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ANNUAL REPORT 2003-2004

**TTK Prestige**  
LIMITED

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# TTK PRESTIGE LIMITED

## ANNUAL REPORT 2003-2004

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### BOARD OF DIRECTORS

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

### STATUTORY AUDITORS

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

### COMPANY SECRETARY

K. Shankaran

### REGISTERED OFFICE

No. 78, Old Madras Road  
Dooravaninagar  
Bangalore - 560 016.

### CORPORATE OFFICE

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

### FACTORIES

No. 78, Old Madras Road Dooravaninagar,  
Bangalore - 560 016.  
82 & 85, Sipcot Industrial Complex, Hosur  
Tamil Nadu - 635 126

### BANKERS

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

### REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare (P) Limited  
51/2, T.K.N. Complex  
Vanivilas Road  
Basavangudi  
Bangalore - 560 004.

### BRANCHES

Ahmedabad, Bangalore, Chennai, Cuttack, Delhi, Ernakulam,  
Ghaziabad, Goa, Guwahati, Hyderabad, Indore, Jaipur,  
Jamshedpur, Kolkata, Ludhiana, Mumbai, Patna, Pune, Raipur,  
Trichy & Vijayawada

# TTK Prestige LIMITED

*Registered Office: No. 78, Old Madras Road, Dooravaninagar, Bangalore - 560 016.*

## Notice to Shareholders

**NOTICE** is hereby given that the Forty Eighth Annual General Meeting of **TTK PRESTIGE LIMITED** will be held at the registered office at 78, Old Madras Road, Dooravaninagar, Bangalore 560 016 on **Monday the 27th September, 2004 at 11.00 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, 2004 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. T T Raghunathan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. Rajagopalachari who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors of the Company for the ensuing year and to fix their remuneration.

By Order of the Board  
For TTK Prestige Limited  
K. SHANKARAN  
Director & Secretary

Place: Bangalore

Dated: 26th July, 2004

### 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, 21st

SEPTEMBER, 2004 TO 27th SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE)

3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. Members are requested to intimate the Company, changes if any, in their registered address at an early date.
5. 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>
31st March, 1997	21-9-2004
31st March, 1998	24-9-2005
31st March, 1999	14-9-2006
31st March, 2000	08-5-2007
31st March, 2001	20-9-2008

6. 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 reappointment is as under:

### ITEM No. 2 - Re-appointment of 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.

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

The Resolution is commended for adoption.

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

**ITEM No. 3 - Re-appointment of Mr. R. Srinivasan**

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

Mr. R. Srinivasan holds the qualification B.E. (Hons.) and is a Management Consultant. He has been on the Board of the Company for the last 3 years.

He is a Director on the Board of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Murugappa Morgan Thermal Ceramics Ltd., Cholamandalam Gen Insurance Co. Ltd., Yuken India Ltd, NTTF Industries Ltd, Krishna Fabrications Ltd, SAI India Ltd., Ace Designers Ltd and Nettur Technical Training Foundation.

He is a member of Remuneration Committee of the Company. He chairs Audit Committee of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Yuken India Ltd. and Ace Designers Ltd. He is a member of Audit Committee of Cholamandalam Gen. Insurance Co. Ltd.

The Resolution is commended for adoption.

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

**ITEM No. 4 - Re-appointment of Mr. R. Rajagopalachari**

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

Mr. R. Rajagopalachari is a qualified Engineer holding A.M.I.E. degree. He has been on the Board of the Company for the last 3 years.

He is the Chairman of the Audit Committee & a member of Remuneration Committee of the Company.

The Resolution is commended for adoption.

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

By the Order of the Board  
K.Shankaran  
Director & Secretary

Bangalore

Dated: 26th July, 2004

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## DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Forty-Eighth Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March 2004 as follows:

### FINANCIAL RESULTS

(Rupees in lakhs)

	2003-04	2002-03
Sales (inclusive of excise duty)	14611	11352
Other income	635	(21)
Profit/(Loss) before tax	55	(1742)
Net Tax Provision/(Tax credit)	34	(595)
Net Profit/(Loss)	21	(1147)
Surplus brought forward	0	348
Surplus Carried forward	21	-
Deficit adjusted against General Reserve	-	799

### REVIEW OF PERFORMANCE

Your company registered a marked turnaround during the year under report both in terms of sales and operating performance. The overall sales performance registered an impressive growth of over 30% both in volume and value. As outlined in our earlier reports, several measures were initiated and implemented for reducing various elements of costs. After recognising an income of Rs. 497 lakhs based on property development agreement, your company registered a pre-tax profit of Rs. 55 lakhs against a pre tax loss of Rs. 1742 lakhs in the previous year. Though the profit was achieved after recognizing such income, the operational swing from a negative of Rs. 17 Crores to a positive figure in just one operating year must be regarded as a vastly improved performance in the most adverse circumstances.

