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Prestige se kaise kare inkaar.*

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ANNUAL REPORT 2013-14



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TTK PRESTIGE LIMITED

FIFTY EIGHTH ANNUAL REPORT 2013 - 14

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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 K. Krishnaswamy	Director
Shri. Arun K. Thiagarajan	Director
Shri. K. Shankaran	Director & Whole-time Secretary

STATUTORY AUDITORS

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

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.

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

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

Vermardi Road, Juni Jithardi Village, Karjan Taluka,
Vodadara, Gujarat.

BANKERS

1. Canara Bank, Prime Corporate Branch
Shankaranarayana Building, M.G. Road
Bengaluru - 560 001.
2. Bank of Baroda
CFS Branch, Brigade Road
Bengaluru - 560 025.
3. HDFC Bank Ltd.
Richmond Road
Bengaluru - 560 025.

REGISTRARS & SHARE TRANSFER AGENTS

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

BRANCHES

Ahmedabad, Bengaluru, Chandigarh, Chennai, Cuttack, Delhi, Dehradun, Ernakulam, Ghaziabad, Goa, Gurgaon, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Jammu, Jamshedpur, Kolkatta, Lucknow, Ludhiana, Mumbai, Parwanoo (HP), Patna, Pune, Raipur, Trichy and Vijayawada.

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting their Fifty Eighth Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March 2014 as follows:

FINANCIAL RESULTS

(₹ in lakhs)

	2013-14	2012-13
Sales (inclusive of excise duty)	132338	138589
Other income	788	473
Exceptional Income	696	
EBIDTA (before net Exceptional Income)	16810	20845
EBIDTA (Including net Exceptional Income)	17506	20845
Profit/(Loss) before tax	15175	18520
Tax Provision	3996	5211
Net Profit/(Loss) after Tax	11179	13309
Transfer to General Reserve	1200	1500
Proposed Dividend (including tax)	2724	2322
Surplus carried to balance sheet	7255	9487

REVIEW OF PERFORMANCE :

Your Company is focussed on growth with a fair return on capital employed. Your Company does not follow a standalone margin-led strategy. Therefore the performance has to be understood in the light of the philosophy followed by your Company.

- After a decade of high growth and a CAGR in excess of 25%, your company for the first time witnessed a drop of 4.5% in topline largely due to sudden shifts in government policy, economic slowdown across the country, more trying economic climate in most of the southern markets and deteriorating consumer sentiment across categories in the backdrop of unprecedented inflation in articles of daily consumption. In sum and substance a host of external factors impacted the growth path of your company both in domestic market and export market.
- More specific to your Company was the high base effect in the previous year due to Induction Stove and its bundled products which declined by 38% solely due to shift in Government Policy on domestic cooking gas cylinder subsidies. In the rest of the category the growth in domestic sale was around 8% which can be considered significant in this economic climate. In fact your Company registered impressive growths in mixer-grinders, gas stoves, Inner-lid pressure cookers and in general in all value added products.
- Not deterred by general sentiment your company launched an all new brand campaign using India's leading celebrity couple as brand ambassadors and introduced several new and advanced models of various products. This has ensured that your Company's brand salience is kept more prominent and market share was either maintained or improved across product categories and markets.
- The impact on topline also impacted EBIDTA (before exceptional items) and Profit after tax which declined by 19.4% and 16% respectively.
- Your Company did get some boost to profits due to receipt of enhanced compensation and interest aggregating to ₹ 8.10

crores through a court order relating to portions of industrial land of your Company acquired by the Government about 10 years back. Your Company also incurred a sum of ₹ 1.14 crores on a VRS scheme in the Hosur factory. The net exceptional income was therefore ₹ 6.96 crores

- The operating EBIDTA margin was 12.70% as compared to 15% in the previous year, the drop largely being attributable to under-absorption of some overheads owing to drop in sales.
- Earnings per Share stood at ₹ 96.78 (Previous Year ₹ 117.35).
- The ratio of Operating EBIDTA/ Operating Capital employed (excluding CWIP) in the Kitchen Segment is 27.62%. This is on a substantially increased asset base due to capitalization of the Gujarat facilities which can be used to optimum potential only in the next few years.
- Your Board of Directors are of the view that the current year performance is commendable in the light of several external factors which are not under the control of the management and that the constant efforts to derisk your Company from being dependent on a few products and markets have made your Company withstand the onslaught of several adverse external factors in one single year.

