sup> June, 2010.
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 22<sup>nd</sup> June, 2010 TO 29<sup>th</sup> June, 2010 (BOTH DAYS INCLUSIVE).
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. 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, 2005	22-8-2012
31 <sup>st</sup> March, 2006	28-8-2013
31 <sup>st</sup> March, 2007	09-8-2014
31 <sup>st</sup> March, 2008	24-7-2015
31 <sup>st</sup> March, 2009	11-8-2016

8. 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 is as under:

#### 1. Mr. Ajay I Thakore

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

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

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

Mr. Ajay I Thakore is a member of Audit Committee and Remuneration Committee of the Company.

He holds 672 shares in the Company.

The Resolution is commended for adoption.

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

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

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

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

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

She holds 672 shares in the Company.

The Resolution is commended for adoption.

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

**3. Mr. T T Raghunathan**

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

Mr. T T Raghunathan is a Commerce Graduate. He has been on the Board of your Company since 1995. He has vast industrial experience and has been actively

involved in the management of various companies of the TTK Group.

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

He holds 2000 shares in the Company.

The Resolution is commended for adoption.

Mr. T T Raghunathan is the brother of Mr. T T Jagannathan. Mr. T T Raghunathan, Mr. T T Jagannathan and Dr. (Mrs.) Latha Jagannathan are deemed to be interested in this Resolution.

For and on behalf of the Board

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010

**K. SHANKARAN**  
Director & Secretary

Registered Office:  
Plot No.38,  
SIPCOT Industrial Complex,  
HOSUR 635 126  
Tamil Nadu.

For the convenience of Members, the Company will provide a coach service from Bangalore on the day of the Meeting. The coaches will leave for Hosur at 10 a.m. from Madiwala Petrol Bunk (Near Fly over). Members who want to use this facility may kindly inform the Secretarial Department (Ph: 22218817) giving their Name and Folio Number/DP ID on or before 25th June 2010.

# TTK PRESTIGE LIMITED

## DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Fifty Fourth Annual Report, together with the Audited Accounts of the Company, for the year ended 31<sup>st</sup> March 2010 as follows:

### FINANCIAL RESULTS

(Rupees in lakhs)

	2009-10	2008-09
Sales (inclusive of excise duty)	51680	41621
Other income	114	50
Profit before Extra-Ordinary item	7143	2900
Extra-Ordinary income	397	0
Profit/(Loss) before tax	7540	2900
Tax Provision	2296	662
Net Profit/(Loss)	5244	2238
Transfer to General Reserve	524	224
Proposed Dividend (including tax)	1320	662
Surplus carried to balance sheet	3400	1352

### REVIEW OF PERFORMANCE :

The performance highlights are as follows :

- Sales grew by over 24%.
- All time high absolute value growth - in excess of Rs.100 crores.
- Profit before extra ordinary items increased by 146%.
- Profit after tax increased by 160%.
- The operating EBIDTA margin was 14.74% as compared to 9.16% in the previous year. This sharp improvement was due to a combination of factors consisting of operational efficiencies, comparatively lower input prices and economies of scale.
- The Company has become debt free except for deposits of Rs.2.80 Crores. and carries free cash balance of more than Rs.30 Crores.
- Earnings per Share (before extra-ordinary items) rose to Rs.42.98 from Rs.19.77 - a growth of 117.4%.
- The ratio of Operating EBIDTA/Capital employed (including free cash balance) in the Kitchen Segment rose to 65.02% from 43.39%.
- Commercial production of Appliances started in Unit 2 at Uttarakhand during March 2010.

A detailed analysis is provided under the section 'Management's Discussion and Analysis' forming part of this Director's Report.

### AWARDS AND RECOGNITION

Having broad based the business to cover the entire kitchen, your Company's brand Prestige continues to enjoy

the recognition as 'Super Brand' in the kitchen appliances segment. Your Company received the 'Retailer of the year' award from Asia Retail Congress for the year in recognition of your Company's successful establishment and operation of Prestige Smart Kitchen Retail Network across India.

### SIGNIFICANT NEW LAUNCHES :

Your Company has been regularly introducing newer models and products in all its categories. However a few new launches are worth specific mention.

**Microwave Pressure Cookers:** This product is innovated, designed and developed entirely through in-house R&D efforts. This is made of special food-grade and heat resistant plastic and is meant for use in a micro-wave oven for pressure cooking. Besides the usual health and taste benefits of pressure cooking this product offers the added advantage of cooking to a set time, thus saving energy. Your Company is the first to produce a Microwave Pressure Cooker in India and is the world's first CE marked Microwave Pressure Cooker. Your Company has applied for worldwide patents for this product. Given the wide penetration of microwave oven in the international markets and the growing domestic market for microwave ovens this product is expected to have demand worldwide. A soft-launch has been made in March 2010.

**Apple Range of Inner-lid Pressure Cookers:** Your Company made a foray into inner-lid range of pressure cookers with its unique 'handi' shaped designs during 2005-06. Your Company is gradually building a sizable presence in the inner-lid markets in the North and East. In order to make further penetration in this large sized market your Company has come up with a unique apple shaped range of inner-lid pressure cookers in various colours and finishes. Applications have been made for registering the design for this product and its components. This product was launched during the last week of March 2010 in select markets and has received significant response.

**Fresh Range of Induction Cook Tops:** Your Company has introduced Induction Stoves which work on electricity but there are no hot surfaces or flame. After initial launch and studying the market your Company has now come with a fresh improved range of Induction Stoves and this product category will be aggressively marketed in FY 2010-11. These stoves transmit heat through induction coils and the cooking time is reduced significantly thus saving energy. It is a handy appliance in the light of shortage in cooking gas supplies and has appeal even in rural markets due to availability of subsidized electricity.

**Induction Compatible Pressure Cookers and Cookware:** Since the use of Induction Tops is becoming popular it has given rise to development of Pressure Cookers and Cookware with induction friendly base which can be used on conventional heat sources as well as induction tops. Your Company has specially designed products in this category which are manufactured using special purpose imported machinery.

**MANAGEMENTS' DISCUSSION AND ANALYSIS**

**A. ECONOMY /INDUSTRY SCENARIO**

Financial year 2009-10 started with a lot of apprehensions as the global as well as Indian economy was suffering from the impact of immediate recessionary past. The situation improved during second half of 2009-10. The Indian economy grew by 7.1% as compared to 6.7% in the previous year. Some of the key domestic markets were affected due to deficit rainfall as well as local social and political disturbances. Exports from India were significantly affected due to continuing recessionary trends in Western countries. Against this backdrop your Company was able to achieve a growth of 26% in the domestic market, which more than compensated for the drop in export sales.

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 Electrical Appliances. Pressure Cooker is the key product category of your Company. The market for Pressure Cookers is shared amongst organized national branded players, regional players and unorganized players. Till the last couple of years, the share of the unorganized players was very large. The market is gradually shifting to branded players and the current market share of the organized brands is slightly more than 50% of the total market. In the other product categories also the market structure is similar but the share and role of regional brands and unorganized players are very significant.

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

Your Company's growth is steadily built on its core strengths of brand, manufacturing, design, distribution, sourcing and service capabilities.

The strategy to focus on the 'Total Kitchen Solution' has been creating new opportunities for your Company to expand its product base. This in turn is creating opportunities for expanding the market base. Your Company's focus on offering new improved products both in the traditional product category as well as new product category is opening up opportunities in North and East markets where your Company is yet to become dominant.

Products like Induction Cook Tops, Induction compatible range of pressure cookers and cookware, Apple range of Inner-lid pressure cookers, Microwave Pressure Cookers

etc are a few examples of products which are designed to enable your Company to penetrate into all geographies and income segments.

The Government scheme for rural employment guarantee is creating purchasing power in semi- urban and rural markets which in itself is providing opportunities for growth.

Taking advantage of all the above opportunities requires a focused attention on various distributional channels consisting of direct dealers, authorized redistributors, large format stores, institutions and exclusive retail network. Your Company is continuously increasing its distribution width and enjoys a good franchise with the entire distribution network.

Your Company's retail formats 'Prestige Smart Kitchen', 'Prestige Kitchen Boutique' and 'Prestige Life Style Store' are well supporting your Company's vision of dominating the kitchen.

The threat in the domestic market continues from the unorganized players and regional brands who compete with unviable low pricing strategies. Your Company has been adopting the strategy of continuously offering innovative, newer and improved products as well as marketing strategies to stay above competition whether organized or unorganized. With the result your Company is growing at a faster rate than the general industry average.

As regards export opportunities it appears that the export markets are gradually coming out of recession and some growth can be expected from exports in the future. Further the Company's launch of Microwave Pressure Cookers is likely to offer export opportunities. Your Company's export strategy will continue to be tactical balancing the needs of domestic market, comparative margins and optimum capacity utilization.

