

SCALING NEW HEIGHTS



ANNUAL REPORT 2004-2005

TTK Prestige
LIMITED

TTK Prestige Limited

Annual Report 2005-2006

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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. (Smt.) Latha Jagannathan | Director |
| Dr. (Smt.) Vandana R. Walvekar | Director |
| Shri R. Rajagopalachari | Director |
| Shri K. Shankaran | Director |

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 Financial Services Branch, HJS Complex, 1st Floor
No. 26, Richmond Road, Bangalore - 560 025.
2. Canara Bank, Corporate Service Branch
Shankaranarayana Building, M.G. Road, Bangalore 560 001

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: 78, Old Madras Road, Dooravani Nagar, Bangalore - 560 016

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Ninth Annual General Meeting of TTK PRESTIGE LIMITED will be held at the registered office at 78, Old Madras Road, Dooravaninagar, Bangalore 560 016 on **Tuesday the 23 August, 2005 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, 2005 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. Ajay I Thakore who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. (Mrs). Vandana R Walvekar who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. K. Shankaran 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.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sec. 198, 309, 311 & Schedule XIII and other applicable provisions of the Companies Act, 1956 the remuneration of Mr. S. Ravichandran – Managing Director of the Company as revised by the Board of Directors with effect from 1st October 2004 and as specified in the explanatory statement to this resolution be and is hereby approved".

"RESOLVED FURTHER THAT during any year of loss or inadequacy of profits, Salary, Allowances & performance bonus commission fixed by the Directors together with other perquisites shall be paid as minimum remuneration and that the Board of Directors be and are hereby authorised to make an application to the Central Government as may be necessary if such minimum remuneration exceeds the ceiling, if any, prescribed under Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to revise the remuneration and benefits of Mr. S. Ravichandran from time to time within the ceiling prescribed under Schedule XIII to the Companies Act, 1956, as may be in force from time to time".

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

"RESOLVED THAT during any year of loss or inadequacy of profits the salary, allowances and performance bonus commission together with other perquisites fixed by the Board of Directors and endorsed by the Remuneration Committee be paid to Mr. S. Ravichandran – Managing Director as Minimum Remuneration for the period up to 4.2.2007 with effect from 1st October 2004 in accordance with the provisions of and subject to the ceiling prescribed for the time being under Schedule XIII to and other applicable Sections of the Companies Act, 1956 or any statutory modification(s) thereof from time to time and that the Board of Directors be and are hereby further authorized to apply to the Central Government in connection with the payment of Managerial Remuneration, if and when necessary".

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

Place: Mumbai

Dated: 20th June, 2005

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, 16th AUGUST, 2005 TO 23RD AUGUST, 2005 (BOTH DAYS INCLUSIVE)
3. Dividend on 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 as on 23rd August 2005.
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.

6. 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, 1998 | 24-9-2005 |
| 31st March, 1999 | 14-9-2006 |
| 31st March, 2000 | 08-5-2007 |
| 31st March, 2001 | 20-9-2008 |

- 7i. 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. Ajay I Thakore

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

Mr. Ajay Thakore is a qualified Chartered Accountant and a practising Advocate & tax consultant. He has been on the Board of the company since 25-11-1974.

He is the Chairman of Chandramouli Holding & Leasing (P) Ltd., and Director of Madhav Marbles & Granites Ltd.,

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

ITEM No. 3 – Re-appointment of (Dr.) Mrs. Vandana R Walvekar

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

(Dr.) Mrs. Vandana Walvekar is a Gynaecologist. She has been on the Board of the Company since 26-03-1975.

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

The Resolution is commended for adoption.

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

ITEM No. 4 – Re-appointment of Mr. K. Shankaran

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

Mr. K. Shankaran is a qualified Cost & Management Accountant and Company Secretary and he has been the whole time Secretary of the Company since 1990. He was inducted into your Board from 1993.

