

## TTK PRESTIGE LIMITED

## FIFTY FOURTH ANNUAL REPORT 2009 - 10

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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. (Mrs.) Latha Jagannathan	Director
Dr. (Mrs.) Vandana R. Walvekar	Director
Shri. Dileep Kumar Krishnaswamy	Director
Shri. Arun K. Thiagarajan	Director
Shri. K. Shankaran	Director

## STATUTORY AUDITORS

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

COMPANY SECRETARY  
K. Shankaran

REGISTERED OFFICE & WORKS  
Plot No. 38, SIPCOT Industrial Complex  
Hosur - 635 126, Tamil Nadu.

CORPORATE OFFICE  
11th Floor, Brigade Towers  
135, Brigade Road  
Bengaluru - 560 025.

FACTORIES  
82 & 85, SIPCOT Industrial Complex  
Hosur - 635 126, Tamil Nadu.

Myleripalayam P.O.  
SF-234/1, Pollachi Road  
Coimbatore - 641 032, Tamil Nadu.

Plot No. 1A & 2  
Dev Bhoomi Industrial Estate  
Roorkee - 247 667  
Uttarakhand.

## BANKERS

1. Canara Bank, Prime Corporate Branch  
Shankaranarayana Building, M.G. Road  
Bengaluru - 560 001.
2. Bank of Baroda  
Corporate Financial Services Branch  
HJS Chambers, Ist Floor  
No. 26, Richmond Road  
Bengaluru - 560 025.

## REGISTRARS &amp; SHARE TRANSFER AGENTS

Karvy Computershare (P) Limited  
Plot No. 17-24, Vittal Rao Nagar, Madhapur  
Hyderabad - 500 081.

## BRANCHES

Ahmedabad, Ambala, Bengaluru, Chennai, Cuttack, Delhi,  
Dehradun, Ernakulam, Ghaziabad, Goa, Guwahati, Hyderabad,  
Indore, Jaipur, Jamshedpur, Kolkatta, Lucknow, Ludhiana,  
Mumbai, Patna, Pune, Raipur, Trichy & Vijayawada

# TTK PRESTIGE LIMITED

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty fourth Annual General Meeting of TTK PRESTIGE LIMITED will be held at Ashok Leyland Management Development Centre, No. 312, SIPCOT Industrial Complex, Hosur - 635 126 (Adj to SBI, Mookandapalli branch and behind ICICI Bank ATM) on **Tuesday the 29<sup>th</sup> June, 2010 at 11.30 a.m.** to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ajay I Thakore who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. (Mrs) Vandana R. Walvekar who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. T T Raghunathan 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.

By Order of the Board

Place : Bengaluru

Dated : 4<sup>th</sup> May, 2010

**K.SHANKARAN**

Director & Secretary

### NOTES :

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 Dividend on Equity 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 on 29<sup>th</sup> June, 2010.
3. Members are requested to intimate the Company, changes if any, in their registered address at an early date.

4. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updations of savings bank account details to their respective Depository Participants.
5. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM 22<sup>nd</sup> June, 2010 TO 29<sup>th</sup> June, 2010 (BOTH DAYS INCLUSIVE).
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. 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>
31 <sup>st</sup> March, 2005	22-8-2012
31 <sup>st</sup> March, 2006	28-8-2013
31 <sup>st</sup> March, 2007	09-8-2014
31 <sup>st</sup> March, 2008	24-7-2015
31 <sup>st</sup> March, 2009	11-8-2016

8. 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 re-appointment is as under:

#### 1. Mr. Ajay I Thakore

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

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

He is the Chairman of Chandramouli Holding & Leasing (P) Ltd and Director of Ardheesh Chemicals Pvt. Ltd.

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

He holds 672 shares in 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.

**2. Dr. (Mrs.) Vandana R. Walvekar**

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

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

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

She holds 672 shares in the Company.

The Resolution is commended for adoption.

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

**3. 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. He has vast industrial experience and has been actively

involved in the management of various companies of the TTK Group.

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

He holds 2000 shares in the Company.

The Resolution is commended for adoption.