**C. ANALYSIS OF PERFORMANCE :**

**1. Kitchen Appliances :**

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

(In Rupees Lakhs)

	2009-10			2008-09		
	Dome- stic	Export	Total	Dome- stic	Export	Total
Pressure Cookers	22515	1551	24066	20061	1973	22034
Non-stick Cookware	8714	11	8725	6311	45	6356
Kitchen Electric Appliances	10372	-	10372	7096	-	7096
Gas Stoves	6106	-	6106	3999	-	3999
Others	2362	49	2411	2133	3	2136
<b>Total</b>	<b>50069</b>	<b>1611</b>	<b>51680</b>	<b>39600</b>	<b>2021</b>	<b>41621</b>



## TTK PRESTIGE LIMITED

- a. Domestic Sales registered a growth of 26.4% while exports declined by 20% due to economic crisis in Middle East and Sri Lanka.
- b. The traditional product categories, namely, Pressure cookers and Cookware registered a growth of over 12% and 37% respectively in domestic market.
- c. The growth in non-traditional product lines like gas stoves and kitchen electrical appliances has been very impressive at 46% and 53% respectively.
- d. The growth is driven predominantly by volume expansion and introduction of new models and products. With respect to certain product categories the growth can also be attributed to sales mix consisting more of value added items and improved market penetration.
- e. Operating EBIDTA/ Gross Sales ratio improved significantly from 9.16% to 14.74%. Material consumption as percentage of gross sales dropped by 2 percentage points and the other overheads by 3.6%. The composite margin of your Company is the average of the margins of the Pressure Cookers and Cookware category on the one hand and Stoves & Kitchen Electrical appliances category on the other. Thus various operating ratios are unique to your Company and are not strictly comparable to other players whose composition of business is not similar to your Company.
- f. Your Company continues to maintain strict control over working capital management and in fact further improved the inventory and receivables turnover ratios. This has enabled your Company to generate significant free cash flows as detailed elsewhere in this report.
- g. Many new products and models were introduced during the year to make the range contemporary and competitive. Towards the end of the financial year your Company launched a new range of Induction Cook Tops, a whole new range of Pressure Cookers and Cookware with induction compatible base, Microwave Pressure Cookers and Apple Range of 'inner lid' pressure cookers.
- h. The Prestige Smart Kitchen retail net work was consolidated and improvised as per plans. While new outlets were opened, some trimming was also done by discontinuing a few non-viable outlets. The number of outlets as at 31.3.2010 was 228. The network now covers 19 States and 136 towns.
- i. The number of outlets of Prestige Kitchen Boutique' and 'Prestige Life Style' continues at 9 and 2 respectively. The performance of these outlets are satisfactory and this network will be expanded step by step as the nature of these outlets is one of delivery of service rather than sale of appliances in packed form.

## 2. Properties & Investment :

As mentioned in the last report your Company granted possession to the Developer for the purpose of development towards the end of the financial year 2007-08. Pending receipt of the necessary sanctions large portions of old structures have been demolished leaving a part of the structure for administrative and business requirements.

The original plan was to develop a Mall which would give recurring income stream of rentals. Due to change in market conditions the developer has suggested a mixed development of residential and office space. The developer has informed us that they are in the advanced stage of getting sanctions for the revised plans and that the construction can commence during the first half of the financial year 2010-11. Based on the revised plans for development the company expects to have both lump sum as well as recurring rent as and when the project is complete. The developer has estimated that the project can be completed within a period of 30 months from the date of commencement of construction.

## D. OUTLOOK

Both global and Indian economies are on the path of recovery. However, persistent high level of inflation in the long run can impact the disposable income and hence the purchasing power. However, the overall market sentiment is positive and your Company expects to maintain its growth rates aided by the new range of products, barring unforeseen circumstances.

## E. RISKS AND CONCERNS

The overall inflationary trend in general and the food inflation in particular are causes of concern. The significant and steady increase of key metal prices is a matter of concern which may have some impact on margins of your Company if it is not in a position to pass on the increase in input costs to the customers. However, with improved efficiencies and economies of scale your Company is hopeful of maintaining a healthy margin and return on capital employed. Your Company will not compromise on the objective of improving market share and dominance for the sake of short-term profits.

## F. RISK MANAGEMENT

Your Company has a risk identification and management frame work appropriate to the size of your Company and the environment under which it operates.

The risks are identified in relation to the following areas:

- a. Business risks – arising out of general economy, government policy, industry to which the Company belongs, markets in which the company operates and life-cycle of company's products.

- b. Strategic Risks - arising out of policies relating to company's marketing, manufacturing, expansion of market/capacity, technology , new products and human resource and industrial relations.
- c. Safety of Properties including intellectual properties and People.
- d. Operational and Transactional Risks including foreign currency risks.
- e. Statutory Compliances and legal and contractual obligations.
- f. Financial Reporting.
- g. Frauds and Misappropriation.
- h. Information technology systems including disaster recovery.

Reasonable internal control, internal audit and safety audit systems are in place to mitigate or minimize risks in the areas 'c' to 'h'. The other two areas relating to Business and Strategy are assessed and addressed through periodical business review meetings.

Your Company is working towards putting in place an improved dynamic process for identification of key risks and evaluation of risks as low, medium and high in the critical areas so as to devise risk mitigation plans without losing much time.

#### G. FINANCES

Your Company has generated Post tax operational free cash flows of more than Rs.60 Crores during 2009-10, out of which Rs.18 crores have been applied to discharge borrowings from Banks. After spending significant amounts on capital expenditure your Company carries a free cash balance of Rs.30 crores besides normal operating cash float of Rs. 11 Crores. Your Company continues to maintain unutilized funded credit lines of Rs.30 crores. Thus your Company has adequate cash resources to aggressively look for further long-term investments in the kitchen appliances segment.

#### H. INVESTMENTS

There was no change in investments during the year.

#### I. INTERNAL CONTROL SYSTEMS

Your Company is continuously improving the internal control systems in all the areas of operation. Your Company uses both internal and external agencies for internal audit on a continuous basis. Based on audit feedback the systems are updated. Your Company is effectively using SAP processes and this has lead to further improvements in the internal control systems.

#### J. DEVELOPMENTS IN HUMAN RESOURCES

The direct employment strength stood at 913 as compared to 877 in the previous year. Your Company has a structured policy in training and development.

#### CAPITAL EXPENDITURE & EXPANSION PLANS

Your Company incurred a capital expenditure of around Rs.10 crores during the year under report including investments in the New Unit 2 of Uttarakhand. Your Company has plans for a normal capital expenditure of Rs.10 Crores during 2010-11 and is also looking for further investments in fresh capacities taking into account the possible increase in demand in the coming years.

#### DIRECTORS

Mr. Ajay I Thakore, Dr. (Mrs.) Vandana R. Walvekar and Mr. T T Raghunathan retire by rotation and are eligible for re-election. The information on these retiring Directors is provided in the Notice calling the Annual General Meeting.

#### FIXED DEPOSIT

The Public Deposits aggregated to Rs.279.92 lakhs as on 31st March 2010. There were no unclaimed deposits which remained unpaid as on that date.

#### DIVIDEND

Your directors recommend payment of a dividend of Rs.10/- per share for the financial year 2009-10.

#### 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 re-appointment.

#### 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.

# TTK PRESTIGE LIMITED

## ANNULMENT OF FORFEITED EQUITY SHARES

During the year 2008-09 your Board of Directors after giving due notices forfeited 28600 shares for non-payment of call money. During the current financial year 2009-10, your Board of Directors have annulled forfeiture relating to 100 shares after receipt of allotment money with interest.

## FOREIGN EXCHANGE EARNINGS

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

## CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of

the financial year and of the profit or loss of the Company for that period;

3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010

**K. SHANKARAN**  
Director & Secretary

Registered Office:  
Plot No.38,  
SIPCOT Industrial Complex,  
HOSUR 635 126  
Tamil Nadu.



## ANNEXURE TO THE DIRECTORS REPORT 2009-10

## 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 31<sup>st</sup> March, 2010.

Name	Designation	Qualification	Experience in years	Remuneration Rs.	Age	Commencement of Employment	Particulars of last employment
T T Jagannathan *	Chairman	B.Tech (IIT, Chennai) M.S. (Operations Research) Cornell University Newyork	39	39261630	61	01/01/1975	G.M., TT Maps & Publications Ltd.,
S. Ravichandran *	Managing Director	B.Tech., P.G.D.B.A	37	15815964	58	05/02/1997	President Maxworth Orchards (India) Limited, Chennai
K. Shankaran	Director & Secretary	B.Com., AICWA FCS, MAC	36	13477652	56	09/10/1990	Secretary Spencer & Co., Limited Chennai
M. Chandru Kalro	Executive Vice President Marketing	B.E.	24	9335334	46	29/03/1993	Asst. Manager(Marketing) BPL India Limited
V. Sundaresan	Vice President- Finance	B.Com,FCA	29	2711217	55	16/06/1997	Finance Manager, Pepsico Holdings India Pvt. Limited
K. G. George	Vice President- Retail	B.E,PGDBM	23	2852070	46	01/4/1992	Area Sales Executive, TVS Motors Limited
Dinesh Garg	Vice President- Appliances	B.E,PGDBM	22	2981783	45	10/07/1997	Regional Sales Manager, Bond Street Perfumes & Cosmetics Pvt. Limited

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

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

\* Term of employment is contractual

For and on behalf of the Board

(T. T. JAGANNATHAN)  
Executive Chairman

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

REPORT ON CORPORATE GOVERNANCE

1. Philosophy

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

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

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

2. Board of Directors

The Board consists of 10 Directors. The composition of the Board conforms to the Listing Agreement as per the details given below:

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

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

Dr. (Mrs.) Latha Jagannathan is the wife of Mr. T T Jagannathan.

