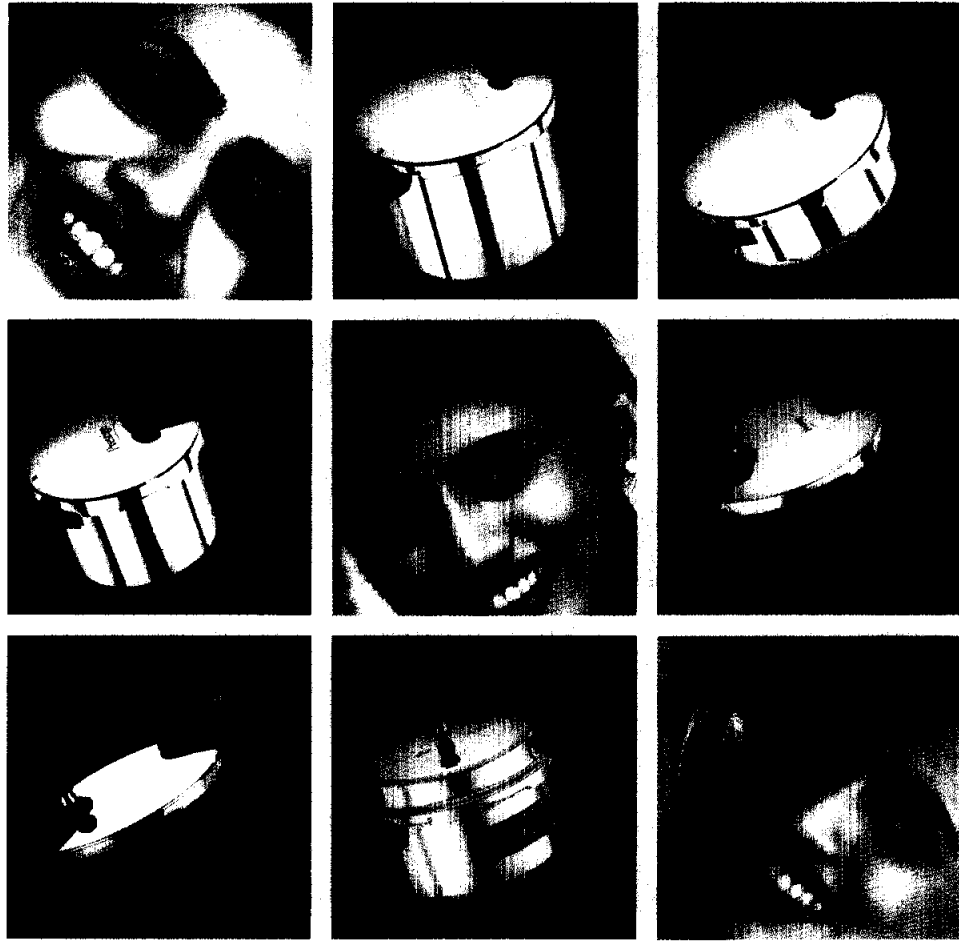




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**TTK Prestige**  
LIMITED

Annual Report 2000-2001



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**TTK PRESTIGE LIMITED****BOARD OF DIRECTORS**

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

**SECRETARY**

Shri. K. Shankaran

**AUDITORS**

Messrs. S. Viswanathan  
Chartered Accountants  
27/34, II Floor  
Nandi Durg Road  
Jayamahai 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**

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

**FACTORIES**

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

**BRANCHES**

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

## TTK PRESTIGE LIMITED

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Forty Fifth Annual General Meeting of TTK PRESTIGE LIMITED will be held at the NDK Kalyana Mandira, 13th Main, HAL II Stage, Bangalore on 20th September, 2001 at 10.30 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, 2001 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. T.T. Raghunathan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of (Dr.) Mrs. Latha Jagannathan who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. K. Shankaran who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint the Auditors of the Company for the ensuing year and to fix their remuneration.

**SPECIAL BUSINESS**

7. To consider and if thought fit, to pass with or without modification, the following Ordinary Resolution:  
 "RESOLVED THAT Mr. R. Srinivasan who was co-opted as additional director effective 9th October, 2000 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director under the provisions of Sec. 257 of the Companies Act, 1956."
8. To consider and if thought fit, to pass with or without modification, the following Ordinary Resolution:  
 "RESOLVED THAT Mr. R. Rajagopalachari who was co-opted as additional director effective 5th April, 2001 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director under the provisions of Sec. 257 of the Companies Act, 1956."