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

AWARDS AND RECOGNITIONS

Your Company continued to be recognized by various agencies for its high quality performance in various parameters.

- Your Company's brand Prestige continues to be recognized as the Super Brand in the Kitchen Appliances Segment. The Company also won the "The Trusted Brand Award" during the year.
- Your Company was honoured with the Dun & Bradstreet - Manappuram Finance Limited Corporate Awards 2014 in the Consumer Durable/Domestic Appliances Sector. Your Company is listed among the top 500 Companies 2014.
- In the area of Retail your Company has bagged :
 - the award for the Best Franchiser in the "Home" category – for the 8th year in a row.
 - the Award for Best Retailer in Home & Office Category – for the 4th year in a row.
- The "Thought Leadership Award" for the best team was won by the Company and your Chairman Mr. T.T. Jagannathan has been honoured with the most coveted "Award for Excellence in improving Performance through Leadership."
- Some of your Company's key executives have also been recognized by reputed external Agencies:
 - Mr. Chandru Kalro won the "Marketing Thought Leader of the Year" Award and
 - Mr. K.G. George was adjudged as "one of the Top 50 Retail Professionals"

MANAGEMENT DISCUSSION AND ANALYSIS

A. ECONOMY /INDUSTRY SCENARIO

The macroeconomic environment continued to pose challenges in the Fiscal Year 2013-14 against the backdrop

of continued economic slowdown in the domestic economy, high inflation and weak global economic environment. The real GDP growth rate was estimated at less than 4.9% a further drop from the previous fiscal. During the year inflationary trends continued to inhibit consumption. In fact the Private Final Consumption Expenditure (PFCE) grew by a mere 2.2% in 2013-14. This is much lower than the PFCE growth of 8% witnessed till 2011-12.

Major States like Tamil Nadu and Kerala, suffered heavily due to poor monsoon and power deficit which affected every part of the economy in these States. Andhra Pradesh also went through a slow down due to local political factors and policy affecting mining industries. The Non-South regions, which had shown excellent growth during the last year, were also not buoyant during this year due to the base effect relating to the previous year compounded by the economic slowdown spreading to the non-south markets in the second half of 2013-14.

Your Company operates in the kitchen appliances segment with a wide range of product categories. The product categories consist of Pressure Cookers, Non-stick Cookware, Gas Stoves and Domestic Kitchen Electrical Appliances. The market for Pressure Cookers is shared amongst organized national branded players, regional players and unorganized players. Over the years, the share of the unorganized players has been gradually coming down as there has been a shift in the consumer preference to reliable branded players. The market for organized brands is estimated at about 60% of the total market. The share of unorganized players is greater for Non-stick cookware as compared to pressure cookers. For the rest of the product categories, the market structure is fragmented and the share and the role of regional brands and unorganized players continue to be significant.

The appliance category is witnessing entry of quite a few players who have brand strength in non-kitchen appliance business and this will possibly drive the demand towards organized players who can offer innovative products at frequent intervals and further invest in the brand.

B. OPPORTUNITIES, THREATS AND COMPANY'S RESPONSE

Your Company will continue to operate out of its core strengths of brand, innovation, design, manufacturing, distribution, sourcing and service capabilities; the core vision of 'A Prestige in every Indian Kitchen'; and the core mission of 'Quality products at affordable prices'.

The above stated strengths and vision have helped your Company to broad base its product category, consumer base and geographical coverage. Continuous interaction with the ultimate user of the product has been helping your Company in identifying the pain points and offering solutions in the form of innovative products, concepts and consumer offer of bundled products for a holistic use. This focus helps your Company to create opportunities even in the face of depressed consumer sentiment.