3. Board Meetings, Attendance and other Directorships.

The company held 7 Board meetings during the period 1-4-2009 to 31.3.2010. The dates of the meetings are 18<sup>th</sup> May 2009, 30<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 12<sup>th</sup> August 2009, 12<sup>th</sup> October, 2009, 12<sup>th</sup> January, 2010 & 25<sup>th</sup> February 2010. 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	No	4		
Dr. (Mrs.) Latha Jagannathan	6	Yes	1		
Mr. Ajay I Thakore	4	No	2		
Mr. R. Srinivasan	6	Yes	11	6	3
Dr. (Mrs) Vandana R. Walvekar	5	No	-		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	3	
Mr. Dileep Kumar Krishnaswamy	7	Yes	-		
Mr. Arun K Thiagarajan	7	Yes	10	8	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. The Committee has held seven meetings during the financial year 2010 i.e., 15<sup>th</sup> May 2009, 30<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 12<sup>th</sup> October, 2009, 4<sup>th</sup> December 2009, 12<sup>th</sup> January, 2010 and 24<sup>th</sup> February 2010. The Composition of the Audit Committee as on 31<sup>st</sup> March 2010 and the attendance of members at the meetings of the Audit Committee held during the financial year 2009-10 are as follows :

Members of the Audit Committee	No. of meetings attended
Mr. Ajay I Thakore	5
Dr. (Mrs.) Vandana R. Walvekar	6
Mr. R. Srinivasan	7
Mr. Dileep Kumar Krishnaswamy (Chairman)	7

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, appointment of CFO 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 R. Walvekar & Mr.R. Srinivasan as Members of the Committee.

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

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

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

The committee met once during the year.

#### 6. Directors' Remuneration

The details of remuneration paid to whole-time directors for the year 2009-10 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	2400000	1473843	832305	34555482	39261630	5 years from 1 <sup>st</sup> July 2008
S. Ravichandran Managing Director	1800000	624229	1613246	11778489	15815964	5 Years from 5 <sup>th</sup> Feb 2007

## TTK PRESTIGE LIMITED

The Managerial remuneration paid to the Whole time 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.20,000/- per meeting of the Board/Committee, attended to each of the non-executive directors during the year 2009-10. No other payment is made to the Non-executive Directors.

Non-executive Directors Mr. T T Raghunathan, Mr. Ajay I Thakore, Dr. (Mrs.) Vandana R. Walvekar hold 2000, 672 and 672 shares respectively. Mr. K. Shankaran - Wholetime Secretary & Director holds 1100 shares.

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

This committee consists of Mr. T T 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 37. No requests for dematerialization were pending for approval as on 31<sup>st</sup> March, 2010.

The committee met once during the year.

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

#### a. Mr. Ajay I Thakore

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

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

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

Mr. Ajay I Thakore is the Member of Audit Committee and Remuneration Committee of the Company.

He holds 672 shares in the company.

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

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

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

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

She holds 672 shares in the company

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

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

He holds 2000 shares in the Company. He is the brother of Mr. T T Jagannathan, Chairman.

## 9. General Body Meetings

Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time	No. of spl. resolutions passed
2006-07	Rotary Club of Bangalore 20, Lavelle Road, Bengaluru	10.8.2007	12.05 p.m.	1
2007-08	Century Club, No.1. Seshadri Road, Bengaluru	25.7.2008	10.15 a.m	1
2008-09	Plot No.38, SIPCOT Industrial complex, Hosur	12.8.2009	11.45 a.m.	1

## 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 in line with SEBI guidelines. 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, Shareholders 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).

All other communications of the company related to the developments of the company are communicated to Stock Exchanges, Press and also published on the website of the company. Presentations, if any, made at Analyst Meets are displayed on the Company's website.

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



# TTK PRESTIGE LIMITED

## 12. General Shareholder Information :

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

- Date and Time 29th June, 2010
- Venue Ashok Leyland Management Development Centre  
No. 312, SIPCOT Industrial Complex, Hosur - 635 126  
(Adj to SBI, Mookandapalli branch and  
behind ICICI Bank ATM)

### b. Financial Calendar

- Annual General Meeting 29<sup>th</sup> June, 2010
- Quarterly Results - 30.6.2010 Last week of July, 2010
- Quarterly Results - 30.9.2010 Last week of October, 2010
- Quarterly Results - 31.12.2010 Last week of January, 2010
- Quarterly Audited/Annual Results - 31.3.2011 Last week of June, 2011

### c. Book Closure date

22<sup>nd</sup> June 2010 to  
29<sup>th</sup> June 2010 for AGM (both days inclusive)

### d. Dividend payment date

The dividend will be paid on or before 28<sup>th</sup> July 2010

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

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

### f. Stock Code

- Trading Symbol & Code
- Bombay Stock Exchange - TTK PRESTIGE - 517506
- National Stock Exchange - TTKPRESTIG EQ

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

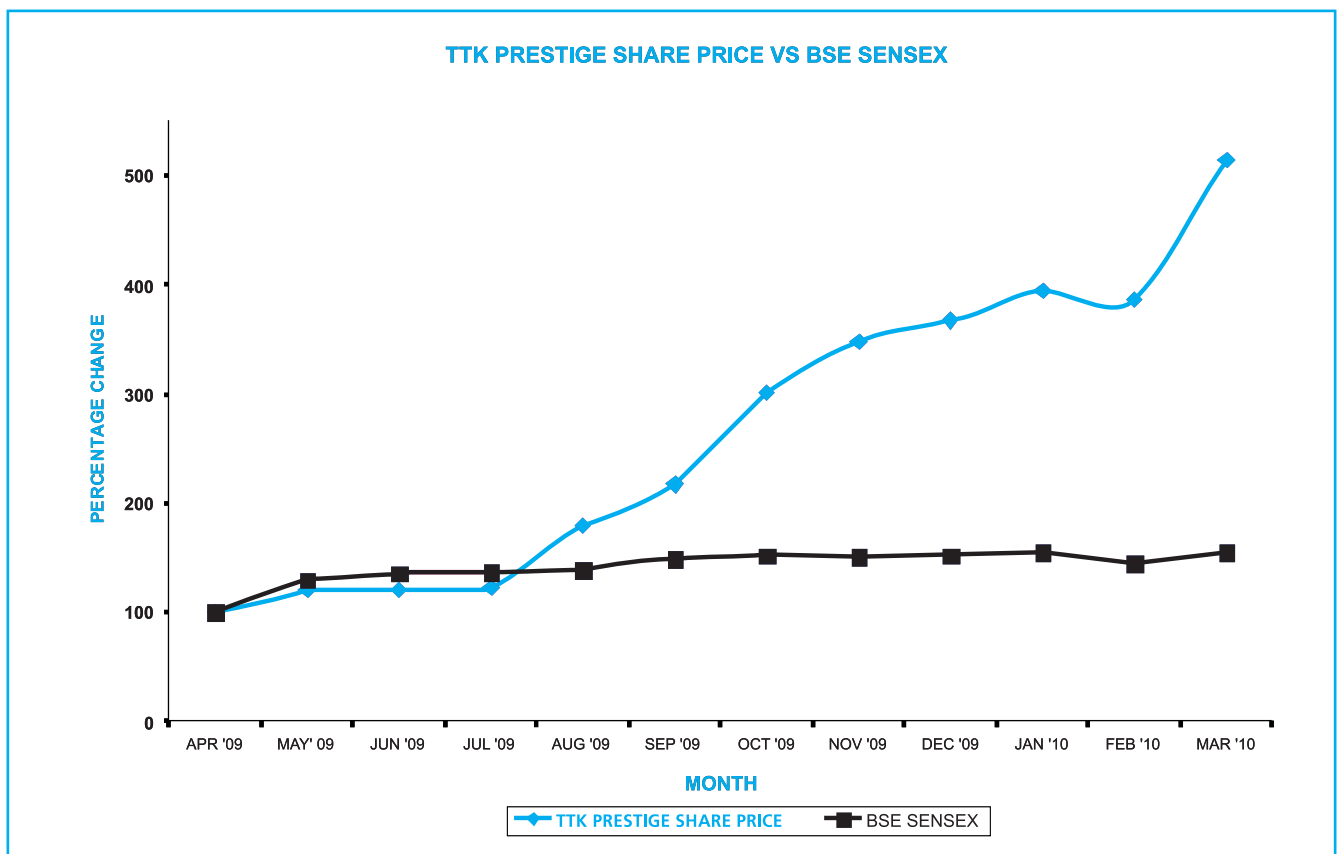
- INE690A01010

### h. Stock Market Data

Month	NATIONAL STOCK EXCHANGE			MUMBAI STOCK EXCHANGE		
	High	Low	Volume	High	Low	Volume
Apr 2009	122.50	88.00	223231	122.00	90.05	110160
May 2009	146.05	95.00	220850	146.50	99.30	197502
Jun 2009	146.00	116.10	439652	147.00	115.50	276079
Jul 2009	151.50	113.95	164596	150.10	115.30	77422
Aug 2009	217.50	141.15	838537	219.15	143.05	441958
Sept 2009	265.00	199.15	639094	265.00	203.00	378738
Oct 2009	369.00	251.10	3348455	368.00	247.15	1642541
Nov 2009	424.70	290.50	1170368	423.75	290.05	550831
Dec 2009	447.00	392.00	1100267	448.00	380.05	519925
Jan 2010	515.00	398.20	681048	481.80	415.00	327721
Feb 2010	474.00	413.15	264311	472.00	411.50	138848
Mar 2010	626.90	451.50	1825186	628.00	450.75	871340

i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price	% Change to Base	BSE Sensex	% Change to Base
	High		High	
Apr 2009	122.00	-	11492.10	-
May 2009	146.50	20%	14930.54	30%
Jun 2009	147.00	20%	15600.30	36%
Jul 2009	150.10	23%	15732.81	37%
Aug 2009	219.15	80%	16002.46	39%
Sept 2009	265.00	117%	17142.52	49%
Oct 2009	368.00	202%	17493.17	52%
Nov 2009	423.75	247%	17290.48	50%
Dec 2009	448.00	267%	17530.94	53%
Jan 2010	481.80	295%	17790.33	55%
Feb 2010	472.00	287%	16669.25	45%
Mar 2010	628.00	415%	17793.01	55%



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.

