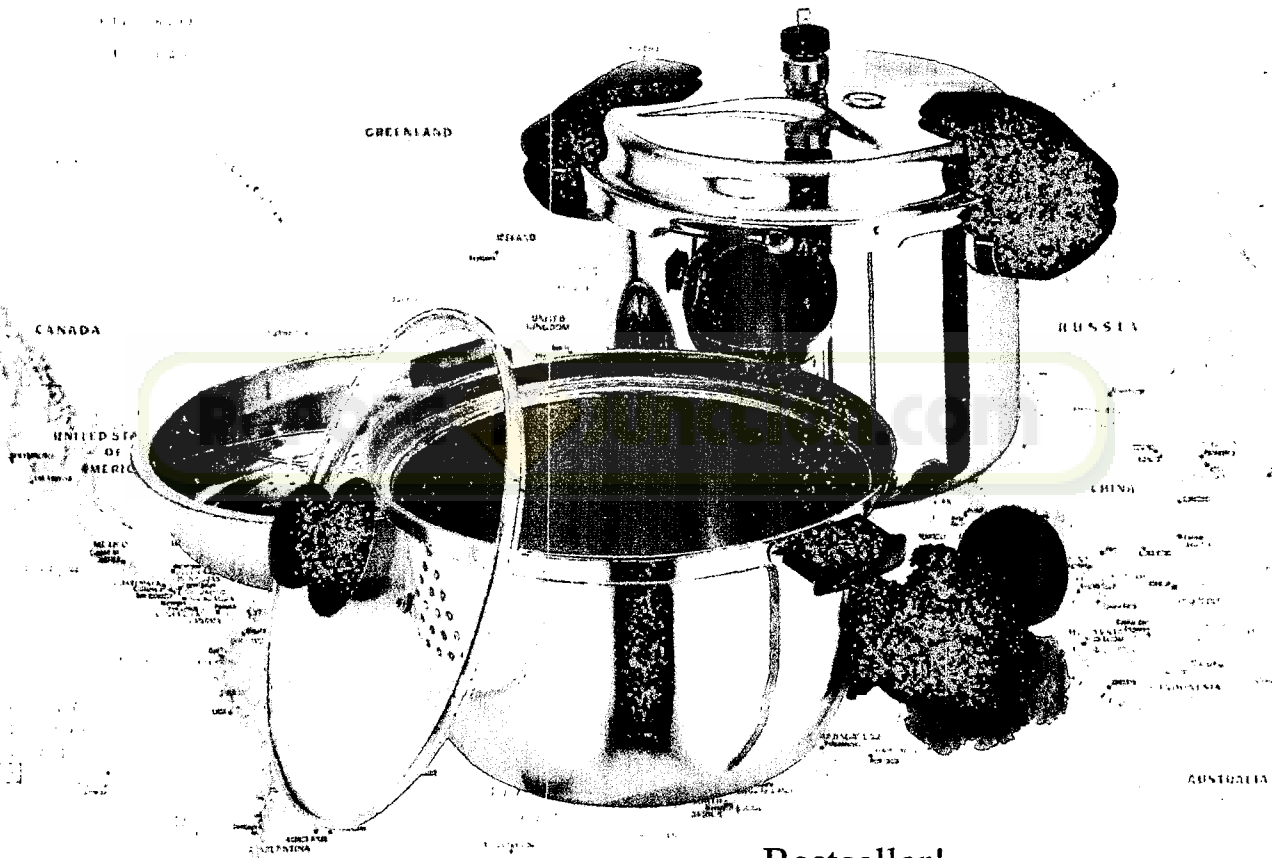




Annual Report 1997-98.

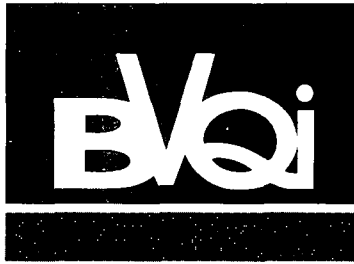
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RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



Bestseller!

The Mantra 4-in-1 cooking system turned out to be a mega grosser as it raked in \$1 million on the very first day of its launch in the U.S.!