Your Company strongly believes that there is enough head room for growth both in the near-term and the long-term in its core kitchenware and kitchen appliance business. The

potential exists in existing product categories, new product categories as well as untapped markets. There is bound to be more additions to middle income demography once the current economic slowdown melts down. While there are more players entering this space, opportunistic entrants without long-term interest or strategy cannot last long but can queer the pitch in the short run.

Your Company believes in continuous brand building and launched a whole new campaign roping in India's leading celebrity couples Mr Abishek Bacchhan and Mrs Aishwarya Rai as brand ambassadors. This campaign has been well received throughout the length and breadth of the country. This campaign backed by launch of innovative products has been designed to evince and sustain the consumer interest in your Company's products and this objective has largely been achieved. This brand building strategy has a clear long-term outlook to deal with competition effectively. Instead of trying to cut brand promotion budget to shore up short-term profits, your Company took a long-term view and boldly invested in the all new campaign.

Your Company will be entering the water filter category during the FY 2014-15. A wholly new range of pressure cookers, cookware and appliances are also slated for launch during the current financial year. Notwithstanding the steep drop in Induction Cook top in 2013-14, it has become a staple product category in the company's portfolio and normal growth can be expected in this product category due to innovative offerings and promoting it as a complimentary to gas stove in the kitchen if not a substitute.

Your Company will continue to focus on various ways of reaching the consumer through every channel and especially by expanding the Prestige Smart Kitchen network. Your Company plans to expand the network to strength of 1000 in the next three years from the current strength of 536 stores.

Over the last 10 years your Company has built the strong exclusive retail network 'Prestige Smart Kitchen'. On similar lines your Company is in the process of establishing a dedicated Service Network under the name and style "Prestige Service Centre" with modern and customer friendly ambience. Already 177 centres have been opened and further additions will be made across the country. In our continuous journey in the direction of "Best in class" After sales service, we have also established a Call Centre, with a considerable investment. This will enable us to speed up our servicing process, gather information on product problems which will go a long way to improve our quality on a continuous basis.

Your Company sees reasonable opportunity in export markets based on its modern facilities established in Gujarat. Quite a few reputed overseas brands are in touch with us. There is further opportunity in the form of a totally new microwave pressure cookers getting ready for launch. The shareholders will be kept informed of further developments in this regard.

C. ANALYSIS OF PERFORMANCE :

1. Kitchen Appliances :

The products include Pressure Cookers, Non-stick Cookware, Kitchen Electrical Appliances and Gas Stoves.

TTK Prestige Limited

The turnover of these product categories is given in the following table:

(In ₹ Lakhs)

	2013-14			2012-13		
	Domestic	Export	Total	Domestic	Export	Total
Pressure Cookers (including microwave pressure cookers)	44240	5161	49401	44661	6403	51064
Non-stick Cookware	22487	169	22656	24430	55	24485
Kitchen Electric Appliances	39662	80	39742	45541	-	45541
Gas Stoves	16689		16689	12789		12789
Others	3776	74	3850	4710		4710
Total	126854	5484	132338	132131	6458	138589

- Domestic Sales was down by 4% while exports sales decreased by 15%.
- The major cause in drop in domestic sales can be attributed to the high base effect of the previous year on account of spurt in sales of bundled Induction Cooktop and related products during the period September 2012 to February 2013 on account of capping of subsidized domestic gas cylinders at 6. The spurt was more in non-south markets. South markets barring Karnataka and Goa have been going through severe economic slow-down since August 2012 due to power shortage, water scarcity, local disturbances, decline in agricultural production etc and it worsened further during FY 2013-14. Thus it may not be appropriate to compare the FY 2013-14 performances with FY 2012-13 which can be considered as an abnormal year. The economic slowdown and consumer apathy which was gripping large parts of southern markets also spread to non-south markets since November 2013.
- Pending launch of a new model of microwave pressure cookers, the export business also witnessed a drop.
- The Gas stove sales showed an impressive growth of 30.49%.
- The drop in kitchen electrical appliances was largely contributed by drop in Induction Cooktop owing to the shift in gas subsidy policy of the Government. The bundling of a part of pressure cooker and cookware with Induction Cooktop gave a boost to the sale of pressure cookers and cookware in the preceding two years. But due to the drop in Induction Cooktop category the bundled concept also affected the domestic pressure cooker and cookware volume during the year. However other products like Mixer Grinders established significant growth.
- The operating EBIDTA margin for the year was 12.7% as compared to 15% in the previous year. This is mainly due to the drop in sales resulting in under absorption of certain overheads like increased pay-roll expenses and power and fuel expenses relating to new manufacturing facilities being commissioned. Your company by and large passed on increases in input costs including those arising out of exchange fluctuation. Given the fact that the company did not compromise on its