## TTK PRESTIGE LIMITED

### 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.

### l. Shareholding Pattern as on 31<sup>st</sup> March, 2010:

CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
<b>A.</b>	<b>Promoter's holding*</b> Promoters & their relatives	8481165	74.92
<b>B</b>	<b>Non-Promoters Holding</b>		
1.	INSTITUTIONAL INVESTORS		
	Mutual Funds/UTI	265665	2.35
	Financial Institutions/Banks	1400	0.01
	FII's	513947	4.54
2.	OTHERS		
	a. Private Corporate Bodies	283463	2.50
	b. Indian Public	1676047	14.81
	c. NRIs**	56857	0.50
	d. Any Other (please specify) Clearing Members Directors/Relatives/Associates (Independent and not in control of the company)	35396 5944	0.32 0.05
<b>GRAND TOTAL</b>		<b>11319884 ***</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.

\*\*\* The issued capital of the company is 11348384. We have forfeited 28600 shares in December 2008. During May 2009 we have annulled forfeiture relating to 100 shares.

### m. Distribution of Shareholding as on 31<sup>st</sup> March 2010:

Category (Amount)	Shareholders			Shares	
	Nos.	%	Total Shares	Rs.	%
1 - 5000	8739	95.00	859721	8597210	7.60
5001 - 10000	215	2.34	165763	1657630	1.46
10001 - 20000	128	1.39	185502	1855020	1.64
20001 - 30000	43	0.46	85124	851240	0.75
30001 - 40000	10	0.11	37769	377690	0.33
40001 - 50000	14	0.15	64587	645870	0.57
50001 - 100000	21	0.23	145919	1459190	1.29
100001 & Above	29	0.32	9775499	97754990	86.36
<b>Total</b>	<b>9199</b>	<b>100.00</b>	<b>11319884</b>	<b>113198840</b>	<b>100.00</b>

n. Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2010:

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	2978	8565801	75.67
No. of Shareholders in Electronic Mode	6221	2754083	24.33
<b>Total</b>	<b>9199</b>	<b>11319884</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)	
	2009-10	2008-09	2009-10	2008-09
Number of Shares Dematerialised	11150	8600	3310	39
Number of Shares Rematerialised	NIL	NIL	NIL	5

## o. Outstanding GDRs / ADRs/ Warrants or any convertible Instruments

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

## p. Plant Locations

Plot Nos. 82 & 85,  
Sipcot Industrial Complex, Hosur – 635 126.  
Tamilnadu

Plot No.38, Sipcot Industrial Complex,  
Hosur – 635 126, Tamilnadu

Myleripalayam P.O.  
SF-234/1, Pollachi Road  
Coimbatore - 641 032, Tamil Nadu.

Plot No.1A&2,  
Dev Bhoomi Industrial Estate,  
Roorkee, Uttarakhand – 247 667.

## q. Registered Office

Plot No.38, Sipcot Industrial Complex,  
Hosur – 635 126, Tamilnadu.

## r. Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:

- T T Krishnamachari & Co. and its partners & relatives of the partners
- TTK Healthcare Limited
- TTK-LIG Limited
- TTK Healthcare TPA (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
- Manttra Inc.

## TTK PRESTIGE LIMITED

### 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 / CFO Certification** : As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash flow statements for the year ended 31<sup>st</sup> March 2010.

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### 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 : Bengaluru  
Date : 4<sup>th</sup> May, 2010

S. RAVICHANDRAN  
Managing Director

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### 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, 2010 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, 2010, 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  
Regn. No. 004770S

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

C N SRINIVASAN  
Partner  
Membership No.18205



**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 2010, 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, 2010 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, 2010 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 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 2010;
  - 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  
Regn. No. 004770S

(C. N. SRINIVASAN)  
Partner

Membership No.18205

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

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) The company has not granted any loan to any party covered under the Register maintained under Section 301 of the Companies Act, 1956. Hence clause (iii) (a) to (d) of Companies (Auditor's Report) Order, 2003 are not applicable.
- (e) The company has taken loan from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was 95 lakhs and the year end balance of loans taken from such parties was Rs.95 lakhs.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in register maintained under section 301 of the Companies Act, 1956 and are not, prima facie prejudicial to the interest of the company.
- (g) There is no overdue amount of loans and interest taken from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by Reserve Bank of India and the provisions of section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under wherever applicable. As per information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the Company.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31st March 2010 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 except those indicated under contingent liability (page 34).
- (x) In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses as at 31<sup>st</sup> March 2010 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  
Regn. No. 004770S

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

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

**TTK PRESTIGE LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

RUPEES IN LAKHS

	Schedule	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
<b>I SOURCE OF FUNDS</b>			
1. SHAREHOLDERS' FUND			
Capital	1	1,133.41	1,133.41
Reserves and surplus	2	<u>11,283.92</u>	<u>7,331.26</u>
		12,417.33	8,464.67
2. LOAN FUNDS			
Secured Loans	3	0.00	1,785.49
Unsecured Loans	4	<u>279.92</u>	<u>283.90</u>
		279.92	2,069.39
Deferred Tax Liability (Net)		311.35	314.12
<b>TOTAL</b>		<u>13,008.60</u>	<u>10,848.18</u>
<b>II APPLICATION OF FUNDS</b>			
1. FIXED ASSETS			
Gross Block	5	8,349.09	7,545.62
Less: Depreciation		<u>4,301.87</u>	<u>3,956.94</u>
Net Block		4,047.22	3,588.68
Add: Capital Work-in-Progress		<u>2,353.13</u>	<u>2,368.92</u>
		6,400.35	5,957.60
2. INVESTMENTS	6	39.03	39.03
3. CURRENT ASSETS LOANS & ADVANCES			
Stock-in-Trade	7	6,129.06	5,030.98
Sundry Debtors	8	6,025.79	4,889.94
Cash and Bank Balances	9	4,397.06	1,089.82
Loans and Advances	10	<u>4,258.01</u>	<u>2,131.91</u>
		20,809.92	13,142.65
Less : Current Liabilities & Provisions			
Liabilities	11	9,024.84	5,918.77
Provisions	12	<u>5,215.86</u>	<u>2,372.33</u>
		14,240.70	8,291.10
4. Net Current Assets		6,569.22	4,851.55
<b>TOTAL</b>		<u>13,008.60</u>	<u>10,848.18</u>
Notes on Accounts	17		

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

Dileep K. Krishnaswamy  
Director

C. N. SRINIVASAN  
Partner  
Membership No.18205

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

RUPEES IN LAKHS

	SCHEDULE	Year Ended 31 <sup>st</sup> March 2010		Year Ended 31 <sup>st</sup> March 2009	
<b>INCOME</b>					
Sales	13	51,680.29		41,620.80	
Less : Excise duty relatable to Sales		<u>886.12</u>	50,794.17	<u>1,493.44</u>	40,127.36
Other Income	14		114.08		49.78
			<u>50,908.25</u>		<u>40,177.14</u>
<b>EXPENDITURE</b>					
Material Consumption	15	26,462.73		22,145.24	
Expenses	16	16,943.41		14,783.96	
Depreciation (As per Schedule 5)		<u>358.94</u>	43,765.08	<u>347.58</u>	37,276.78
Profit\ (Loss) before tax			7,143.17		2,900.36
Extraordinary income			397.23		0.00
Profit before Tax			7,540.40		2,900.36
Provision for Tax					
- Current Tax		2,299.37		599.07	
- Fringe Benefit Tax		0.00		56.59	
- Deferred Tax		<u>(2.77)</u>		<u>6.59</u>	
			2,296.60		662.25
Profit\ (Loss)after Tax			5,243.80		2,238.11
Proposed Dividend			1131.99		565.99
Tax on dividend			188.01		96.19
Transferred to General Reserve			524.38		224.00
Profit\ (Loss )carried to Balance sheet			3,399.42		1,351.93
Earnings per share			46.33		19.77
Notes on Accounts	17				