By Order of the Board  
For TTK Prestige Limited

Place : Bangalore  
Dated : 29th June, 2001.

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 7TH SEPTEMBER, 2001 TO 20TH SEPTEMBER, 2001 (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 20th September 2001.
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to intimate the Company, changes if any, in their registered address at an early date.

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

## ITEM 3

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

Mr. T.T. Raghunathan is a Commerce Graduate & has been a Partner of T.T. Krishnamachari & Co. for more than 13 years. He is the Managing Director of TTK Textiles Limited and Director of TTK Healthcare Limited, TTK Spinning Limited, TTK-LIG Limited & Sara Lee TTK Limited. Mr. Raghunathan has got vast experience in the fields of Consumer Products Marketing and Distribution.

## ITEM 4

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

Dr. (Mrs.) Latha Jagannathan is a Medical Practitioner and Managing Trustee of Bangalore Medical Service Trust. She has been on the Board of the Company for the last 13 years. She is also a Director of TTK-LIG Limited.

Dr. (Mrs.) Latha Jagannathan is the Chairman of Shareholders' / Investors' Grievance Committee of the Company.

## ITEM 5

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

Mr. K. Shankaran is the whole-time Company Secretary of the Company and is also a qualified Cost & Management Accountant and he has been with TTK Prestige Limited for more than 10 years. He is a Director of TTK Healthcare Limited, TTK Maersk Medical Limited, Prestige Housewares (I) Limited, TTK Spinning Limited and Mantra, Inc. Mr. K. Shankaran has more than 25 years work experience in Corporate Finance, Corporate Laws, Commercial & General Management.

Mr. K. Shankaran is the Chairman of Audit Committee of TTK Healthcare Limited and a member of Shareholders' / Investors' Grievance Committee of the Company..

## ITEM 7

The Board of Directors in order to broad base the Board in line with the Corporate Governance requirements under the provisions of Listing Agreement co-opted Mr. R. Srinivasan on the Board with effect from 9th October, 2000.

Mr. R. Srinivasan holds the qualification B.E. (Hons.). He is an independent professional having vast experience in managing engineering industries and is a professional Management Consultant. Mr. R. Srinivasan is the Chairman of TI Diamond Chain Ltd, and Director of Sundaram Fastners Limited, Murugappa Morgan Thermal Cèremics Limited, Yuken India Limited, NTTF Industries Limited, Krishna Fabrications Ltd, Taegutec India Limited and SAI India Ltd.

## TTK PRESTIGE LIMITED

Mr. R. Srinivasan is the Chairman of Audit Committee of TI Diamond Chain Ltd., a member of Audit Committee of Taegutec India Limited and a member of Shareholders / Investors' Grievance Committee of Yuken India Limited.

Pursuant to Sec. 260 of the Companies Act, 1956 Mr. R. Srinivasan vacates his office at the ensuing Annual General Meeting. The company has received a notice from a shareholder proposing him as a director under the provisions of Sec. 257 of the Companies Act, 1956 together with requisite deposit. As Mr. R. Srinivasan's association with the Board will be of immense benefit to the company, the Resolution is commended for adoption.

Except Mr. R. Srinivasan, none of the directors of the Company is interested in the proposed resolution.

## ITEM 8

Mr. R. Rajagopalachari was co-opted on 5th April, 2001, to broad base the Board.

Mr. R. Rajagopalachari is a qualified Engineer holding A.M.I.E. degree and has long been associated with domestic appliances industry. He was on the Board of the Company during 1985 to 1991.

Pursuant to Sec. 260 of the Companies Act, 1956, Mr. R. Rajagopalachari vacates his office at the ensuing Annual General Meeting. The Company has received a notice from a shareholder proposing him as a director under the provisions of Sec. 257 of the Companies Act, 1956 together with requisite deposit. The Board considers it desirable to continue to avail his services on the Board and hence the Resolution is commended for adoption.

Except Mr. R. Rajagopalachari, none of the directors of the Company is interested in the proposed resolution.

By Order of the Board

Place : Bangalore  
Dated : 29th June. 2001.