brand promotion activities and engaged India's top celebrity couple for endorsing the brand, the EBIDTA margin is quite healthy.

- It may be noted that various operating ratios are unique to your Company and are not strictly comparable to other players whose composition of business may not be similar to your Company. Further based on category mix and seasonal brand/sales promotion activities, the margins may vary from quarter to quarter. As a policy your Company passes increase in input costs to the market save for the lag involved due to pipe line inventory and other related factors.
- The interest cost during the year was ₹ 8.54 crores (PY ₹ 14.26 crores). The Company was able to reduce the borrowing substantially owing to application of free cash flows and proceeds of fresh issue of capital on a preferential basis.
- Own manufactured and domestically sourced products contributed to 75% of the turnover as against 66% in the previous year. The imported products contributed to 25% of the turnover as against 34% in the previous year. This composition also influences the margin as well as working capital investments. The shifting of certain imported products to domestic manufacturing has helped the company to save rupee depreciation costs, transaction costs as well as working capital investments. This also helped the company to maintain a healthy EBIDTA margin.
- Your Company continues to maintain strict control over working capital. However there was an increase in inventories during the year mainly due to demand slowdown arising out of general economic circumstances. Your Company continues to raise significant operating free cash flows which enable your Company to fund the various capital expenditure programmes without resorting to high gearing. The Debt: Equity ratio is insignificant.
- During the year under report your Company introduced around 68 new SKUs covering Pressure Cookers, Induction Cook Tops, Mixer Grinders, Rice Cookers, Gas Stoves and other small electric appliances.
- Your company continues to consolidate and expand Prestige Smart Kitchen retail network. Your company extended its coverage to another 46 towns. The net addition to the number of stores was 103. The number of outlets as at 31.3.2014 was 536. The network now covers 22 States and 275 towns. The spread of the network is also evenly distributed between Metros, Mini-Metros, Tier 1, Tier 2 and Tier 3 cities. About 65% of the Stores are located in South and the balance in Non-South.

2. Properties & Investment :

The shareholders are aware that pursuant to shifting of factory operations to other places, the land at Dooravaninagar Bengaluru became surplus and it was decided to develop the same instead of selling it outright. The company has handed over the development to Rajmata Realtors (Salarpuria) for developing an office

cum residential complex. The Developers have informed us that the project is progressing satisfactorily and would be completed before the end of current financial year. Your Company's inflows from this activity will consist of one time sale proceeds of residential allocation to which your Company is entitled as well as rentals from lease of office space allocated to your Company. The cash inflows are expected to materialize during calendar year 2015.

D. OUTLOOK

The Indian economy is expected to grow at about 5.5% in 2014-15. This expectation is based on several investment clearances in the recent months. The Private Final Consumption Expenditure is also projected to increase by a little more than 6%. If this expectation materializes it can aid your Company get back to the growth path. It is also expected that post general elections the new Government will be able to stabilize the economic policy and remove all bottlenecks affecting growth. Your Company is banking on its new brand strategy and new product strategy including tapping some export opportunities to get back to the growth trajectory and any revival in the economy in general and consumer sentiment in particular will add strength to your Company's plans.