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

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

Dileep K. Krishnaswamy  
Director

C. N. SRINIVASAN  
Partner  
Membership No.18205

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010



# TTK PRESTIGE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

RUPEES IN LAKHS

	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
<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>1,134.84</u>	<u>1134.84</u>
Paid up share capital: *1,13,19,884 (PY:11319784) 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>1,131.99</u>	<u>1,131.98</u>
Add : Amount paid-up on Forfeited shares, not re-issued	<u>1.42</u>	<u>1.43</u>
	<u>1,133.41</u>	<u>1,133.41</u>
* During the year 2008-09 the Company had forfeited 28600 shares for non payment of call money. Out of this forfeiture relating to 100 shares were annulled in 2009-10.		
<b>2. RESERVES &amp; SURPLUS :</b>		
Capital Reserve (Amount received under Central Investment subsidy scheme)	<u>28.82</u>	<u>0.00</u>
Revaluation Reserve	<u>214.74</u>	<u>214.74</u>
Share Premium Account	<u>591.30</u>	<u>591.22</u>
Add : Premium on Forfeited shares	<u>11.40</u>	<u>11.44</u>
	<u>602.70</u>	<u>602.66</u>
(Rs. 0.04 lakh received on account of 100 nos forfeited shares annulled added to share premium account. Consequent to this, 0.04 lakh lying in share premium on forfeited shares account added to Share premium account).		
General Reserve:	<u>6,513.86</u>	<u>4,937.93</u>
As per last Balance Sheet		
Add : Amount transferred from Profit & Loss Account	<u>524.38</u>	<u>224.00</u>
	<u>7,038.24</u>	<u>5,161.93</u>
Add : Surplus in Profit & Loss Account	<u>3,399.42</u>	<u>1,351.93</u>
	<u>10,437.66</u>	<u>6,513.86</u>
	<u>11,283.92</u>	<u>7,331.26</u>
<b>3. SECURED LOANS</b>		
Cash credit 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	<u>0.00</u>	<u>1,785.49</u>
	<u>0.00</u>	<u>1,785.49</u>
<b>4. UNSECURED LOANS</b>		
--Fixed Deposits from Directors	<u>42.00</u>	<u>42.00</u>
--Fixed Deposits from Others	<u>237.92</u>	<u>241.90</u>
	<u>279.92</u>	<u>283.90</u>

## SCHEDULES (Contd.)

5. FIXED ASSETS	RUPEES IN LAKHS									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	Cost as at 31 <sup>st</sup> March, 2009	Additions during the Year	Deductions during the Year*	Cost as at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009	Deductions during the year	Charged during the year	As at 31 <sup>st</sup> March, 2010	Net Book Value as at 31 <sup>st</sup> March, 2010	Net Book Value as at 31 <sup>st</sup> March, 2009
Land	329.27	0	150.62	178.65	0	0	0	0	178.65	329.27
Leasehold Land at Roorkee	257.78	0	0	257.78	8.28	0	2.87	11.15	246.63	249.50
Buildings	1836.70	439.00	18.81	2256.89	801.86	11.21	42.40	833.05	1423.84	1034.84
Plant & Machinery	3438.17	370.22	0	3808.39	2230.16	0	155.30	2385.46	1422.93	1208.01
Electrical Installations	301.93	77.71	0	379.64	100.02	0	18.76	118.78	260.86	201.91
Tools, Moulds & Dies	263.62	12.71	0	276.33	220.73	0	13.44	234.17	42.16	42.89
Furniture, Fixtures & Fittings	327.76	10.30	0	338.06	208.05	0	12.33	220.38	117.68	119.71
Office Equipment	375.77	28.78	0	404.55	177.85	0	35.83	213.68	190.87	197.92
Vehicles	13.79	37.59	0	51.38	6.34	0	3.48	9.82	41.56	7.45
ERP Software etc.	273.69	0	0	273.69	111.40	0	54.74	166.14	107.55	162.29
<b>Total</b>	<b>7418.48</b>	<b>976.31</b>	<b>169.43</b>	<b>8225.36</b>	<b>3864.69</b>	<b>11.21</b>	<b>339.15</b>	<b>4192.63</b>	<b>4032.73</b>	<b>3553.79</b>
Capital Work-in-Progress* (Includes Doornanagar, Bangalore - Rs. 2319.78 lakhs)	2368.92	27.28	43.07	2353.13	0	0	0	0	2353.13	2368.92
<b>Total</b>	<b>9787.40</b>	<b>1003.59</b>	<b>212.50</b>	<b>10578.49</b>	<b>3864.69</b>	<b>11.21</b>	<b>339.15</b>	<b>4192.63</b>	<b>6385.86</b>	<b>5922.71</b>
Motors Cars under Lease	127.14	0.00	3.41	123.73	92.25	2.80	19.79	109.24	14.49	34.89
<b>Grand Total</b>	<b>9914.54</b>	<b>1003.59</b>	<b>215.91</b>	<b>10702.22</b>	<b>3956.94</b>	<b>14.01</b>	<b>358.94</b>	<b>4301.87</b>	<b>6400.35</b>	<b>5957.60</b>

\* Note : Deductions during the year reflects sale of Land & Buildings.

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
<b>6. INVESTMENTS</b>		
<b>Shares (Quoted) :</b>		
1) 1440 Equity Shares of Rs. 10/- each, fully paid-up in TTK HEALTH CARE Limited (Market price Rs.254.15)	1.65	1.65
2) 3,73,805 Equity Shares of Rs. 10/- each, fully paid-up in Prestige Housewares (India) Ltd.	37.38	37.38
	39.03	39.03
<b>Notes :</b>		
1. Aggregate value of quoted Investments	1.65	1.65
2. Aggregate value of unquoted Investments	37.38	37.38
3. Market value of quoted Investments	3.66	1.37
<b>7. STOCK-IN-TRADE :</b>		
(Valued at cost)		
Raw Materials	1,414.89	798.43
Stores and Spareparts	71.53	77.50
Work-in-Progress	182.00	178.48
Finished Goods	4,460.64	3976.57
(As Certified by Management)	6,129.06	5,030.98
<b>8. SUNDRY DEBTORS :</b>		
(Considered good for which the Company holds no Security other than the Debtor's Personal Security)		
More than 6 months-Considered good	334.61	364.12
Less: Provision for Bad Debts	183.23	59.96
	151.38	304.16
Other Debts (including from Company under same management CY : Rs.6.58 Lakhs (PY: Rs.28.89 lakhs)	5,874.41	4585.78
	6,025.79	4,889.94

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
<b>9. CASH &amp; BANK BALANCES :</b>		
Cash on Hand	1.57	1.11
Balances with Scheduled Banks:		
In Current Account	1,262.17	903.64
In Deposit Account	<u>3,133.32</u>	<u>185.07</u>
	<u>4,395.49</u>	<u>1,088.71</u>
	<u>4,397.06</u>	<u>1,089.82</u>
<b>10. LOANS &amp; ADVANCES :</b>		
Recoverable in cash or kind or for Value to be received considered good	435.89	613.44
Balances with Excise Authorities	102.23	123.58
Advance Income Tax	3,522.52	1,210.11
Advance FBT	197.37	184.78
	<u>4,258.01</u>	<u>2,131.91</u>
<b>11. CURRENT LIABILITIES :</b>		
Acceptances	2,269.73	1836.53
Sundry Creditors for goods supplied	2,658.41	1273.29
Unclaimed Dividend	23.09	17.40
Sundry Creditors for Other Liabilities	4,062.88	2787.00
Interest accrued but not due on loans	10.73	4.55
	<u>9,024.84</u>	<u>5,918.77</u>
<b>12. PROVISIONS :</b>		
(a) Proposed Dividends	1,131.99	565.99
(b) Provision for Dividend Tax	188.01	96.19
(c) Provision for fringe benefit tax	186.70	186.70
(d) Provision for taxation	3,465.92	1,166.55
(e) Other provisions - gratuity / leave encashment	243.24	356.90
	<u>5,215.86</u>	<u>2,372.33</u>
<b>13. SALES:</b>		
Sale of Products	51,409.50	41,321.16
Sale of Scrap	270.79	299.64
	<u>51,680.29</u>	<u>41,620.80</u>

For and on behalf of the Board

For Messrs. S. VISWANATHAN  
Chartered AccountantsT. T. Jagannathan  
Executive ChairmanS. Ravichandran  
Managing DirectorDileep K. Krishnaswamy  
DirectorC. N. SRINIVASAN  
Partner  
Membership No.18205K. Shankaran  
Director & SecretaryV. Sundaresan  
Vice President - FinancePlace : Bengaluru  
Date : 4<sup>th</sup> May, 2010