### MANAGEMENTS' DISCUSSION AND ANALYSIS

#### A. Industry Scenario

After three years of recessionary trend, 2003-04 saw a general turnaround in the domestic economic scenario. However, the global economic scenario continued to reflect the past recessionary trends. While southern parts of the country continued to have spells of drought, other parts of the country received a good monsoon resulting in better purchasing power with the public.

Your company's main stay is pressure cookers which market is equally shared by organized and unorganized sectors, the share of the latter being on the increase. Your company's other main product categories are non-stick cookware and Kitchen Electrical Appliances. These have similar market and competition structure like pressure cookers.

After three years of high Excise Duty regime of 16%, the pressure cooker industry saw some recovery during 2003-04 due to reduction of duty from 16% to 8%. But the industry has to go a long way to recoup the losses suffered during the three years of high excise duty impact as well as other recessionary factors.

#### B. Opportunities and Threats

Your Company's strengths are derived from its brand, manufacturing and developing expertise in Pressure Cookers and Non Stick Cookware, distribution and service capabilities.

The organised players like your company continue to experience adverse impacts now and then on account of mushrooming unorganized players and regional players. However the brand mortality of such players is also frequent. Your company banks on its brand reputation and streamlined manufacturing set up to be competitive in the market. Your company's strategy is to continue to deliver well-differentiated high quality products and introduce new features and new models from time to time. Continuous efforts are made to make the customer to realise the value for money your company's products deliver. To ensure that the trade is not weaned away by un-organised players and some regional brands, your company makes sustained efforts to keep the trade whole heartedly engaged in dealing with the products of your company to enjoy a better return by dealing with your company's products.

Your company brought in the Prestige Gallery (Prestige Smart Kitchen) concept to entrench the public with your company's brand image. The efforts made during the last year by establishing 18 Prestige Galleries mostly in the southern states has largely achieved this purpose. The galleries offer the entire range of your company's brands and products in a modern ambience and hence are able to draw significant customer footfalls. Your company will be pursuing the expansion of this chain aggressively.

The rural market presents a great opportunity. Your company is still in the pilot stage as the Southern States continue to be affected by drought. In fact during the year under report the situation worsened in the three key states of Karnataka, Andhra Pradesh and Tamil Nadu. Your company will continue to direct significant thrust in this market in the years to come.

While exports present a great opportunity, continued stressed economic scenario in international markets will have to ease before your company can achieve substantial penetration. Your company's ability to make new product offerings has opened several new avenues for exports in Europe and USA which can help your company to register improved performance in the coming years. Your company's efforts are directed to significantly improve the contribution from exports to sales and profits.

Your company's manufacturing and design facilities have received PED certification from TUV Rhineland which means that the pressure cookers manufactured by these facilities will automatically qualify for CE marking, which is important for the export market. Your company is the first company in India in the household appliances sector to receive this certification.

#### C. Performance by Sector and Products

Your company operates in a single segment-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)

	2003-04			2002-03		
	Domestic	Export	Total	Domestic	Export	Total
Pressure Cookers	7880	1590	9470	5525	1791	7316
Non-stick Cookware	1916	18	1934	1374	20	1394
Kitchen Electric Appliances	1025	—	1025	893	-	893
Gas Stoves	762	—	762	507	-	507
Others	1337	83	1420	1111	131	1242
Total	12920	1691	14611	9410	1942	11352

Your company registered a substantial volume as well as value growth in 2003-04 over the preceding year 2002-03 in the domestic market. This dramatic turnaround in domestic market was achieved owing most importantly to the introduction of several new products and models both in Pressure Cooker, Non stick cookware as well as Domestic Kitchen Electrical Appliances and equally importantly to the reduction in excise duty from 16% to 8%. These were supported by sustained efforts to keep the trade engaged with your company's products and brand and building of the strong brand image through sustained advertising and by establishing 18 Prestige Galleries in rapid succession in the four southern states.

The new Deluxe range of pressure cookers in Aluminum, Hard anodized, Stainless Steel and Duo metal form, Handi range of Pressure Cookers and Omega Select range of non-stick cookware were all received well in the market place. With the newer models in place, Stoves and Kitchen Electrical Appliances saw impressive growth during the year.

The number of new variants and stock keeping units introduced by your company in all its product categories during the year 2003-04 was more than fifty.