Mr. T T Raghunathan is the brother of Mr. T T Jagannathan. Mr. T T Raghunathan, Mr. T T Jagannathan and Dr. (Mrs.) Latha Jagannathan are deemed to be interested in this Resolution.

For and on behalf of the Board

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010

**K. SHANKARAN**  
Director & Secretary

Registered Office:  
Plot No.38,  
SIPCOT Industrial Complex,  
HOSUR 635 126  
Tamil Nadu.

For the convenience of Members, the Company will provide a coach service from Bangalore on the day of the Meeting. The coaches will leave for Hosur at 10 a.m. from Madiwala Petrol Bunk (Near Fly over). Members who want to use this facility may kindly inform the Secretarial Department (Ph: 22218817) giving their Name and Folio Number/DP ID on or before 25th June 2010.

## DIRECTORS' REPORT

(Including Managements' Discussion and Analysis Report)

Your Directors have pleasure in presenting their Fifty Fourth Annual Report, together with the Audited Accounts of the Company, for the year ended 31<sup>st</sup> March 2010 as follows:

### FINANCIAL RESULTS

(Rupees in lakhs)

	2009-10	2008-09
Sales (inclusive of excise duty)	51680	41621
Other income	114	50
Profit before Extra-Ordinary item	7143	2900
Extra-Ordinary income	397	0
Profit/(Loss) before tax	7540	2900
Tax Provision	2296	662
Net Profit/(Loss)	5244	2238
Transfer to General Reserve	524	224
Proposed Dividend (including tax)	1320	662
Surplus carried to balance sheet	3400	1352

### REVIEW OF PERFORMANCE :

The performance highlights are as follows :

- Sales grew by over 24%.
- All time high absolute value growth - in excess of Rs.100 crores.
- Profit before extra ordinary items increased by 146%.
- Profit after tax increased by 160%.
- The operating EBIDTA margin was 14.74% as compared to 9.16% in the previous year. This sharp improvement was due to a combination of factors consisting of operational efficiencies, comparatively lower input prices and economies of scale.
- The Company has become debt free except for deposits of Rs.2.80 Crores. and carries free cash balance of more than Rs.30 Crores.
- Earnings per Share (before extra-ordinary items) rose to Rs.42.98 from Rs.19.77 - a growth of 117.4%.
- The ratio of Operating EBIDTA/Capital employed (including free cash balance) in the Kitchen Segment rose to 65.02% from 43.39%.
- Commercial production of Appliances started in Unit 2 at Uttarakhand during March 2010.

A detailed analysis is provided under the section 'Management's Discussion and Analysis' forming part of this Director's Report.

### AWARDS AND RECOGNITION

Having broad based the business to cover the entire kitchen, your Company's brand Prestige continues to enjoy

the recognition as 'Super Brand' in the kitchen appliances segment. Your Company received the 'Retailer of the year' award from Asia Retail Congress for the year in recognition of your Company's successful establishment and operation of Prestige Smart Kitchen Retail Network across India.

### SIGNIFICANT NEW LAUNCHES :

Your Company has been regularly introducing newer models and products in all its categories. However a few new launches are worth specific mention.

**Microwave Pressure Cookers:** This product is innovated, designed and developed entirely through in-house R&D efforts. This is made of special food-grade and heat resistant plastic and is meant for use in a micro-wave oven for pressure cooking. Besides the usual health and taste benefits of pressure cooking this product offers the added advantage of cooking to a set time, thus saving energy. Your Company is the first to produce a Microwave Pressure Cooker in India and is the world's first CE marked Microwave Pressure Cooker. Your Company has applied for worldwide patents for this product. Given the wide penetration of microwave oven in the international markets and the growing domestic market for microwave ovens this product is expected to have demand worldwide. A soft-launch has been made in March 2010.

**Apple Range of Inner-lid Pressure Cookers:** Your Company made a foray into inner-lid range of pressure cookers with its unique 'handi' shaped designs during 2005-06. Your Company is gradually building a sizable presence in the inner-lid markets in the North and East. In order to make further penetration in this large sized market your Company has come up with a unique apple shaped range of inner-lid pressure cookers in various colours and finishes. Applications have been made for registering the design for this product and its components. This product was launched during the last week of March 2010 in select markets and has received significant response.