# TTK PRESTIGE LIMITED

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31 <sup>st</sup> March 2010		As at 31 <sup>st</sup> March 2009	
<b>14. OTHER INCOME:</b>				
Interest from Banks		57.61		35.40
Commission Receipts		54.09		-
Exchange gain/(loss)		(27.27)		4.95
Bad Debts recovered		15.53		-
Others		14.12		9.43
		<u>114.08</u>		<u>49.78</u>
<b>15. MATERIAL CONSUMPTION :</b>				
	<b>Tonnes</b>		<b>Tonnes</b>	
Aluminium	3,431	4,436.28	2,967	4,881.47
Stainless Steel	550	731.87	476	804.80
Purchase of Traded Goods		14,522.16		9,873.35
Others		7,289.87		6,324.15
		<u>26,980.18</u>		<u>21,883.77</u>
(Increase) / Decrease in stocks :				
Opening Stock :				
Work-in-Progress		178.48		320.23
Finished Goods		<u>3,976.57</u>		<u>4,205.55</u>
		4,155.05		4,525.78
Closing Stock :				
Work-in-Progress		182.00		178.48
Finished Goods		<u>4,460.64</u>		<u>3,976.57</u>
		4,642.64		4,155.05
		<u>(487.59)</u>		<u>370.73</u>
		26,492.59		22,254.50
Excise duty differential in Inventory		(29.86)		(109.26)
<b>CONSUMPTION</b>		<u>26,462.73</u>		<u>22,145.24</u>

## SCHEDULES (Contd.)

RUPEES IN LAKHS

	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009	
<b>16. EXPENSES:</b>			
Salaries, Wages & Bonus	3,443.08	2638.85	
Contribution to Gratuity Fund	60.42	125.07	
Contribution to P.F. and other Funds	169.65	158.13	
Employees Welfare Expenses	260.80	221.48	
Power & Fuel	490.88	438.56	
Sundry Manufacturing Expenses	268.52	177.47	
Repairs & Maintenance:			
Buildings	69.15	53.17	
Machinery	71.74	113.73	
Other Assets	133.80	121.74	
	<u>274.69</u>	<u>288.64</u>	
Consumption of Stores and Spare parts	139.44	111.78	
Rent	133.76	162.02	
Insurance	35.86	30.98	
Travelling & Conveyance	482.36	411.38	
Motor Vehicle Expenses	50.83	50.24	
Additional Sales Tax/TOT/ Rates & Taxes	118.08	57.92	
	50.15	44.21	
Interest & Bank Charges:			
Interest	114.14	565.07	
Bank Charges	233.34	163.33	
	<u>347.48</u>	<u>728.40</u>	
Carriage Outwards:			
Freight	2,005.80	1675.26	
Insurance	16.29	19.81	
	<u>2,022.09</u>	<u>1,695.07</u>	
Directors Sitting Fees	13.80	9.80	
Audit Fees	13.45	13.58	
Legal & Professional Charges	72.75	115.25	
Postage & Communication Expenses	119.68	116.49	
Printing & Stationery	57.37	44.58	
Entertainment Expenses	1.97	0.69	
Advertisement & Selling Expenses	3,540.26	3,292.96	
Distribution Expenses	899.29	754.13	
Commission to Selling agents	153.53	142.63	
Discount	2,960.33	2,414.74	
Donations	63.50	0.42	
Bad Debts	26.24	76.17	
Provision for Bad Debts	133.65	59.96	
Miscellaneous Expenses	539.50	402.36	
	<u>16,943.41</u>	<u>14,783.96</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>	Dileep K. Krishnaswamy <i>Director</i>
C. N. SRINIVASAN <i>Partner</i> Membership No.18205	K. Shankaran <i>Director &amp; Secretary</i>	V. Sundaresan <i>Vice President - Finance</i>	
Place : Bengaluru Date : 4 <sup>th</sup> May, 2010			

# TTK PRESTIGE LIMITED

## 17. Notes on Accounts

Forming part of the Balance Sheet & Profit and Loss Account. (For the year ended 31st March, 2010)

### 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 31.03.2010.

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 Gratuity and Superannuation on the basis of contribution made to respective funds and on the basis of actuarial valuation in respect of Leave Benefit.

#### viii) Foreign Currency Transactions :

Transactions in foreign currency are recorded at exchange rates prevailing at the time of the transactions and exchange difference arising from foreign currency transaction are dealt with in the profit and loss account and 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.

#### ix) Grant / subsidies :

Grant / subsidy received under "Central Investment Subsidy Scheme" is directly credited to capital reserve

### 2. Figures are given in Rs. Lakhs.

### 3. (a) Installed Capacity and production

Particulars	Installed Capacity		Production	
	2009-10	2008-09	2009-10	2008-09
Pressure Cookers & Pans	4800000	4000000	2685231	2285435
Cookware	2000000	1800000	1531553	1268356
Gas Stoves	900000	Nil	42	Nil
Kitchen Electrical Appliances	726000	Nil	188	Nil



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

(b) Quantitative information regarding Opening stock and closing stock, production, purchases and sales:

(Value in Rs. Lakhs)									
Products	Opening Stock		Production	Purchases for Resale		Closing Stock		Sales	
	Qty	Value	Qty	Qty	Value	Qty	Value	Qty	Value
1. Pressure Cooker & Pans	233473	1381.67	2685231	-	-	173626	977.82	2745078	24066.18
	(323261)	(1818.13)	(2285435)	-	-	(233473)	(1381.67)	(2375223)	(22034.28)
2. Cookware	155112	406.96	1531553	618811	1558.07	342667	1000.34	1962809	8725.24
	(180273)	(469.82)	(1268356)	(232705)	(571.95)	(155112)	(406.96)	(1526222)	(6355.61)
3. Gas Stoves	42340	596.54	42	282362	4182.32	40454	619.91	284290	6105.87
	(37717)	(468.28)		(257342)	(2825.98)	(42340)	(596.54)	(252719)	(3998.54)
4. Kitchen Electrical Appliances	92685	929.13	188	734023	7304.2	158152	1380.68	668774	10372.34
	(63682)	(830.36)		(384562)	(4987.31)	(92685)	(929.13)	(355559)	(7096.22)
5. Others	-	662.27	-	-	1477.57	-	481.89	-	2139.87
	-	(618.96)	-	-	(1488.11)	-	(662.27)	-	(1836.51)
Total	-	3976.57	-	-	14522.16	-	4460.64	-	51409.50
	-	(4205.55)	-	-	(9873.35)	-	(3976.57)	-	(41321.16)

Note: Previous year figures have been given in brackets.

(c) Imported &amp; Indigenous Rawmaterials, components &amp; spares consumed

Particulars	2009-10		2008-09	
	Value	%	Value	%
Imported & Indigenous Raw materials, components & spares consumed :				
Imported	1046.58	8.40	534.32	4.45
Indigenous	11411.44	91.60	11476.10	95.55
Total	12458.02	100.00	12010.42	100.00

4) Quoted Investments are carried at their cost of acquisition.

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

6) (a) The company has created a Trust which has taken a Group Gratuity Policy with the Life Insurance Corporation of India for future payment of gratuity to retired / resigned employees. Based on the actuarial valuation, provision has been made for the full value of the gratuity benefits as per the requirements of Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.

(b) The Company contributes to a Superannuation Fund covering specified employees. The Contributions are by way of annual premia payable in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired / resigned employees based on policy norms. No other liabilities are incurred by the Company in this regard.

(c) Leave encashment benefit has been charged to Profit &amp; Loss account on the basis of actuarial valuation as at the year end in line with the Accounting Standard (AS -15) (Revised) issued by the Institute of Chartered Accountants of India.

As per Accounting Standard AS -15 (Revised) Employee Benefits, the disclosures as defined in the Accounting Standard are given below :

## DEFINED CONTRIBUTION PLAN :

Rs. (in lakhs)

	2009-10	2008-09
Employers contribution to Provident Fund	136.90	126.41
Employers Contribution to Superannuation Fund	25.59	23.92

17. Notes on Accounts (Contd...)

**DEFINED BENEFIT PLAN :**

The Employees' Gratuity fund scheme managed by a Trust is defined benefit plan.

The present value of obligation is determined based on actuarial valuation using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation as per Para 65 of the Accounting Standard AS – 15 (Revised), issued by the Institute of Chartered Accountants of India.

The obligation for leave encashment is recognized in the same manner as gratuity.