Your company's revitalised trade and distribution policy also has given impressive results in the form of reduced receivable cycle, improved retail off take thus reducing the market stocks etc.

As regards exports, in spite of the continued recessionary trend in the international market your company managed to maintain its export performance at 91% of previous year's level in dollar terms. A strong rupee throughout the year 2003-04 saw a little more drop in terms of rupees. Further, pending market stock corrections in USA your company reduced its exports to the US subsidiary during the year 2003-04.

As a result of the various factors mentioned above, your company registered an impressive turnaround in increasing volume, value and market share.

#### D. Outlook

During the year 2003-04, your company recouped most of its market share lost in the previous years to unorganized players and regional brands. Your company will more aggressively pursue its revamped domestic product and market policy to get better growth. With aggressive efforts being put in getting new customers in export market both in USA and Europe your company expects to have an impressive performance in the exports front too. Subject to the statutory levies not being adversely changed, your company is expected to register an improved performance both in sales and profit during the year 2004-05.

#### E. Risks and Concerns

The various facts presented in the Industry Scenario and Opportunities and Threats section represents the risks and

concerns faced by your company. The broad strategy to overcome these risks and concerns has also been outlined in the section Opportunities and Threats.

#### F. Finances/Interest rate restructuring

During the year there was no change in the equity capital. Your company reduced its borrowings by Rs. 7.4 Crores including utilization of securitisation of receivables limit.

During the later half of the year your company switched over a large part of its debt from high cost to low cost, and achieved an interest saving of more than Rs. 20 lakhs per month from the first quarter of 2004-05. Your company's debt portfolio has a well-balanced mixture of foreign currency and rupee borrowings both long-term and short-term.

During the year, your company disposed off most of its unrelated investments in group companies and brought in cash resources to the tune of Rs. 2.4 Crores. Further a sum of Rs. 5 crores was brought in through property development agreement for one of the properties.

#### G. Investments

The company made no fresh investments during the year. Your company disposed off its sizable investments in group companies.

#### H. Internal Control Systems

Your company is continuously improving the internal control system in all the areas of operation.

#### I. Developments in Human Resources

The direct employment strength stood at 704 as compared to 731 in the previous year. Revamped training and development programmes are being put in place to achieve improved productivity in all departments. Industrial relations were cordial throughout the year.

In spite of adverse business conditions over the last few years, your company maintained its morale of human resource at the highest level which enabled the turnaround possible.

#### MANTTRA INC.

Your wholly owned US subsidiary Manttra Inc. turned out an impressive performance during the year 2003-04 by registering a sale of Rs. 17.88 crores thus achieving a growth 28.5% over last year's sale of Rs. 13.91 crores. The operations of the subsidiary have also been rendered viable and profitable. The investment in the subsidiary is long term in nature and considering the fact that the subsidiary has been put on an improved operating platform, your Board of Directors do not consider it necessary to make any provision for investments made in the subsidiary.

The Annual Report of the subsidiary and the statement as required under Section 212 of the Companies Act, 1956 are annexed to this Annual Report.

**DIRECTORS**

Mr. T.T. Raghunathan Mr. R. Srinivasan and Mr. R. Rajagopalachari 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. 315.60 lakhs as on 31st March 2004. There were three Deposits amounting to Rs. 3,36,000, which had matured but not claimed by the Depositors.

**DIVIDEND**

Though the company has turned around from a loss situation to a minor profit situation, your Directors consider it prudent not to declare any Dividend for the financial year 2003-04 to conserve financial resources.

**FUTURISTIC STATEMENTS**

This Directors Report and the Management Discussion and Analysis included there in 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 provisions of Sec.217 (2A) of the Companies Act regarding furnishing particulars of employees are not applicable for the year under report.

**AUDITORS**

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

**LISTING**

Pursuant to the permission given by the shareholders at the last General Meeting, your company made applications to the Bangalore, Chennai and Ahmedabad exchanges for voluntary de-listing. While Bangalore and Chennai exchanges have de-listed the shares, the application with the Ahmedabad exchange is still pending clearance. Your company's shares are continued to be listed in the Bombay Stock Exchange and National Stock Exchange and the listing fees for these two exchanges have been paid.

**FOREIGN EXCHANGE EARNINGS**

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

**CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS**

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

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

For and on behalf of the Board  
(T.T. JAGANNATHAN)  
CHAIRMAN

Place : Bangalore

Dated : 25th June, 2004

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, 2004.

- 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 product and upgrade the Manufacturing Process of all the products of the Company. During the year five Design Applications have been made.