Mr. K. Shankaran is also on the Board of TTK Healthcare Limited, Prestige Housewares (India) Limited, TTK Healthcare Services (P) Ltd, TTK Services (P) Limited, Prestige Health Administrator (P) Ltd and Mantra Inc. USA.

He is a member of Shareholders'/Investor Grievance Committee of the Company and Chairman of Audit Committee and a member Shareholders'/Investor Grievance Committee & Remuneration Committee of TTK Healthcare Limited.

The Resolution is commended for adoption.

None of the Directors except Mr. K. Shankaran is deemed to be interested in this Resolution.

ITEM No. 6 – Revision in remuneration of Mr. S. Ravichandran

Mr. S. Ravichandran was appointed as Managing Director for a period of 5 years from 5th February 2002. He is being paid the remuneration as per the terms approved by the shareholders at the meeting held on 24th September 2003. The terms carried a basic salary of Rs.80,000 per month together with allowances and perquisites. The Remuneration Committee of the Board recommended revision in the pay of Mr. S. Ravichandran effective from 1st October 2004. The Board of Directors considered the recommendation of the Remuneration Committee and revised the remuneration payable to Mr. S. Ravichandran as follows with effect from 1st October 2004

| | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Salary | Rs. 1,25,000 per month in the pay scale of Rs.60,000 – Rs.2,00,000 |
| 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 dependants. |
| 4) Leave Travel Assistance | For self and family, to and fro Airfare to any place in India 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 the company. |
| C. Other 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 |
| D. 1. Car | Free use of Company maintained car with driver |
| 2. Telephone | Telephone at residence |
| E. Performance Bonus Commission | A commission of 1% on the net profits of the company as declared in the Audited Annual Report of the Company |

All other terms and conditions remain the same.

The above revision is in line with the industry practices and commensurate with the qualifications, experience and performance of the appointee.

Except Mr. S. Ravichandran, none of the directors is interested in this resolution. The resolution is commended for adoption.

ITEM No. 7 –Payment of Minimum remuneration to Mr. S. Ravichandran

The provisions of Schedule XIII to the Companies Act, 1956 prescribes certain guidelines for payment of Minimum Remuneration as fixed by the Board of Directors which are as follows:

- The minimum remuneration is approved by a resolution passed by the Remuneration Committee.
- The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.
- Prescribed particulars are furnished to the shareholders
- A Special resolution is passed by the Shareholders at a General Meeting approving the remuneration for three years.

The remuneration committee has approved the revision in remuneration to Mr. S. Ravichandran with effect from 1st October 2004 and necessary particulars as required under Schedule XIII to the Companies Act, 1956 are provided in the annexure to this Notice. The resolution will be in force till 4th February 2007.

The company has not defaulted in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

To ensure that the minimum remuneration as fixed by the Board of Directors and approved by the shareholders is paid to Mr. S. Ravichandran this special resolution is placed before the General Meeting of the Company.

Except Mr. S. Ravichandran none of the directors is interested in this resolution. The resolution is commended for adoption.

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

Mumbai
Dated: 20th June, 2005

STATEMENT SHOWING THE DETAILS AS REQUIRED UNDER SCHEDULE XIII TO THE COMPANIES ACT, 1956

(In connection with Item No.7 of the Notice/Explanatory Statement)