K. SHANKARAN  
Director & Secretary



## CORPORATE GOVERNANCE

As per provisions of Listing Agreement, the company is required to comply with the Corporate Governance Code during the course of the financial year 2001-2002. However, the company has complied with most of the requirements as per report furnished below:

### 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 organisational 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 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 Director
Promoter / Executive Director	Mr. T.T. Jagannathan
Promoter / Non-Executive Directors	Executive Chairman
	Mrs. Padma Narasimhan
	Mr. T.T. Raghunathan
	Dr. (Mrs.) Latha Jagannathan
Non-Promoter / Independent, 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
	Mr. R. Rajagopalachari
	Dr. (Mrs.) Vandana Walvekar

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

The company held 8 Board meetings during the period 1-4-2000 to 31-3-2001. The dates of the meetings are 6th June, 2000, 27th June, 2000, 27th July, 2000, 22nd September, 2000, 9th October, 2000, 31st October, 2000, 11th January, 2001 and 31st January, 2001. The attendance particulars are as follows:

Name of the Director	Attendance Particulars		No. of other directorships and committee member / chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Membership	Committee Chairmanship
Mr. T.T. Jagannathan	8	Yes	9*		
Mrs. Padma Narasimhan	2	No	3		
Mr. T.T. Raghunathan	6	No	5		
Dr. (Mrs) Latha Jagannathan	8	Yes	1		
Mr. Ajay I Thakore	3	No	2		
Mr. R. Srinivasan (appointed on 9-10-2000)	2	NA	8	2	1
Dr. (Mrs.) Vandana Walvekar	3	No	-		
Mr. S. Ravichandran	7	No	-		
Mr. K. Shankaran	8	Yes	5*		1
Mr. R. Rajagopalachari (appointed on 5-4-01)	NA	NA	-		

"Other directorship" does not include private companies.

\*includes directorship of one overseas subsidiary.

## TTK PRESTIGE LIMITED

**4. Audit committee**

Audit Committee consists of three independent directors namely, Mr. R. Rajagopalachari, Mr. Ajay Thakore and Mrs. Vandana Walvekar. Mr. K. Shankaran – Director & Whole time Secretary is assisting this committee. Mr. R. Rajagopalachari is the Chairman and in his absence Mr. Ajay Thakore will chair the meetings. The composition of the committee meets with the requirements of Sec. 292A of the Companies Act, 1956 as well as with the provisions of the Listing Agreement.

The terms of reference to the Audit Committee include review of Annual financial statements before submission to the Board, overseeing all financial reporting process, recommendation of appointment / removal of Auditors and their remuneration, review of adequacy of Management Audit, Internal Audit and Internal control systems, and looking into reasons for substantial defaults in repayment of deposits or non-payment of declared dividends.

The Audit Committee was constituted in April 2001 and met twice to review the financial statements for the year ended 31-3-2001.

**5. Remuneration Committee**

This is a non-mandatory requirement and constitution of a committee consisting of independent directors will be considered as and when re-appointment of current whole-time directors or appointment of new whole-time directors is taken up for consideration.

**6. Directors' Remuneration**

The details of remuneration paid to whole-time directors for the year 2000-2001 are as follows:

Name / Designation	Salary	HRA and other allowances	Contribution to PF and other funds	Total	Tenure of appointment
T.T. Jagannathan Chairman & Managing Director	12,00,000	6,00,000	4,40,000	22,40,000	5 years from 1st July 1998
S. Ravichandran Joint Managing Director	9,60,000	8,39,588	3,52,000	21,51,588	5 years from 5th Feb. 1997

Both the whole-time directors have drawn only minimum remuneration as calculated under the provisions of Schedule XIII to the Companies Act, 1956. Though the Executive Directors, subject to approval of Central Govt., are entitled to higher minimum remuneration in terms of their appointment, they have decided not to seek higher minimum remuneration over and above the minimum remuneration prescribed under the Act.

The company paid sitting fees of Rs. 2,000/- per meeting attended to each of the non-executive directors during the year 2000-2001.

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

The Board had earlier established a sub-committee consisting of Mr. T.T. Jagannathan, Mr. S. Ravichandran, Mrs. Latha Jagannathan and Mr. K. Shankaran. While the committee considered issue of duplicate share certificates and investor grievances, Mr. K. Shankaran was authorised to approve all share transfers and such approvals were being accorded in intervals not exceeding a fortnight.