**Fresh Range of Induction Cook Tops:** Your Company has introduced Induction Stoves which work on electricity but there are no hot surfaces or flame. After initial launch and studying the market your Company has now come with a fresh improved range of Induction Stoves and this product category will be aggressively marketed in FY 2010-11. These stoves transmit heat through induction coils and the cooking time is reduced significantly thus saving energy. It is a handy appliance in the light of shortage in cooking gas supplies and has appeal even in rural markets due to availability of subsidized electricity.

**Induction Compatible Pressure Cookers and Cookware:** Since the use of Induction Tops is becoming popular it has given rise to development of Pressure Cookers and Cookware with induction friendly base which can be used on conventional heat sources as well as induction tops. Your Company has specially designed products in this category which are manufactured using special purpose imported machinery.

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### A. ECONOMY /INDUSTRY SCENARIO

Financial year 2009-10 started with a lot of apprehensions as the global as well as Indian economy was suffering from the impact of immediate recessionary past. The situation improved during second half of 2009-10. The Indian economy grew by 7.1% as compared to 6.7% in the previous year. Some of the key domestic markets were affected due to deficit rainfall as well as local social and political disturbances. Exports from India were significantly affected due to continuing recessionary trends in Western countries. Against this backdrop your Company was able to achieve a growth of 26% in the domestic market, which more than compensated for the drop in export sales.

Your Company operates in the kitchen appliances segment with a wide range of product categories consisting of Pressure Cookers, Non-stick Cookware, Gas Stoves and Domestic Kitchen Electrical Appliances. Pressure Cooker is the key product category of your Company. The market for Pressure Cookers is shared amongst organized national branded players, regional players and unorganized players. Till the last couple of years, the share of the unorganized players was very large. The market is gradually shifting to branded players and the current market share of the organized brands is slightly more than 50% of the total market. In the other product categories also the market structure is similar but the share and role of regional brands and unorganized players are very significant.

### B. OPPORTUNITIES, THREATS AND COMPANY'S RESPONSE

Your Company's growth is steadily built on its core strengths of brand, manufacturing, design, distribution, sourcing and service capabilities.

The strategy to focus on the 'Total Kitchen Solution' has been creating new opportunities for your Company to expand its product base. This in turn is creating opportunities for expanding the market base. Your Company's focus on offering new improved products both in the traditional product category as well as new product category is opening up opportunities in North and East markets where your Company is yet to become dominant.

Products like Induction Cook Tops, Induction compatible range of pressure cookers and cookware, Apple range of Inner-lid pressure cookers, Microwave Pressure Cookers

etc are a few examples of products which are designed to enable your Company to penetrate into all geographies and income segments.

The Government scheme for rural employment guarantee is creating purchasing power in semi-urban and rural markets which in itself is providing opportunities for growth.

Taking advantage of all the above opportunities requires a focused attention on various distributional channels consisting of direct dealers, authorized redistributors, large format stores, institutions and exclusive retail network. Your Company is continuously increasing its distribution width and enjoys a good franchise with the entire distribution network.

Your Company's retail formats 'Prestige Smart Kitchen', 'Prestige Kitchen Boutique' and 'Prestige Life Style Store' are well supporting your Company's vision of dominating the kitchen.

The threat in the domestic market continues from the unorganized players and regional brands who compete with unviable low pricing strategies. Your Company has been adopting the strategy of continuously offering innovative, newer and improved products as well as marketing strategies to stay above competition whether organized or unorganized. With the result your Company is growing at a faster rate than the general industry average.

As regards export opportunities it appears that the export markets are gradually coming out of recession and some growth can be expected from exports in the future. Further the Company's launch of Microwave Pressure Cookers is likely to offer export opportunities. Your Company's export strategy will continue to be tactical balancing the needs of domestic market, comparative margins and optimum capacity utilization.