TTK Prestige
LIMITED



Certificate of Approval

Awarded to
TTK PRESTIGE LIMITED,
BANGALORE - 560 016 &
HOSUR - 635 126, INDIA.

*Bureau Veritas Quality International certify that the
Quality Management System of the above supplier
has been assessed and found to be in accordance
with the requirements of the quality
standards detailed below*

QUALITY STANDARDS

BS EN ISO 9001:1994

SCOPE OF SUPPLY

**DESIGN, MANUFACTURE, MARKETING, SALES AND SERVICING OF
PRESSURE COOKERS AND COOKWARE MADE OF ALUMINIUM
AND STAINLESS STEEL AND NON-STICK COOKWARE.**

Original approval date : 25TH APRIL 1998

Subject to the continued satisfactory operation of the supplier's
Quality Management System, this certificate is valid for a period of three years from:

25TH APRIL 1998

Date 19TH MAY 1998



[Signature]
For Bureau Veritas Quality International

Certificate No: 47535

SF06/B

The use of the Accreditation Mark indicates accreditation in respect of those activities covered by the accreditation certificate number 008

TTK PRESTIGE LIMITED

BOARD OF DIRECTORS

Shri. T.T. Narasimhan	<i>Chairman</i>
Smt. Padma Narasimhan	<i>Vice Chairman</i>
Shri. T.T. Vasu	
Shri. T.T. Jagannathan	<i>Managing Director</i>
Shri. S. Ravichandran	<i>Joint Managing Director</i>
Shri. Ajay I. Thakore	
Dr. (Smt.) Latha Jagannathan	
Dr. (Smt.) Vandana Ramchandra Walvekar	
Shri. T.T. Raghunathan	
Shri K. Shankaran	

SECRETARY

Shri. K. Shankaran

AUDITORS

Messrs. S. Viswanathan
Chartered Accountants
27/34, II Floor
Nandi Durg Road
Jayamahar Extension
Bangalore 560 046.

BANKERS

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

REGISTRARS & TRANSFER AGENTS

Karvy Consultants Ltd.
51/2, Opp. National College
Vanivilas Road
Basavangudi
Bangalore 560 004.

REGISTERED OFFICE

78, Old Madras Road
Dooravaninagar
Bangalore 560 016.

CORPORATE OFFICE

Brigade Towers, 11th Floor
135, Brigade Road
Bangalore 560 025.

FACTORIES

- | | | |
|--|--|---|
| i) 78, Old Madras Road
Dooravaninagar
Bangalore 560 016. | ii) 82, Sipcot Industrial
Complex, Hosur
Dharmapuri District
Tamil Nadu 635 126 | iii) 85, Sipcot Industrial
Complex, Hosur
Dharmapuri District
Tamil Nadu 635 126 |
|--|--|---|

BRANCHES

Ahmedabad, Bangalore, Calcutta, Chennai, Cuttack, Delhi, Ernakulam, Gaziabad, Guwahati, Hyderabad, Indore, Jaipur, Lucknow, Ludhiana, Mumbai, Patna, Pune, Trichy, Vijayawada.

TTK PRESTIGE LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Second Annual General Meeting of the Company will be held at the NDK Kalyana Mandapam, 13th Main, HAL II Stage, Bangalore on Friday the 25th September, 1998 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To elect a Director in place of Mr. T.T. Raghunathan who is retiring at this Meeting by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Dr. (Smt.) Latha Jagannathan who is retiring at this Meeting by rotation and being eligible, offers herself for re-appointment.
5. To elect a Director in place of Mr. K. Shankaran who is retiring at this Meeting by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration. The retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. T.T. Jagannathan as Managing Director of the Company for a period of five years from First of July, 1998, on the terms and conditions specified in the explanatory statement to this resolution, be and is hereby approved."

"FURTHER RESOLVED THAT the remuneration specified in the explanatory statement exclusive of commission be paid as minimum remuneration to Mr. T.T. Jagannathan in the year of loss or inadequacy of profits and if necessary, an application be made to Central Government for payment of the said minimum remuneration in so far as the same is in excess of the ceiling prescribed for payment of minimum remuneration under Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof as may be in force from time to time.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to revise the remuneration to Mr. T.T. Jagannathan in accordance with Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof as may be in force from time to time."

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

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 sanction be and is hereby accorded to keep the Register of Members, Index of Members and Copies of the Annual Returns at the Office of the Registrars and Share Transfer Agents namely M/s. Karvy Consultants Limited at 51/2, Opp. National College, Vanivilas Road, Basavangudi, Bangalore - 560 004."

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

By Order of the Board

Place : Bangalore
Dated : 30th June, 1998

K. SHANKARAN
Director & Secretary

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM WEDNESDAY, THE 9TH SEPTEMBER, 1998 TO FRIDAY THE 25TH SEPTEMBER, 1998. (BOTH DAYS INCLUSIVE).
3. Dividend on Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Share Holders whose names appear in the Register of Members as on 25th September, 1998.
4. There are no unclaimed dividends relating to dividends paid for the financial years up to 1993-94 and hence the provisions Sec. 205A of the Companies Act, 1956 do not apply.
5. Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting as extra copies will not be supplied as an economy measure.
6. Members are requested to intimate the Registrar & Transfer Agents, changes, if any, in their registered address at an early date.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM 7

Mr. T.T. Jagannathan was appointed Managing Director of the Company, by the members at the meeting held on 30th September, 1993, for a period of 5 years from First of July, 1993. Accordingly his term was valid upto 30th June, 1998.

The Board of Directors at their meeting held on 30th June, 1998 re-appointed Mr. T.T. Jagannathan as Managing Director for a period of 5 years from 1st July, 1998 in accordance with the statutory provisions governing appointment and remuneration of Managing / Whole-time directors. The terms of appointment as fixed by the Board of Directors and which have already been circulated to the members under Sec. 302 of the Companies Act, 1956 are as follows:

- | | |
|--|--|
| A. Salary | : Rs. 100,000 per month |
| B. 1) Housing | : House Rent Allowance of 60% of the salary over and above 10% payable by the appointee. |
| 2) Gas, Electricity & Water | : The expenditure incurred by the Company on Gas, Electricity, Water, Furnishings etc., shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary. |
| 3) Medical | : One month's salary in a year or three month's salary over a period of three years for self, wife, children and dependents. |
| 4) Leave Travel Assistance | : For self and family, to and fro Airfare and other related expenses to any place in India or abroad once a year. |
| 5) Club Fees | : Fees for two clubs not including admission and life membership fee. |
| 6) Personal Accident Insurance. | : Personal accident cover, as per the rules of Company. |
| C. Benefits | |
| 1. Provident Fund Contribution | - As per rules of the Company. |
| 2. Superannuation Contribution | - As per rules of the Company. |
| 3. Leave and leave encashment benefits | - As per rules of the Company. |
| 4. Gratuity | - As per rules of the Company. |

TTK PRESTIGE LIMITED

D. 1. Car – Free use of Company maintained car with driver.

2. Telephone – Telephone at residence.

E. Commission: During the year in which adequate profits have been made, the difference between 5% of such profits and the salary and benefits as referred to above in items A to C shall be paid as commission and such commission shall become due and payable on adoption of the accounts of the company for such financial year. Such profits shall be computed in accordance with Sec. 198 of the Companies Act, 1956.

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

The re-appointment of Mr T.T. Jagannathan as Managing Director, and his terms of remuneration require the approval of the shareholders in the General Meeting and hence the Resolution is placed before the meeting.

Mr T.T. Narasimhan, Mrs. Padma Narasimhan, Mr. T.T. Jagannathan, Dr. (Smt.) Latha Jagannathan, Mr. T.T. Vasu and Mr. T.T. Raghunathan, Directors are deemed to be interested in this Resolution. The resolution is commended for adoption.

ITEM 8

In accordance with Section 163 of the Companies Act, 1956, the Register of Members, Index of Members and copies of Annual Reports are to be kept at the Registered Office of the Company.

Since the entire transactions relating to members are handled by the Registrar and Transfer Agents, M/s. Karvy Consultants Limited, it is proposed to keep the said registers at the Office of Registrar and Transfer Agents at 51/2, Opp. National College, Vanivilas Road, Basavangudi, Bangalore - 560 004 instead of at the Registered Office of the Company.