E. RISKS AND CONCERNS

The various general economic risks and concerns which can impact your Company have already been outlined in the preceding sections. The concerns largely center on external factors in general and the revival of the Tamil Nadu economy in particular. Your Company is continuously improving its efficiencies and is hopeful of dealing with the various challenges described in the preceding sections. Your company will not compromise on the objective of growth and improving market share 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.

Risks are being continuously identified in relation to business strategy, operations and transactions, statutory/legal compliance, financial reporting, information technology system and overall internal control frame work.

Your company has engaged the services of independent professional management auditors for advising the company on a continuous basis on contemporary risk management framework appropriate to the size and operations of the Company. They are also carrying out risk audit on a periodical basis.

G. FINANCES INCLUDING FRESH ISSUE OF CAPITAL

Your Company continues to generate substantial post-tax operating free cash flows and the same has been applied to meet capital expenditure besides other uses.

Your company had an inflow of ₹106.5 crores pursuant to preferential issue of shares to Cartica Capital Ltd, a FII. The proceeds of the issue have been applied for the general corporate purposes including retirement of debt.

The outstanding borrowing as on 31.3.2014 was around ₹ 12 crores, net of investments in Liquid Funds.

H. INVESTMENTS

There are no changes in the investments of the company apart from changes in liquid investments in mutual funds as part of normal treasury operations.

I. INTERNAL CONTROL SYSTEMS

Your Company is continuously making improvements in internal control systems commensurate with the increasing operations. Independent team of Internal Auditors/ Management Auditors are carrying out internal audits and advising the management on strengthening of internal control systems including risk management.

J. DEVELOPMENTS IN HUMAN RESOURCES

Having due regard to the long-range plan, your Company has embarked upon strategic HR initiatives. Your Company roped in the services of Aon Hewitt, a world renowned consulting firm in this connection. Improved organisation structure, leadership development and succession management policies have been put in place. Wherever necessary fresh recruitments at senior and middle management level are being made.

The direct employment strength stood at 1276 as compared to 1306 in the previous year.

Your Company continues to have cordial industrial relations in all its manufacturing units.

CAPITAL EXPENDITURE & EXPANSION PLANS

As already reported your company has completed most of its capital expenditure investments in Uttarakhand, Coimbatore and Hosur units. All these facilities are delivering good volume of commercial production.

The installation of plant in Gujarat has been completed and the commercial production has started from July 2013. Though the commissioning is delayed by about three months there is no cost overrun.

The overall capital expenditure plan (other than normal capital expenditure) for the three years commencing April 2010 which was estimated at around ₹ 325 crores has been fully spent out. With this, your Company has installed sufficient capacities for Pressure Cookers and Cookware to meet the long-term requirements and has also created facilities for assembly of appliances.

Going forward the normal annual capital expenditure is expected to be of the order of ₹ 25 Crores.

SCHEME OF ARRANGEMENT:

During November 2012 the Board of Directors of your Company approved a Scheme of Arrangement (Demerger) whereby the Kitchen Appliances Division of Triveni Bialetti Industries Private Limited (TBI), (a subsidiary of Bialetti Industries SpA, Italy) with all its assets, rights, liabilities, obligations, benefits under tax laws etc., will be vested in your Company the Appointed Date being 1st April, 2012. The Scheme has been approved by

TTK Prestige Limited

the Stock Exchanges and further approved by the Honourable High Court of Madras. However the sanction of the Honourable High Court of Mumbai, the jurisdictional court for TBI is still awaited. On sanction of the Scheme by the High Court of Mumbai necessary effect will be given in the books of account.

TBI, which has its manufacturing base in Maharashtra, is contract manufacturing certain products for your Company.

DIRECTORS

Mr. T.T. Raghunathan and Dr. (Mrs) Latha Jagannathan 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.

Mr. R. Srinivasan is an independent director and in terms of the earlier reappointment holds office till the ensuing Annual General Meeting. As he fulfills the qualifications required to hold the office of independent director, he is proposed to be appointed as independent director for a period of five years in accordance with the provisions of Companies Act, 2013. The requisite particulars are provided in the notice calling the Annual General Meeting.