### C. ANALYSIS OF PERFORMANCE :

#### 1. 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)

	2009-10			2008-09		
	Dome- stic	Export	Total	Dome- stic	Export	Total
Pressure Cookers	22515	1551	24066	20061	1973	22034
Non-stick Cookware	8714	11	8725	6311	45	6356
Kitchen Electric Appliances	10372	-	10372	7096	-	7096
Gas Stoves	6106	-	6106	3999	-	3999
Others	2362	49	2411	2133	3	2136
<b>Total</b>	<b>50069</b>	<b>1611</b>	<b>51680</b>	<b>39600</b>	<b>2021</b>	<b>41621</b>



## TTK PRESTIGE LIMITED

- a. Domestic Sales registered a growth of 26.4% while exports declined by 20% due to economic crisis in Middle East and Sri Lanka.
- b. The traditional product categories, namely, Pressure cookers and Cookware registered a growth of over 12% and 37% respectively in domestic market.
- c. The growth in non-traditional product lines like gas stoves and kitchen electrical appliances has been very impressive at 46% and 53% respectively.
- d. The growth is driven predominantly by volume expansion and introduction of new models and products. With respect to certain product categories the growth can also be attributed to sales mix consisting more of value added items and improved market penetration.
- e. Operating EBIDTA/ Gross Sales ratio improved significantly from 9.16% to 14.74%. Material consumption as percentage of gross sales dropped by 2 percentage points and the other overheads by 3.6%. The composite margin of your Company is the average of the margins of the Pressure Cookers and Cookware category on the one hand and Stoves & Kitchen Electrical appliances category on the other. Thus various operating ratios are unique to your Company and are not strictly comparable to other players whose composition of business is not similar to your Company.
- f. Your Company continues to maintain strict control over working capital management and in fact further improved the inventory and receivables turnover ratios. This has enabled your Company to generate significant free cash flows as detailed elsewhere in this report.
- g. Many new products and models were introduced during the year to make the range contemporary and competitive. Towards the end of the financial year your Company launched a new range of Induction Cook Tops, a whole new range of Pressure Cookers and Cookware with induction compatible base, Microwave Pressure Cookers and Apple Range of 'inner lid' pressure cookers.
- h. The Prestige Smart Kitchen retail net work was consolidated and improvised as per plans. While new outlets were opened, some trimming was also done by discontinuing a few non-viable outlets. The number of outlets as at 31.3.2010 was 228. The network now covers 19 States and 136 towns.
- i. The number of outlets of Prestige Kitchen Boutique' and 'Prestige Life Style' continues at 9 and 2 respectively. The performance of these outlets are satisfactory and this network will be expanded step by step as the nature of these outlets is one of delivery of service rather than sale of appliances in packed form.

## 2. Properties & Investment :

As mentioned in the last report your Company granted possession to the Developer for the purpose of development towards the end of the financial year 2007-08. Pending receipt of the necessary sanctions large portions of old structures have been demolished leaving a part of the structure for administrative and business requirements.

The original plan was to develop a Mall which would give recurring income stream of rentals. Due to change in market conditions the developer has suggested a mixed development of residential and office space. The developer has informed us that they are in the advanced stage of getting sanctions for the revised plans and that the construction can commence during the first half of the financial year 2010-11. Based on the revised plans for development the company expects to have both lump sum as well as recurring rent as and when the project is complete. The developer has estimated that the project can be completed within a period of 30 months from the date of commencement of construction.

## D. OUTLOOK

Both global and Indian economies are on the path of recovery. However, persistent high level of inflation in the long run can impact the disposable income and hence the purchasing power. However, the overall market sentiment is positive and your Company expects to maintain its growth rates aided by the new range of products, barring unforeseen circumstances.

## E. RISKS AND CONCERNS

The overall inflationary trend in general and the food inflation in particular are causes of concern. The significant and steady increase of key metal prices is a matter of concern which may have some impact on margins of your Company if it is not in a position to pass on the increase in input costs to the customers. However, with improved efficiencies and economies of scale your Company is hopeful of maintaining a healthy margin and return on capital employed. Your Company will not compromise on the objective of improving market share and dominance for the sake of short-term profits.