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|
| I. GENERAL INFORMATION | | | |
| 1. Nature of Industry | Manufacture and Marketing of Pressure Cookers, Non-stick Cookware, Gas Stoves & Domestic Kitchen Appliances. | | |
| 2. Date or expected date of commencement of commercial production | An existing Company. | | |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus. | N.A. | | |
| 4. Financial performance based on given indicators | N.A. | | |
| 5. Export performance and net foreign exchange earnings | Export Rs. lacs | Import Rs. lacs | Net Foreign Exchange Earnings Rs. lacs |
| 2004 - 2005 | 2466 | 982 | 1484 |
| 6. Foreign Investments or collaborators, if any. | None | | |
| II INFORMATION ABOUT THE APPOINTEE: | | | |
| 1. Background details | Mr. S. Ravichandran is an experienced and qualified professional having qualified in the field of Mechanical Engineering from the Indian Institute of Technology, Chennai and is a Management Graduate from the Indian Institute of Management, Ahmedabad. He has been on the Board of the Company for the last 8 years. | | |
| 2. Past remuneration | Refer Annexure I – Column I | | |
| 3. Recognition or awards | | | |
| 4. Job profile and his suitability | He is the Managing Director of the Company in charge of the day to day overall management of the company and shall discharge such functions as entrusted by the Board of Directors from time to time. He possesses the necessary qualification and experience to discharge the functions of a Managing Director. | | |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. Remuneration proposed | Refer Annexure I – Column 2 |
| 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration package is in line with the nature of the industry, size of the Company, profile of the person and the responsibilities entrusted |
| 7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any | None |
| III OTHER INFORMATION | |
| i) Reasons for loss or inadequate profits | Though the company incurred a net loss of Rs.11.47 Crores during the year 2002-03, has recovered in the year 2003-04 by making a profit of Rs.21.31 lakhs. Performance in 2004-05 has also improved with a Net Profit of Rs.3.85 Crores. Though the losses incurred in 2002-03 was adjusted against General Reserves of the company, provisions of Sec.348 and 349 of the Companies Act, 1956 require the adjustment of these losses against the profits made in the subsequent years for determining the profits to compute the remuneration to Managerial Personnel. Though the company has turned profitable, it will take a couple of years to wipe out the above deficit as contemplated under Sec.348 and 349 of the Companies Act, 1956. |
| ii) Steps taken or proposed to be taken for improvement | The company has already initiated implementation of the strategy since 2002 and the strategy is paying for. The strategy includes introduction of new products and improved products at frequent intervals, brand extension, setting up of exclusive showrooms, total cost management etc. The shareholders are also requested to refer to the Managements' Discussion & Analysis Report included in Directors' Report for further details. |
| iii) Expected increase in productivity and profits in measurable terms | The company has made a profit of Rs.3.85 Crores before tax during the year 2004-05. The company expects to improve upon this performance in the coming years. The company expects to grow at 15% to 20% per annum. |
| IV DISCLOSURES | The details of the remuneration package of Mr. S. Ravichandran are furnished in Annexure I. The other disclosures required are furnished under the Column "Disclosures" in our Report on Corporate Governance. |

REMUNERATION DETAILS OF MRS.S.RAVICHANDRAN, MANAGING DIRECTOR

| | Past | Proposed wef. 1-10-2004 |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Salary | Rs.80,000 per month | Rs.1,25,000/- per month in the pay scale of Rs.60,000 – Rs.2,00,000 |
| B. 1) Housing | House Rent Allowance of 60% of the salary over and above 10% payable by the appointee. | Same |
| 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. | Same |
| 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 dependants. | Same |
| 4) Leave Travel Assistance | For self and family, to and fro Airfare and other related expenses to any place in India once a year. | Same |
| 5) Club Fees | Fees for two clubs not including admission and life membership fee. | Same |
| 6) Persona Accident Insurance | Personal accident cover, as per the rules of the company. | Same |
| C. Other Benefits 1. Provident Fund contribution 2. Superannuation contribution 3. Leave and Leave encashment benefits 4. Gratuity | As per rules of the company. As per rules of the company. As per rules of the company As per rules of the company | Same |
| D. 1. Car 2. Telephone | Free use of Company maintained car with driver Telephone at residence | Same |
| E. Performance Bonus Commission | <p>As agreed to between the Board of Directors and the appointee subject to the ceiling on remuneration as per Schedule XIII to the Companies Act, 1956.</p> <p>The above remuneration exclusive of Performance Bonus 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, the company shall seek permission of Central Government as may be necessary in accordance with provisions governing payment of remuneration in force at the relevant point of time.</p> <p>The appointment is terminable by three month's notice or by a payment of three month's salary in lieu of notice by either party.</p> | <p>A commission of 1% on the net profits of the company as declared in the Audited Annual Report of the company.</p> <p>The above remuneration including Performance Bonus 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, the company shall seek permission of Central Government as may be necessary in accordance with provisions governing payment of remuneration in force at the relevant point of time.</p> <p>Same</p> |

Date :

Mail this form to:

Karvy Computershare (P) Limited

Unit: TTK Prestige Limited.