- C. FOREIGN EXCHANGE EARNINGS & OUTFLOW

- 1) Inflow  
Export of Goods (FOB) - Rs. 1591 Lakhs
- 2) Outflow  
Import of Goods & Others - Rs. 409 Lakhs

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

For and on behalf of the Board  
(T.T. JAGANNATHAN)  
CHAIRMAN

Place : Bangalore

Dated : 25th June, 2004

## 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 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 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 9 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/ 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 Meetings, Attendance and other directorships.

The company held 7 Board meetings during the period 1-4-2003 to 31.3.2004. The dates of the meetings are 25th April, 2003, 26th June, 2003, 25th July, 2003, 9th August 2003, 24th September, 2003, 28th October, 2003, 27th January, 2004. 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 Memberships	Committee Chairmanships
Mr. T.T. Jagannathan	7	Yes	6*		
Mr. T.T. Raghunathan	4	No	4		
Dr. (Mrs.) Latha Jagannathan	6	Yes	1		
Mr. Ajay I Thakore	3	No	2		
Mr. R. Srinivasan	6	Yes	10	1	5
Dr. (Mrs) Vandana Walvekar	4	No	1		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	2	1
Mr. R. Rajagopalachari	6	Yes	-		

Other directorship does not include private companies.

\* includes directorship of one overseas subsidiary.



## 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 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 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 9 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/ 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 Meetings, Attendance and other directorships.

The company held 7 Board meetings during the period 1-4-2003 to 31.3.2004. The dates of the meetings are 25th April, 2003, 26th June, 2003, 25th July, 2003, 9th August 2003, 24th September, 2003, 28th October, 2003, 27th January, 2004. 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 Memberships	Committee Chairmanships
Mr. T.T. Jagannathan	7	Yes	6*		
Mr. T.T. Raghunathan	4	No	4		
Dr. (Mrs.) Latha Jagannathan	6	Yes	1		
Mr. Ajay I Thakore	3	No	2		
Mr. R. Srinivasan	6	Yes	10	1	5
Dr. (Mrs) Vandana Walvekar	4	No	1		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	2	1
Mr. R. Rajagopalachari	6	Yes	-		

Other directorship does not include private companies.

\* includes directorship of one overseas subsidiary.

#### 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 met 5 times to during the year. Mr. R. Rajagopalachari & Mrs. Vandana Walvekar attended all the meetings and Mr. Ajay Thakore attended 4 meetings.

#### 5. Remuneration Committee

Remuneration Committee consists of four independent directors namely, Mr. Ajay Thakore, Mr. R. Srinivasan, Mr. R. Rajagopalachari, and Mrs. Vandana Walvekar. Mr. Ajay I Thakore is the Chairman.

The scope of the Remuneration Committee *inter alia* includes the determination on behalf of the Board / shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

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 Remuneration Committee met during June 2004 to consider re-appointment of Mr. T.T. Jagannathan as Executive Chairman and all the members were present.

#### 6. Directors' Remuneration

The details of remuneration paid to whole-time directors for the year 2003-04 are as follows:

Name/Designation	Salary	HRA and other allowances	Contribution to PF and other funds	Total	Tenure of appointment
T.T. Jagannathan Executive Chairman	1200000	508880	434000	2142880	5 years from 1st July 2003.
S. Ravichandran Managing Director	960000	875923	347200	2183123	5 Years from 5th Feb 2002

The company paid sitting fees of Rs. 5,000/- per meeting of the Board/Committee, attended to each of the non-executive directors during the 2003-04.

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

##### 1. 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.

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

##### 2. Mr. R. Srinivasan

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

Mr. R. Srinivasan holds the qualification B.E. (Hons.) and is a Management Consultant. He has been on the Board of the Company for the last 3 years.

He is a Director on the Board of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Murugappa Morgan Thermal Ceramics Ltd., Cholamandalam Gen Insurance Co. Ltd., Yuken India Ltd., NTT Industries Ltd., Krishna Fabrications Ltd., SAI India Ltd., Ace Designers Ltd..

He is a member of Remuneration Committee of the Company. He chairs Audit Committee of TI Diamond Chain Ltd., Sundaram Fasteners Ltd., Yuken India Ltd., Ace Designers Ltd. He is a member of Audit Committee of Cholamandalam Gen. Insurance Co. Ltd.

##### 3. Mr. R. Rajagopalachari

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

Mr. R. Rajagopalachari is a qualified Engineer holding A.M.I.E. degree. He has been on the Board of the Company for the last 3 years.

He is the Chairman of the Audit Committee & a member of Remuneration Committee of the Company.