## F. RISK MANAGEMENT

Your Company has a risk identification and management frame work appropriate to the size of your Company and the environment under which it operates.

The risks are identified in relation to the following areas:

- a. Business risks – arising out of general economy, government policy, industry to which the Company belongs, markets in which the company operates and life-cycle of company's products.

- b. Strategic Risks - arising out of policies relating to company's marketing, manufacturing, expansion of market/capacity, technology, new products and human resource and industrial relations.
- c. Safety of Properties including intellectual properties and People.
- d. Operational and Transactional Risks including foreign currency risks.
- e. Statutory Compliances and legal and contractual obligations.
- f. Financial Reporting.
- g. Frauds and Misappropriation.
- h. Information technology systems including disaster recovery.

Reasonable internal control, internal audit and safety audit systems are in place to mitigate or minimize risks in the areas 'c' to 'h'. The other two areas relating to Business and Strategy are assessed and addressed through periodical business review meetings.

Your Company is working towards putting in place an improved dynamic process for identification of key risks and evaluation of risks as low, medium and high in the critical areas so as to devise risk mitigation plans without losing much time.

#### G. FINANCES

Your Company has generated Post tax operational free cash flows of more than Rs.60 Crores during 2009-10, out of which Rs.18 crores have been applied to discharge borrowings from Banks. After spending significant amounts on capital expenditure your Company carries a free cash balance of Rs.30 crores besides normal operating cash float of Rs. 11 Crores. Your Company continues to maintain unutilized funded credit lines of Rs.30 crores. Thus your Company has adequate cash resources to aggressively look for further long-term investments in the kitchen appliances segment.

#### H. INVESTMENTS

There was no change in investments during the year.

#### I. INTERNAL CONTROL SYSTEMS

Your Company is continuously improving the internal control systems in all the areas of operation. Your Company uses both internal and external agencies for internal audit on a continuous basis. Based on audit feedback the systems are updated. Your Company is effectively using SAP processes and this has lead to further improvements in the internal control systems.

#### J. DEVELOPMENTS IN HUMAN RESOURCES

The direct employment strength stood at 913 as compared to 877 in the previous year. Your Company has a structured policy in training and development.

#### CAPITAL EXPENDITURE & EXPANSION PLANS

Your Company incurred a capital expenditure of around Rs.10 crores during the year under report including investments in the New Unit 2 of Uttarakhand. Your Company has plans for a normal capital expenditure of Rs.10 Crores during 2010-11 and is also looking for further investments in fresh capacities taking into account the possible increase in demand in the coming years.

#### DIRECTORS

Mr. Ajay I Thakore, Dr. (Mrs.) Vandana R. Walvekar and Mr. T T Raghunathan 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.279.92 lakhs as on 31st March 2010. There were no unclaimed deposits which remained unpaid as on that date.

#### DIVIDEND

Your directors recommend payment of a dividend of Rs.10/- per share for the financial year 2009-10.

#### FUTURISTIC STATEMENTS

This Directors Report and the Management Discussion and Analysis included therein 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 particulars as required under Sec.217 (2A) of the Companies Act, 1956 are given in the Annexure to this report.

#### AUDITORS

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

#### LISTING

Your Company's shares are listed in the Bombay Stock Exchange and National Stock Exchange and the listing fees for these two exchanges have been paid.

# TTK PRESTIGE LIMITED

## ANNULMENT OF FORFEITED EQUITY SHARES

During the year 2008-09 your Board of Directors after giving due notices forfeited 28600 shares for non-payment of call money. During the current financial year 2009-10, your Board of Directors have annulled forfeiture relating to 100 shares after receipt of allotment money with interest.

## FOREIGN EXCHANGE EARNINGS

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

## CONSERVATION OF ENERGY AND RESEARCH AND DEVELOPMENT

The measures related to conservation of energy, etc., are covered in the 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.

For and on behalf of the Board

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010

(T. T. JAGANNATHAN)  
Chairman

Registered Office:  
Plot No.38,  
SIPCOT Industrial Complex,  
HOSUR 635 126  
Tamil Nadu.