FIXED DEPOSIT

The Fixed Deposits aggregated to ₹ 189.89 lakhs as on 31st March 2014. There were 2 unclaimed deposits totalling ₹ 14.22 lakhs, which remained unpaid as on that date.

DIVIDEND

Your directors recommend payment of a dividend of ₹ 20/- per share for the year as compared to ₹17.5 per share declared for the previous year.

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 reappointment as statutory auditors of the Company.

COST AUDITOR

In conformity with the directives of the Central Government, your Board of Directors has appointed Sri. V. Kalyanaraman, Cost Accountant, No. 4 Second Street, North Gopalapuram, Chennai 600 086, as the Cost Auditor under Section 233B of the Companies Act, 1956, for the audit of cost accounts for Aluminium, Stainless Steel Pressure Cookers, Non-stick Cookware for the year ended 31.3.2014. The cost audit report for the year ended 31.3.2014 will be filed in accordance with the provisions of the Companies Act.

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.

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

(T.T. JAGANNATHAN)
Chairman

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

Place : Bengaluru
Dated : 15th July, 2014

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 2014

- A. CONSERVATION OF ENERGY AS PER FORM A - Not Applicable.
- B. PARTICULARS AS PER FROM B – RESEARCH & DEVELOPMENT
1. 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 Four design applications.
 2. During the year your Company has received product patent for a New Microwave Pressure Cooker with New Locking System from South Korea and obtained Design Registration for Hybrid Gas Stove and a New Mixer Grinder.
 3. Your Company's R&D Centre at Hosur has received recognition from the Department of Science and Technology. The capital expenditure incurred on this center during the year was ₹ 44.26 lakhs. The revenue expenditure incurred was ₹ 178.38 lakhs. These expenses are eligible for certain income tax benefits.
- C. FOREIGN EXCHANGE EARNINGS & OUTFLOW
- | | | |
|-------------------------------------|---|------------------|
| 1) Inflow Export of Goods (FOB) | - | ₹ 5483.05 Lakhs |
| 2) Outflow Import of Goods & Others | - | ₹ 20063.68 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 : 15th July, 2014

TTK Prestige Limited

ANNEXURE TO THE DIRECTORS REPORT 2013-14

Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014

Name	Designation	Qualification	Experi- ence in years	Remune- ration ₹	Age	Commence- ment of Employment	Particulars of last employment
T.T. Jagannathan *	Chairman	B. Tech (IIT, Madras M.S. (Operations Research) Cornell University, Newyork	43	73509885	65	01/01/1975	G.M., T T Maps & Publications Ltd.,
S. Ravichandran *	Managing Director	B.Tech., P.G.D.B.A	41	21561538	62	05/02/1997	President Maxworth Orchards (India) Ltd., Chennai
K. Shankaran	Director & Secretary	B.Com., AICWA FCS, MAC	39	16376993	60	09/10/1990	Secretary Spencer & Co., Limited, Chennai
M.Chandru Kalro	Chief Operating Officer	B.E	28	11740262	50	29/03/1993	Asst Manager (Marketing) BPL India Limited
H.T.Rajan	Chief Manufacturing Officer	B.Tech., MBA	32	9356878	55	16/07/2010	Managing Director TTK -LIG Limited
Dinesh Garg	Senior Vice President - Appliances	BE (Agricultural Engg), PGDM (Marketing) - IIM Ahmedabad	26	6796428	49	10/07/1997	Regional Sales Manager- Band Street Perfumes & Cosmetics
V. Sundaresan	Senior Vice President - Finance & CFO	B.Com, FCA	33	6126995	59	16/06/1997	GM- Finance, Gain Well Medi Mart Ltd, Bengaluru
K.G. George	Senior Vice President- Retail	BE (Mech), PGDM -IIM, Bangalore	29	6092203	50	01/04/1992	Sales Executive- TVS Suzuki

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)
Chairman

Place : Bengaluru

Date : 15th July, 2014