**Reconciliation of the Opening and closing balances defined benefit obligation : Rs. (in lakhs)**

	Gratuity (Funded)		Leave Encashment (Funded)	
	2009-10	2008-09	2009-10	2008-09
Defined benefit obligation at the beginning of the year	651.27	513.53	115.41	94.81
Current service cost	40.25	65.56	19.12	64.54
Interest cost	49.66	41.08	7.70	7.59
Actuarial (gains) and losses on obligation	19.25	50.40	17.06	(51.53)
Benefits paid	9.09	19.31	0.20	-
Defined benefit obligation at the end of the year	751.34	651.27	159.09	115.41

**Reconciliation of the Opening and Closing balances of Fair Value of Plan Assets : Rs. (in lakhs)**

	Gratuity (Funded)		Leave Encashment (Funded)	
	2009-10	2008-09	2009-10	2008-09
Fair value of plan assets at the beginning of the year	404.39	318.94	5.39	Nil
Expected return on plan assets	48.74	31.82	5.60	0.42
Actuarial loss on plan assets	Nil	Nil	Nil	Nil
Contribution by the employer	143.27	72.94	69.09	4.97
Benefits paid	9.09	19.31	0.20	Nil
Fair value of plan assets at the end of the year	587.31	404.39	79.88	5.39

**Reconciliation of the Fair Value of Assets and obligations : Rs. (in lakhs)**

	Gratuity (Funded)		Leave Encashment (Funded)	
	2009-10	2008-09	2009-10	2008-09
Fair value of plan assets	587.31	404.39	79.88	5.39
Present value of obligation	751.34	651.27	159.09	115.41
Amount recognised in Balance sheet	164.03	246.88	79.21	110.02

**Expenses recognized during the year : Rs. (in lakhs)**

	Gratuity (Funded)		Leave Encashment (Funded)	
	2009-10	2008-09	2009-10	2008-09
Current service cost	40.25	65.56	19.12	64.54
Interest cost	49.66	41.08	7.70	7.59
Expected return on plan assets	48.74	31.82	5.60	0.42
Actuarial loss (gain)	19.25	50.40	17.06	(51.53)
Net cost	60.42	125.22	38.28	20.18

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

## Actuarial Assumptions :

	Gratuity Funded		Leave Encashment Funded	
	2009-10	2008-09	2009-10	2008-09
	1994-96	1994-96	1994-96	1994-96
Mortality Table (LIC)	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected return on plan assets (p.a)	10.00%	10.00%	7.50%	7.50%
Rate of Escalation in Salary (p.a)	7.00%	7.00%	7.00%	7.00%

The estimate of rate of escalation in salary considered in actuarial valuation, take in to account inflation, Seniority, promotion and other relevant factors including supply and demand in the employment market.

## 7) Remuneration to whole time Directors : (Rs. in Lakhs)

	2009-2010	2008-2009
1. Salary	42.00	40.50
2. Contribution to Provident & other funds	14.57	14.65
3. Commission	463.34	159.75
4. Other Allowances	30.87	30.06
	550.78	244.96

The computation of net profits in accordance with Sec.198 read with Sec.309 (5) of the Companies Act 1956 for the year ended on 31<sup>st</sup> March 2010:

			(Rs. in Lakhs)
Profit Before taxation as per Profit & Loss Account			7540.40
<b>Add :</b>			
Directors' Remuneration including Director's fees	564.58		
Depreciation charged in the accounts	358.94		
Provision for Band & Doubtful Debts	133.65	1057.17	
<b>Less :</b>			
1) Profit on sale of assets (after adjusting the difference between Original cost & WDV of Depreciable assets)	386.29	-	
2) Depreciation as per Section 350	358.94	745.23	311.94
<b>Net Profit as per Section 309(5)</b>			<b>7852.34</b>
Ceiling on total remuneration to whole time Directors			785.23
Actual Remuneration to whole time Directors			550.78

## 8) Fringe Benefit Tax (till the time of abolition) 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. Amount: Rs.197.37 Lakhs (P/Y: Rs.184.78 lakhs.)

## 9) Audit Fee includes (Rs. in lakhs)

	2009-2010	2008-2009
For Audit (including Tax Audit)	11.03	8.27
Certification Fee incl. taxation matters	2.17	5.06
Out of Pocket Expenses	0.25	0.25

17. Notes on Accounts (Contd...)

10) Earnings in Foreign Exchange :

On account of Export Sale less returns calculated

(Rs. in lakhs)

	2009-2010	2008-2009
a) at FOB basis	1610.16	2019.25
b) at CIF Basis	1611.23	2021.02

11) Expenditure in Foreign Currency :

(Rs. in lakhs)

	2009-2010	2008-2009
1. Travelling Expenses	14.07	9.54
2. Other Expenses	114.49	131.87
3. CIF Value of Imports (on payment basis)	4666.46	2108.61

12) Interests includes Rs. 58.19 lakhs towards interest on fixed loan (previous year Rs. 99.48 lakhs) and Rs.4.20 lakhs (previous year Rs.4.20 lakhs) being interest on fixed deposit placed by Directors.

13) Contingent Liabilities :

(Rs. in lakhs)

	2009-2010	2008-2009
a) Bank Guarantees / LC	816.37	550.31
b) Estimated amount of contract remaining to be executed on Capital A/c. not provided for	429.80	54.40
c) Securitisation of Accounts Receivables	-	500.00
d) Tax matters under appeal( IT/ST/ED)	438.01	589.02
e) Property Tax under dispute-Dooravaninagar property	-	54.82

14) Based on data received from Vendors, the amount due to MSMED is ascertained as Rs.476.08 lakhs.

15) The company has two segments namely Kitchen Appliances and Property & Investment for reporting purposes.

16) Disclosure as per Accounting Standard 19

The company has acquired certain items of Vehicles on Financial Lease on or after April 1, 2008 amounting to Rs. Nil (Previous year – Rs. 4.19 lakhs).

The Minimum lease rental outstanding as of 31<sup>st</sup> March 2010 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	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Within One year	17.11	29.77	2.01	4.97	15.10	24.80
Later than one year and not later than 5 Years	4.47	21.97	0.55	2.60	3.92	19.37
Later than 5 years	-	-	-	-	-	-

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

17) Related party transactions as per accounting standard-18 :

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

Associates :

Prestige Housewares India Limited

Others :

TTK Health Care Limited, Peenya packaging Products, TTK LIG Limited, TT Krishnamachari & Co., TTK Services (P) Limited and Mantra Inc., USA.

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, Mr. T T Venkatesh and Ms. Bhanu Raghunathan.

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

(Rs. in lakhs)

Particulars	Associates/ Others	Key Management Personnel & Relatives	Total
Sales	111.27	-	111.27
Purchases	360.31	-	360.31
Salary	-	685.55	685.55
Interest Payments	-	9.50	9.50
Sale of Assets	555.56	-	555.56
Others	895.21	7.74	902.95

(c) Balances outstanding as on 31.3.2010

(Rs. in lakhs)

Particulars	Associates/ Others	Key Management Personnel & Relatives
Fixed Deposits (due by the company)	-	95.00 (95.00)
Amount due to the company against supplies / services	8.39 (32.12)	- -
Amount Owed by company against purchases	59.23 (50.95)	- -
Investments	39.03 (39.03)	- -
Other Current Liabilities	65.16 (49.34)	563.50 (200.00)

18) Deferred Tax Break-up

(Rs. in lakhs)

		31.03.2010	31.03.2009
i)	Deferred tax liability related to fixed Assets	421.63	416.60
ii)	Deferred tax asset on account of capital losses and Provision for gratuity etc.	110.28	102.48
	<b>Deferred tax (net)</b>	<b>(311.35)</b>	<b>(314.12)</b>

# TTK PRESTIGE LIMITED

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

19) Earnings per share per Accounting Standard 20 (AS - 20)

(Rs. in lakhs)

	31.03.2010	31.03.2009
Profit after tax as per Profit and Loss a/c before extra-ordinary items (net of tax)	4865.05	2238.11
Weighted Average number of Equity Shares used as Denominator for calculating EPS (in lakhs shares)	113.20	113.20
<b>Earnings per share of Rs. 10/- each</b>		
Before Extra-ordinary items (Rs.)	42.98	19.77
After Extra-ordinary items (Rs.)	46.33	19.77

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

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

(Rs. in lakhs)

Particulars	As at 01.04.2009	Additions	Amount used	As at 31.03.2010
Income Tax	1166.55 (572.25)	2299.37 (594.30)	Nil (Nil)	3465.92 (1166.55)
Fringe Benefit Tax	186.70 (130.11)	Nil (56.59)	Nil (Nil)	186.70 (186.70)
Gratuity/Leave Encashment	356.90 (292.12)	42.17 (86.04)	155.83 (21.26)	243.24 (356.90)

21) The company established new Unit 2 at Uttarakhand for manufacturing of Kitchen Appliances which commenced commercial production in March 2010. The unit is situated in a notified area and is eligible for benefit of deduction under Sec 80-IC of the Income Tax Act and exemption from Excise Duty in terms of notification No. 50/2003 as amended.

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

Dileep K. Krishnaswamy  
Director

C. N. SRINIVASAN  
Partner

K. Shankaran  
Director & Secretary

V. Sundaresan  
Vice President - Finance

Membership No.18205

Place : Bengaluru

Date : 4<sup>th</sup> May, 2010

## SEGMENT WISE REVENUE RESULTS &amp; CAPITAL EMPLOYED

Particulars	RS. IN LAKHS	
	2009-10	2008-09
SEGMENT REVENUE		
Kitchen Appliances		
Gross sales	51680.29	41620.80
Less: Excise Duty	886.12	1493.44
Net Sales / Income from Operations	50794.17	40127.36
Property&Investment	76.00	76.00
Total Segmental Revenue	50870.17	40203.36
Less: Inter-Segment Revenue	-76.00	-76.00
Net Sales / Income from Operations	50794.17	40127.36
SEGMENT RESULTS		
{Profit(loss) before Interest & Tax)		
Kitchen Appliances	7184.31	3392.43
Property&Investment	73.00	73.00
Total Segment Results	7257.31	3465.43
Less: Interest Expenses	114.14	565.07
Less: Unallocable Expenses ( Net of unallocable income)	0.00	0.00
Total Profit (+) / Loss(-) from ordinary activities before tax and Exceptional items	7143.17	2900.36
Less: Exceptional items	0.00	
Total Profit (+) / Loss(-) from ordinary activities before tax and after exceptional items	7143.17	2900.36
Extra-ordinary income	397.23	
Total Profit (+) / Loss(-) from ordinary activities before tax and after extraordinary items	7540.40	2900.36