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 2010.

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 your Company has filed two patent and three design applications.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOW

- |                          |   |                   |
|--------------------------|---|-------------------|
| 1) Inflow                |   |                   |
| Export of Goods (FOB)    | - | Rs. 1610.16 lakhs |
| 2) Outflow               |   |                   |
| Import of Goods & Others | - | Rs. 4666.46 lakhs |

Registered Office:  
Plot No. 38,  
SIPCOT Industrial Complex,  
HOSUR 635 126  
Tamil Nadu

For and on behalf of the Board

(T. T. JAGANNATHAN)  
Chairman

Place : Bengaluru  
Dated : 4<sup>th</sup> May, 2010



## ANNEXURE TO THE DIRECTORS REPORT 2009-10

## 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 31<sup>st</sup> March, 2010.

Name	Designation	Qualification	Experience in years	Remuneration Rs.	Age	Commencement of Employment	Particulars of last employment
T T Jagannathan *	Chairman	B.Tech (IIT, Chennai) M.S. (Operations Research) Cornell University Newyork	39	39261630	61	01/01/1975	G.M., TT Maps & Publications Ltd.,
S. Ravichandran *	Managing Director	B.Tech., P.G.D.B.A	37	15815964	58	05/02/1997	President Maxworth Orchards (India) Limited, Chennai
K. Shankaran	Director & Secretary	B.Com., AICWA FCS, MAC	36	13477652	56	09/10/1990	Secretary Spencer & Co., Limited Chennai
M. Chandru Kalro	Executive Vice President Marketing	B.E.	24	9335334	46	29/03/1993	Asst. Manager(Marketing) BPL India Limited
V. Sundaresan	Vice President- Finance	B.Com,FCA	29	2711217	55	16/06/1997	Finance Manager, Pepsico Holdings India Pvt. Limited
K. G. George	Vice President- Retail	B.E,PGDBM	23	2852070	46	01/4/1992	Area Sales Executive, TVS Motors Limited
Dinesh Garg	Vice President- Appliances	B.E,PGDBM	22	2981783	45	10/07/1997	Regional Sales Manager, Bond Street Perfumes & Cosmetics Pvt. Limited

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 brother of Mr.T T Raghunathan, Director and husband of Dr. (Mrs.) Latha Jagannathan,Director.

\* Term of employment is contractual

For and on behalf of the Board

(T. T. JAGANNATHAN)  
Executive Chairman

Place : Bengaluru  
Date : 4<sup>th</sup> May, 2010

## 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 organizational 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 10 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/ 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 Dr. (Mrs.) Vandana R. Walvekar Mr. Dileep Kumar Krishnaswamy Mr. Arun K. Thiagarajan

Mr. T T Jagannathan is the brother of Mr. T T Raghunathan.

Dr. (Mrs.) Latha Jagannathan is the wife of Mr. T T Jagannathan.

### 3. Board Meetings, Attendance and other Directorships.

The company held 7 Board meetings during the period 1-4-2009 to 31.3.2010. The dates of the meetings are 18<sup>th</sup> May 2009, 30<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 12<sup>th</sup> August 2009, 12<sup>th</sup> October, 2009, 12<sup>th</sup> January, 2010 & 25<sup>th</sup> February 2010. The attendance particulars are as follows :

Name of the Director	Attendance Particulars		No. of other directorships and committee membership/chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. T T Jagannathan	7	Yes	6*		
Mr. T T Raghunathan	5	No	4		
Dr. (Mrs.) Latha Jagannathan	6	Yes	1		
Mr. Ajay I Thakore	4	No	2		
Mr. R. Srinivasan	6	Yes	11	6	3
Dr. (Mrs) Vandana R. Walvekar	5	No	-		
Mr. S. Ravichandran	7	Yes	2*		
Mr. K. Shankaran	7	Yes	3*	3	
Mr. Dileep Kumar Krishnaswamy	7	Yes	-		
Mr. Arun K Thiagarajan	7	Yes	10	8	1

Other directorship does not include private companies. \*includes directorship of one overseas body corporate.