The Board has retained the same committee which will henceforth be chaired by Mrs. Latha Jagannathan, a non-executive director. The committee's scope includes issue of duplicate certificates, overseeing a 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 222. Outstanding complaints as on 31st March, 2001 was 1 which was attended / replied on 5-4-2001. 37 requests for dematerialisation were pending for approval as on 31st March, 2001 which were approved and dealt with by 9th April, 2001.

**8. Management's Discussion and Analysis Report**

The Management's discussion and analysis report is given elsewhere in the Annual Report.



**9. General Body Meetings**

Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time
1997-98	NDK Kalyana Mandira, 13th Main HAL II Stage, Bangalore	25-9-1998	10.00 a.m
1998-99	NDK Kalyana Mandira, 13th Main Hal II Stage, Bangalore	15-9-1999	10.00 a.m.
1999-2000	NDK Kalyana Mandira, 13th Main Hal II Stage, Bangalore	22-9-2000	10.00 a.m.

**10. Disclosures**

- a. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company. The Director interested contract, if any, is entered in the Register of Contracts and placed before the Board of Directors.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None

**11. Means of Communication**

While the Annual Report is sent to household address of shareholders, quarterly results are published in Economic Times (All India Edition), Indian Express & Kannada Prabha and are also available in Company's website ttk-prestige.com.

Commencing from 2001-2002, half-yearly results will also be communicated to the household address of the shareholders. 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.

**12. General Shareholder Information****12.1 Annual General Meeting**

- Date and Time September 20, 2001 at 10.30 a.m.
- Venue NDK Kalyana Mandira, 13th Main, HAL II Stage, Bangalore.

**12.2 Financial Calender**

Annual General Meeting	September 20, 2001
I Quarter Results ending 30-6-2001	Last week of July, 2001
II Quarter Results ending 30-9-2001	Last week of October, 2001
III Quarter Results ending 31-12-2001	Last week of January, 2002
IV Quarter Results ending 31-3-2002	Last week of April / May, 2002

- 12.3 Book Closure date** 7th September 2001 to 20th September 2001 for payment of dividend.

- 12.4 Dividend payment date** 1st October, 2001

- 12.5 Listing of Equity Shares on the Stock Exchanges at** Bangalore, Mumbai, Chennai  
Ahmedabad, National Stock Exchange  
The Annual Listing Fees for the year 2001-2002 have been paid.

## TTK PRESTIGE LIMITED

**12.6 (a) Stock Code**

Trading Symbol Bombay Stock Exchange – TTK PRESTIGE-17506  
 Trading Symbol N.S.E – TTKPRESTIG EQ

(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares **ISIN No. INE690A01010**

**12.7 Stock Market Data (National Stock Exchange)**

Month	High	Low	Volume
April 2000	34.50	29.35	71700
May 2000	30.80	24.35	15600
June 2000	28.75	24.50	21600
July 2000	26.75	22.00	21800
August 2000	26.45	20.00	26591
September 2000	25.90	20.00	17485
October 2000	23.95	19.50	8405
November 2000	22.00	13.50	169705
December 2000	21.00	17.00	54149
January 2001	21.00	16.10	31001
February 2001	22.00	16.55	41375
March 2001	20.00	15.50	68625

**Stock Market Data (Mumbai Stock Exchange)**

Month	High	Low	Volume
April 2000	33.00	29.00	4600
May 2000	27.70	25.00	8000
June 2000	28.00	24.60	7100
July 2000	26.20	21.00	5500
August 2000	24.00	20.00	13702
September 2000	25.85	21.25	15210
October 2000	22.50	20.00	4080
November 2000	19.50	16.00	41837
December 2000	20.50	17.50	18104
January 2001	19.30	16.05	5500
February 2001	20.50	17.60	–
March 2001	19.00	14.50	–

**12.8. Registrars & Transfer Agents:**

(Share transfer and communication regarding share certificates, dividends and change of address)

Karvy Consultants Limited  
 51/2, T.K.N. Complex, Vanivilas Road  
 Opp. National College  
 Basavanagudi  
 Bangalore - 560 004.  
 Mr. S. Kannan – AGM  
 e-mail: Bangalore@karvy.com

**12.9. Share Transfer System**

Presently, the share transfers which are received in physical form are processed and the share certificate returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The company has as per SEBI guidelines with effect from 24th March, 2000, offered the facility of transfer cum demat. Under this system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred