

Annual Report 1998 - 99



Report



Junction



TTK Prestige
LIMITED

Prestige

••• *Nu Gen*



TTK Prestige proudly presents the Prestige Nu Gen - the world's most advanced pressure cooker - with its unique duo metal body and advanced safety features to be launched shortly in India.

The Product is also slated to be launched in International markets.

TTK PRESTIGE LIMITED**BOARD OF DIRECTORS**

Shri. T.T. Narasimhan	<i>Chairman</i>
Smt. Padma Narasimhan	<i>Vice Chairman</i>
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
Jayamahal 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, T.K.N. Complex
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 & 85, Sipcot Industrial
Complex, Hosur
Dharmapuri District
Tamil Nadu 635 126

iii) 38, Sipcot Industrial
Complex, Hosur
Dharmapuri District
Tamil Nadu 635 126

BRANCHES

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Third Annual General Meeting of the Company will be held at NDK Kalyana Mandapam, 13th Main, HAL II Stage, Bangalore on Wednesday the 15th September, 1999 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, 1999 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. Narasimhan who retires at this Meeting by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Mr. Ajay I. Thakore who is retiring at this Meeting by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 198, 309 & other applicable provisions of the Companies Act, 1956, sanction be and is hereby accorded for renewing the earlier resolution passed in 1992-93 enabling payment of commission to Directors who are not Managing or Wholetime Directors at the rate not exceeding 1% of the net profits of the Company for each financial year computed in accordance with Section 198(1) of the Companies Act, 1956, and that the said commission be divided between such directors by agreement between them or as determined by the Chairman."

"RESOLVED FURTHER that the said renewal be valid up to the financial year ended 31st March, 2002."

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

Place : Bangalore
Dated : 26th July, 1999

By Order of the Board

K. SHANKARAN
Director & Secretary

TTK PRESTIGE LIMITED

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 FRIDAY, THE 3rd SEPTEMBER, 1999 TO WEDNESDAY THE 15TH SEPTEMBER, 1999. (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 15th September, 1999.
4. Dividends remaining unclaimed up to the financial year ended 31-03-95 have been remitted to the General Revenue Account of the Central Government in accordance with the provisions of Section 205A of the Companies Act, 1956. Those Shareholders who have not so far claimed or collected the Dividend upto the aforesaid financial year may claim such Dividend from the Registrar of Companies, Kendriya Sadana, Koramangala, Bangalore-560 034.
5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting .
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 6

This Resolution is only an enabling resolution to pay commission to Directors who are not Managing or Whole-time Directors subject to a ceiling of 1% of the net profit in accordance with Section 198 and 309 of the Companies Act, 1956. Such resolution is renewed from time to time for a period of 5 years at a stretch. The resolution passed in 1992-93 is sought to be renewed upto 2001-2002.

The renewal of this enabling provision requires the approval of the Shareholders by way of a Special Resolution. Hence the Resolution is placed before the meeting for approval.

All the Directors, other than Managing/Wholetime Directors are interested in the Resolution.



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By Order of the Board

Place : Bangalore
Dated : 26th July, 1999

K. SHANKARAN
Director & Secretary

Directors' Report

Your Directors have pleasure in presenting their Forty Third Annual Report, for the year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99	1997-98
	(Rupees in lakhs)	
Profit before tax for the year	1,143	593
Less:		
Provision for Taxation	210	85
Net Profit	933	508
Proposed Dividend	340	284
Provision for tax on Dividend	37	28
Transfer to Debenture Redemption Reserve	38	38
Transfer to General Reserve	200	158
Surplus carried to Balance Sheet	318	-

PERFORMANCE

During the year under review, your company has done exceedingly well surpassing all records in achieving Rs. 145 crores as turnover compared to Rs. 111 crores in last year, thus registering around 30% increase. Consequently the Company's Profit before Tax also went up by 93% from Rs. 5.93 crores to Rs. 11.43 crores. Your company has also achieved record volume in production and sales during the year.

The launch of new models, Prestige Supreme and Prestige Armour Cookers were well received by the market.

As mentioned in the last Directors' report, your Company has taken effective steps to rationalise investments in working Capital. Your Company has achieved 30% growth without increasing the investments in net working capital.

PROJECTION Vs. PERFORMANCE

As against the projected Income, PBT and PAT of Rs. 225 crores, Rs. 30 crores and Rs. 21 crores, the achievements were Rs. 145 crores, Rs. 11.43 crores and Rs. 9.33 crores respectively.

EXPORTS

Your Company achieved an all time record of Rs. 25 crores turnover in the Export Front. This represents an increase of around 56% compared to last year.

FUTURE PLANS

Your Company is in the process of expanding its export market and would be increasing its customer base (Retail Chains) by 40% in the U.S. market. Your Company has entered the East European market for the first time and is expected to consolidate its position over the coming years.

During the current year, your Company has plans to introduce a new range of Pressure Cookers as well as Non-Stick Cookware.

While there is increase in input costs due to increase in Aluminium prices as compared to the previous year, owing to economies being achieved in manufacturing and other costs as well as exchange gains, your Company does not expect severe impact on operating margins. Rationalisation of product/price mix are being designed to ensure that the Company's long term operating margins are duly protected.

MANTTRA, INC.

Your Company's U.S. outfit Mantra, Inc., commenced operations during the year under report since July, 1998. Currently your Company holds 40% Equity in this company and is planning to acquire the balance 60% subject to RBI approval.

TTK PRESTIGE LIMITED**FINANCE**

Your Company has fully paid the Term Loan availed from a consortium of Bankers and also redeemed Rs. 1 crore of the Debentures with a premium of 5%.

DIRECTORS

Mr. T.T. Narasimhan, Mr. T.T. Vasu and Mr. Ajay I Thakore retire by rotation. Mr. T.T. Vasu has expressed his desire not to seek re-appointment. Therefore Mr. T.T. Narasimhan and Mr. Ajay I Thakore are being proposed for re-appointment.

The Board places on record its deep appreciation for the service rendered by Mr. T.T. Vasu during his association with the Board.

FIXED DEPOSITS

The Public Deposits aggregated to Rs. 88.40 lakhs as on 31st March, 1999. There are six deposits amounting to Rs. 36,000/- which have matured but not claimed by the depositors.

DIVIDEND

Your Directors are pleased to recommend payment of a higher Dividend of Rs. 3.00 per Share for the financial year 1998-99 as compared to Rs. 2.50 per share last year.

Y2K STATUS

Major portion of manufacturing and related software is Y2K Complaint. The remaining hardware and software are being tested and the Company is expected to be "Y2K Ready" by September 1999. The cost of getting "Y2K Ready" is estimated at Rs. 25 Lakhs.

LISTING

Your Company is listed in Bangalore being the Regional Stock Exchange as well as at Mumbai, Chennai and Ahmedabad Stock Exchanges. The listing fees has been paid for the financial year 1999-2000. Your Company's shares are also quoted in National Stock Exchange.

EMPLOYEES

Particulars of employees 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 the 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 co-operation given to your Company by the Bankers, Financial Institutions and the employees of the Company.

Registered Office:
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Bangalore 560 016.

For and on behalf of the Board

Place : Bangalore
Dated: 26th July, 1999

(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, 1999.

A. CONSERVATION OF ENERGY AS PER FORM A:

Not applicable

B. PARTICULARS AS PER FORM B RESEARCH & DEVELOPMENT:

Constant efforts are made to improve the quality of the products and upgrade the manufacturing process of all the products of the Company.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOW:

- i) Inflow
Export of Goods (CIF) - Rs. 2483.04 Lakhs
- ii) Outflow
Import of Goods & Others - Rs. 772.71 Lakhs

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For and on behalf of the Board

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Dated : 26th July, 1999

(T.T. JAGANNATHAN)
Chairman of the Meeting

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TTK PRESTIGE LIMITED

Annexure to the Directors' Report 1998-99**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, 1999.

Name	Designation	Qualification	Experi- ence in Years	Remune- ration Rs.	Age	Commence- ment of Employment	Particulars of last Employment
T.T. Jagannathan*	Managing Director	B.Tech. (IIT, Chennai) M.S. (Operational Research) Cornell University New York.	28	32,52,931	51	01/01/1975	G.M., TT. Maps & Publications Ltd.
S. Ravichandran*	Joint Managing Director	B.Tech., P.G.D.B.A.	26	18,48,925	47	05/02/1997	President, Maxworth Orchards (India) Ltd., Chennai.
K. Shankaran	Director and Secretary	B.Com., AICWA, FCS, MAC	25	12,85,993	45	09/10/1990	Secretary, Spencer & Co. Ltd., Chennai.
S. Vasudevan	Executive V.P. (Operations)	B.E. (Mechanical), PGDOM.	33	9,51,119	57	02/07/1992	Chief Executive, UB Mec. Batteries Ltd., Bangalore.
Girish Rao	Senior V.P. (Intl. Sales)	B.E., M.M.S.	13	11,16,766	37	19/04/1997	GM - Sales & Mktg. Hutchinson Max Ltd.
K.R. Panduranga	Senior V.P. (New Business Development)	B.Sc., D.M.E., (A.M.I.E.)	20	6,79,087	42	01/08/1986	Institute of Hotel Management, Bangalore

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 and brother of Mr. T.T. Raghunathan.

* Term of employment is contractual.

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Place : Bangalore
Dated : 26th July, 1999

For and on behalf of the Board

(T.T. JAGANNATHAN)
Chairman of the Meeting

Report of the Auditors

To the Shareholders of TTK Prestige Limited

We have audited the attached Balance Sheet of Messrs. TTK Prestige Limited, as at 31st March, 1999 and the Profit & Loss Account of the Company, for the year ended 31st March, 1999 annexed thereto.

We have to report as follows:

1.
 - (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
 - (ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company, in so far as appears from our examination of the Books;
 - (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts;
 - (iv) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in Sub-section 3(c) of Section 211 of Companies Act, 1956.
 - (v) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts read with the Notes thereon (particularly Item 1(iii) of Schedule 17 Notes on accounts on the method of depreciation and its impact on profits) give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view.
 - (a) In the case of the Balance Sheet, of the State of affairs of the Company, as at 31st March 1999 and
 - (b) In the case of the Profit and Loss Account, of the Profit of the Company, for the year ended on that date.
2. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956, a statement on the matters specified in the paragraphs 4 and 5 of the order is annexed hereto.

For Messrs. S. VISWANATHAN
Chartered Accountants

Place : Bangalore
Dated : 26th July, 1999

(C.N. SRINIVASAN)
Partner