The Companies Act permits keeping such registers at a place other than the Registered Office of the Company within the same city provided the Shareholders approve the same by means of a Special Resolution. Hence, this Resolution is placed before the meeting for approval.

None of the Directors is interested in this Resolution.

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

By Order of the Board

Place : Bangalore
Dated : 30th June, 1998

K. SHANKARAN
Director & Secretary

Directors' Report

Your Directors have pleasure in presenting their Forty Second Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98	1996-97
	(Rupees in lakhs)	
Profit before tax for the year	593	1,239
Less:		
Provision for Taxation	85	400
Net Profit	508	839
Proposed Dividend	284	284
Provision for tax on Dividend	28	28
Provision for tax for earlier years	—	70
Transfer to Debenture Redemption Reserve	38	38
Transfer to General Reserve	158	419

PERFORMANCE

In a year of adverse factors both internal and external, your Company has done well to achieve a turnover of Rs. 111 crores as against Rs. 122 crores in the previous year.

The performance of your Company for the year ended 31st March, 1998 was seriously affected due to industrial unrest affecting the entire operations for most part of the first half. This delayed the implementation of various projects and introduction of new products. Further, during the year your Company also discontinued personal products trading line. In addition, the general Indian economy was going through recession and most of the durable industries faced lower consumer off-take.

Your Company overcame all these hurdles, expanded its export market to reach reasonable levels of sales and profits. Owing to the strike and extensive selling efforts to fight the recession in the economy, your Company had to absorb the entire manufacturing and marketing overheads including one time additional overheads on a lesser turnover. Consequently, the profits are also lower as compared to the previous year.

PROJECTION Vs. PERFORMANCE

As against the projected Income, PBT and PAT of Rs. 190 crores, Rs. 25 crores and Rs. 18 crores, the achievements were Rs. 116 crores, Rs. 5.9 crores and Rs. 5.1 crores respectively owing to the aforesaid factors.

INDUSTRIAL RELATIONS

Your Directors are happy to report that satisfactory settlement has been reached with the labour union with improved productivity norms. The settlement is valid up to 31.5.2001. Since the second half of 1997-98, operations are running smoothly with improved productivity.

EXPORTS

On the export front, your Company has done extremely well surpassing all previous records and achieved an export turnover of Rs. 16 crores during the year. The Company introduced new models in the US market which have been received well. The Company has also made an entry into the UK and Australian markets during the year.

CAPITAL EXPENDITURE PROGRAMME

The industrial unrest affected the implementation of the capital expenditure programmes. Most of these programmes are being completed during the current financial year.

TTK PRESTIGE LIMITED

PROSPECTS

The performance during the first quarter of the current financial year i.e., 1998-99 is encouraging. Your Company has achieved a record export performance during the first quarter i.e., in excess of Rs. 10 crores and is expected to repeat this in the following quarters barring unforeseen circumstances. Your Company is planning to upgrade and introduce new models during the current year to reactivate the domestic market and ensure greater share for your Company's products. Your Company has also chalked out various plans for improving the working capital management and ensure greater turnover of working capital.

ISO CERTIFICATION

Your Company reached a major milestone during the current financial year by securing ISO 9001 Certification from BVQI. The certification encompasses entire Company including all factories and marketing outlets. Your Company probably is the first cookware company in India to achieve this land mark.

FINANCE

Your Company repaid term loan to the extents of Rs. 32.84 lakhs and also redeemed Rs. 1 crore of the debentures with a premium of 5%.

FIXED DEPOSIT

Public Deposits aggregated to Rs. 40.99 lakhs as on 31st March, 1998. There are two Deposits amounting to Rs. 41,000/- which have matured but not claimed by the Depositors.

DIVIDEND

Your Directors recommend payment of dividend of Rs. 2.50 per share.

DIRECTORS

Mr. T.T. Raghunathan, Dr. (Mrs.) Latha Jagannathan and Mr. K. Shankaran, your Directors retire by rotation and are eligible for reappointment. Mr. T.T. Jagannathan has been re-appointed as Managing Director for a period of five years from 1.7.98 and his appointment and remuneration are placed before the annual general meeting for approval.