T.K.N. Complex, No. 51/2, Vanivilas Road

Basavanagudi, Bangalore – 560 004

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
 4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time
 5. 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)



DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Forty-Ninth Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March 2005 as follows:

FINANCIAL RESULTS

(Rupees in lakhs)

| | 2004-05 | 2003-04 |
|-----------------------------------|---------|---------|
| Sales (inclusive of excise duty) | 18937 | 14611 |
| Other income | 245 | 635 |
| Profit/(Loss) before tax | 385 | 55 |
| Net Tax Provision/(Tax credit) | 4 | 34 |
| Net Profit/(Loss) | 381 | 21 |
| Transfer to General Reserve | 39 | 0 |
| Proposed Dividend (including tax) | 256 | 0 |
| Surplus carried to balance sheet | 86 | 21 |

REVIEW OF PERFORMANCE

Your company maintained the growth rate of around 30% during the financial year 2004-05 also registering an all time high turnover of Rs.189 crores. This has been achieved against heavy odds like erratic southwest monsoon, tsunami disaster and the reluctance of the trade to buy the products during the last quarter owing to uncertainties over the impending VAT regime. Your Company scaled new peaks in each of its key product category and in most of its markets.

The turnaround in the operating performance witnessed in the last year has been vastly improved upon. Your Company made a pre-tax profit of Rs.3.85 crores (PY Rs. 0.55 crores) but after taking into account one time non-recurring expenses to the tune of Rs.5.76 crores and also after taking credit for Rs.2.42 crores on transfer of property/ investments. Thus the operating profitability of the Company has been vastly improved. After providing for Minimum Alternate Tax and taking credit for deferred tax asset the profit after tax amounted to Rs. 3.81 crores.

The free cash generated by your Company also improved significantly thus resulting in significant reduction in borrowings. This has prompted your Board to recommend payment of dividend after a gap of three years.

MANAGEMENTS' DISCUSSION AND ANALYSIS

A. INDUSTRY SCENARIO

The general trend of turnaround in the overall domestic Economy witnessed in 2003-04 continued in the year 2004-05 also. The pressure on oil prices and increase in the rate of inflation did have some impact on disposable income of the consuming public.

Your Company operates in the Kitchen Appliances segment with a wide range of product categories namely Pressure Cookers, Non-stick Cookware, Gas Stoves and Domestic Kitchen Electric Appliances. The key product category is Pressure Cookers which is shared amongst organised National Branded players, Regional Brands and unorganised players the later two accounting for nearly half of the market. The share of the Regional Brands and unorganised players has been growing in the last five years.

After three years of high Excise Duty regime of 16% till 2002-03, the Pressure Cooker industry has been recovering since 2003-04 and the industry got somewhat consolidated in 2004-05 due to reduction of Duty from 16% to 8% since 1.3.2003. 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.

The other product categories namely Cookware, Stoves and Domestic Kitchen Electrical Appliances too have similar market structure as Pressure Cookers but the share and role of regional Brands and unorganised players is more pronounced.

Pressure Cookers and nonstick cookware were unwarrantedly subject to high incidence of sales tax in various States till 31.3.05. Under the VAT regime the VAT rate has been pegged at 4% since 1.4.05 and this will go a long way in helping the manufacturers as well as the consumers. However this favourable impact is restricted to States, which have adopted VAT. The new levy of Fringe Benefit Tax will have an adverse impact on the net profits of the entire business community including your Company.