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

	2009-10	2008-09
Net Fixed Assets	4080.57	3637.83
Total current Assets	20809.92	13142.65
Capital Work in Progress (Dooravani Nagar)	2319.78	2319.78
Sub-Total	27210.27	19100.26
Less :Current Liabilities(excluding Provision for Dividend)	12920.70	7628.91
Sub-Total	14289.57	11471.35
Less :Deferred Tax Liability-not to be considered	311.35	314.12
Total Capital Employed in the Company	13978.22	11157.23
SEGMENTWISE CAPITAL EMPLOYED		
Kitchen Appliances	11600.39	8618.60
Property & Investment	2377.83	2380.58
Unallocated	0	158.05
	13978.22	11157.23

**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.



# TTK PRESTIGE LIMITED

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

<b>I</b>	<b>REGISTRATION DETAILS</b>		
	Registration Number (CIN)	L85110TZ1955PLC015049	
	Balance Sheet Date	31.03.2010	
<b>II</b>	<b>CAPITAL RAISED DURING THE YEAR</b>	(Amount in Thousands)	
	Public Issue	Nil	
	Rights Issue	Nil	
	Bonus Issue	Nil	
	Private Placement	Nil	
<b>III</b>	<b>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	(Amount in Thousands)	
	Total Liabilities	2724930	
	Total Assets	2724930	
	<b>Sources of Funds</b>		
	Paid up capital	113341	
	Reserves & Surplus	1128392	
	Secured Loans	0	
	Unsecured loans	27992	
	<b>Application of Funds</b>		
	Net Fixed assets	640035	
	Investments	3903	
	Net current Assets	656922	
	Miscellaneous Expenditure	0	
	Deferred Tax Asset (Liability)	(31135)	
	Accumulated Losses	0	
<b>IV</b>	<b>PERFORMANCE OF THE COMPANY</b>		
	Turnover (including other income)	5090825	
	Total Expenditure	4376508	
	Profit/(loss) before Tax	754040	
	Profit/(loss) after Tax	524380	
	Earnings Per Share (in Rs )	46.33	
	Dividend Rate %	100%	
<b>V</b>	<b>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)</b>		
	Item Code No. (ITC Code)	Product Description	
	76151910, 73239310 and 39241090	Pressure Cookers	
	76151920	Non-stick Cookware	
	73211110	Gas Stoves	
Annexure to our Report of date	For and on behalf of the Board		
For Messrs. <b>S. VISWANATHAN</b> <i>Chartered Accountants</i>	<b>T. T. Jagannathan</b> <i>Executive Chairman</i>	<b>S. Ravichandran</b> <i>Managing Director</i>	<b>Dileep K. Krishnaswamy</b> <i>Director</i>
<b>C. N. SRINIVASAN</b> <i>Partner</i> Membership No.18205	<b>K. Shankaran</b> <i>Director &amp; Secretary</i>	<b>V. Sundaresan</b> <i>Vice President - Finance</i>	
Place : Bengaluru Date : 4 <sup>th</sup> May, 2010			

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

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

RUPEES IN LAKHS

Particulars	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation and extraordinary items:	7143.17	2900.36	
Additions			
Depreciation	358.94	347.58	
Interest expenses	114.14	565.07	
Interest, dividend & Commission received	(111.70)	(35.40)	
Cash generated from operations before Working Capital changes	7504.55	3777.61	
Adjustments for:			
(Increase)/Decrease in Debtors	(1135.85)	(161.50)	
(Increase)/Decrease in Inventories	(1098.08)	1036.98	
Increase/(Decrease) in Creditors	3021.26	65.87	
(Increase)/Decrease in Other Receivables	186.31	215.54	
<i>Cash generated from Operations</i>	<u>8478.19</u>	<u>4934.50</u>	
Direct Taxes paid	(2312.41)	(651.89)	
<i>Net Cash Flow from Operation before extra ordinary item</i>	<u>6165.78</u>	<u>4282.61</u>	
<b>B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES</b>			
(Purchase)/Sale of Fixed Assets (after adjusting Profit on Sale of Assets)	(404.45)	(644.03)	
Interest, Dividend & Commission received	111.70	35.40	
Net Cash from / (used in) Investing Activities	<u>(292.75)</u>	<u>(608.63)</u>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
(Refund)/Acceptance of deposit	(3.98)	(55.15)	
Redemption of Term Loans	0.00	(30.00)	
Repayment of ICD & Short Term Loan	0.00	(800.00)	
Increase / (Decrease) in Bank Borrowings	(1785.49)	(1732.80)	
Interest Paid	(114.14)	(565.07)	
Dividend Paid (including dividend distribution tax)	(662.18)	(464.69)	
Net Cash from / (used in) Financing Activities	<u>(2565.79)</u>	<u>(3647.71)</u>	
Net increase / (decrease) in Cash and Cash Equivalents	3307.24	26.27	
Cash and Cash Equivalents at the beginning of the year	1089.82	1063.55	
Cash and Cash Equivalents at the end of the year	4397.06	1089.82	
As per our Report attached.	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>	Dileep K. Krishnaswamy <i>Director</i>
C. N. SRINIVASAN <i>Partner</i> Membership No.18205	K. Shankaran <i>Director &amp; Secretary</i>	V. Sundaresan <i>Vice President - Finance</i>	
Place : Bengaluru Date : 4 <sup>th</sup> May, 2010			

# TTK PRESTIGE LIMITED

## HISTORICAL FINANCIAL HIGHLIGHTS

RUPEES IN LAKHS

HISTORICAL DATA		2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
<b>PERFORMANCE</b>											
1	Total Income	51794.37	41670.58	34134.83	29391.17	23185.24	19182.58	15246.28	11330.62	14124.15	13850.73
2	Profit before Interest, Depreciation, Extra ordinary items & tax	7616.25	3813.01	3278.60	2578.63	1950.47	1219.69	1170.75	(611.48)	1074.06	979.90
3	Interest	114.14	565.07	767.48	687.92	550.49	636.32	921.18	953.58	772.27	578.04
4	Depreciation	358.94	347.58	384.48	220.08	188.59	186.98	183.37	177.18	180.72	188.77
5	Profit / (Loss) before extra ordinary items	7143.17	2900.36	2126.64	1670.63	1211.39	396.39	66.20	(1742.24)	121.07	213.09
6	Extra - ordinary items - Profit / (Loss)	397.23	-	319.83	(11.29)	(11.29)	(11.29)	(11.29)	-	(19.70)	(45.53)
7	Profit before tax	7540.40	2900.36	2446.47	1659.34	1200.10	385.10	54.91	(1742.24)	101.37	167.56
8	Taxation Provision	2296.60	662.25	379.95	482.67	488.63	3.76	33.60	(595.00)	31.27	12.44
9	Profit / (Loss ) After tax	5243.80	2238.11	2066.52	1176.67	711.47	381.34	21.31	(1147.24)	70.10	155.12
10	Dividend provision	1131.99	565.99	397.19	340.45	283.34	226.64	-	-	-	169.97
11	Dividend Tax	188.01	96.19	67.50	57.86	39.74	29.62	-	-	-	17.34
12	Dividend Declared %	100	50	35	30	25	20	-	-	-	15
<b>Sources &amp; Application of Funds</b>											
<b>Sources</b>											
1	Share Capital	1133.41	1133.41	1133.40	1133.39	1133.37	1133.18	1133.18	1133.18	1133.18	1133.13
2	Reserves & surplus	11283.92	7331.26	5755.29	4377.06	3598.54	3228.75	3103.67	3444.10	6595.54	6819.07
3	Loan Funds	279.92	2069.39	4687.33	7352.87	5724.83	6494.66	7645.40	8086.27	6659.85	4978.46
<b>Total</b>		<b>12697.25</b>	<b>10534.06</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>Application</b>											
4	Net Fixed Assets including CWIP	6400.35	5957.60	5661.15	3582.74	2525.39	2506.48	3187.97	3074.25	3367.05	3480.04
5	Investments	39.03	39.03	39.03	1812.24	1812.24	1512.79	1512.79	1701.05	1937.67	1521.35
6	Net Current Assets	6569.22	4851.55	6183.39	7762.81	6149.86	6502.10	6824.09	7225.30	8141.75	7850.47
7	Miscellaneous Expenses	-	-	-	11.29	22.57	33.86	45.14	33.70	942.10	78.80
8	Deferred Tax Asset (Liability)	(311.35)	(314.12)	(307.55)	(305.76)	(53.32)	301.36	312.26	629.25	-	-
<b>Total</b>		<b>12697.25</b>	<b>10534.06</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>

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 : Plot No. 38, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu

## 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 54<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at Ashok Leyland Management Development Centre, No. 312, SIPCOT Industrial Complex, Hosur - 635 126 (Adj to SBI, Mookandapalli branch and behind ICICI Bank ATM).

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 : Plot No. 38, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu

## 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 Fourth Annual General Meeting of the Company to be held on ..... and at any

adjournment thereof.

Signed this ..... day of.....2010.

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.