EMPLOYEES

Particulars of employees required in terms, of rules under Section 217 (2A) of the Companies Act, 1956 are set out in the Annexure which forms part of the Directors' Report.

AUDITORS

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

FOREIGN EXCHANGE EARNINGS

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

CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Place : Bangalore
Dated : 30th June, 1998

(T.T. JAGANNATHAN)
Chairman of the Meeting

Annexure to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 for the year ended 31st March, 1998.

A. CONSERVATION OF ENERGY AS PER FORM A:

Not applicable

B. PARTICULARS AS PER FORM B RESEARCH & DEVELOPMENT:

Constant efforts are under way to upgrade the quality of manufacturing process and products.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOW:

The introduction of new range of cookers / and other products in the export market is expected to boost the export sales phenomenally.

- i) Inflow
Export of Goods (CIF) – Rs. 1585.20 Lakhs
- ii) Outflow
Import of Goods & Others – Rs. 584.81 Lakhs

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

Place : Bangalore
Dated : 30th June, 1998

For and on behalf of the Board

(T.T. JAGANNATHAN)
Chairman of the Meeting

TTK PRESTIGE LIMITED

Annexure to the Directors' Report 1997-98**Particulars of Employees**

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1998.

Name	Designation	Qualification	Experience in Years	Remuneration Rs.	Age	Commencement of Employment	Particulars of last Employment
T.T. Jagannathan*	Managing Director	B.Tech. (IIT, Chennai) M.S. (Operational Research) Cornell University New York.	27	63,22,678	50	01/01/1975	G.M., TT. Maps & Publications Ltd.
S. Ravichandran*	Joint Managing Director	B.Tech., P.G.D.B.A.	25	16,99,665	46	05/02/1997	President, Maxworth Orchards (India) Ltd., Chennai.
K. Shankaran	Director and Secretary	B.Com., AICWA, FCS, MAC	24	12,34,465	44	09/10/1990	Secretary, Spencer & Co. Ltd., Chennai.
S. Vasudevan	Sr. V.P. (Operations)	B.E. (Mechanical), PGDOM.	32	7,97,567	56	02/07/1992	Chief Executive, UB Mec. Batteries Ltd. Bangalore.
Vikram S.Vepa**	V.P. - Marketing	B.A. (Eco.), M.A. (Pol. Sc.), M.B.A.	10	3,11,765	40	10/06/1996	Dy. Gen. Manager, Apollo Tyres Ltd. Chennai.
Girish Rao**	V.P.-Intl. Sales	B.E., M.M.S.	12	5,88,932	36	19/04/1997	GM - Sales & Mktg. Hutchinson Max Ltd.
K.R. Panduranga	V.P. -New Business Development	B.Sc., D.M.E., (A.M.I.E.)	19	5,51,400	41	01/08/1986	Institute of Hotel Management, Bangalore
V.V. Sridharan	Gen. Manager - Finance	B.Sc., A.C.A.	29	3,88,476	57	01/01/1980	TTK Pharma Ltd. Chennai.
N. Pandurangan	Gen. Manager-Hosur	B.E., A.M.I.E., MBA.	32	3,86,910	54	29/03/1996	Sr. Mgr. (Operations) Railway Products of India Ltd.
Md. Asif Adeni**	Gen. Manager-Intl.	B.Com., Dip. in Fgn. Trade (IIFT)	27	77,435	47	01/01/1998	DGM-Exports TTK Pharma Ltd Chennai.
M. Chandru Kalro	Gen. Manager-Sales	B.E. (Electronics)	12	4,71,525	34	22/03/1993	Asst. Mgr-Marketing BPL Ltd., Bangalore.
K.G. George	D.G.M. - Marketing	B.E., PGDBM	13	3,78,988	35	01/04/1992	Sales Executive TVS Suzuki

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 son of Shri T.T. Narasimhan and Mrs. Padma Narasimhan, Directors.

* Term of employment is contractual.

** Employed for part of the year.

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

Place : Bangalore
Dated : 30th June, 1998

For and on behalf of the Board

(T.T. JAGANNATHAN)
Chairman of the Meeting