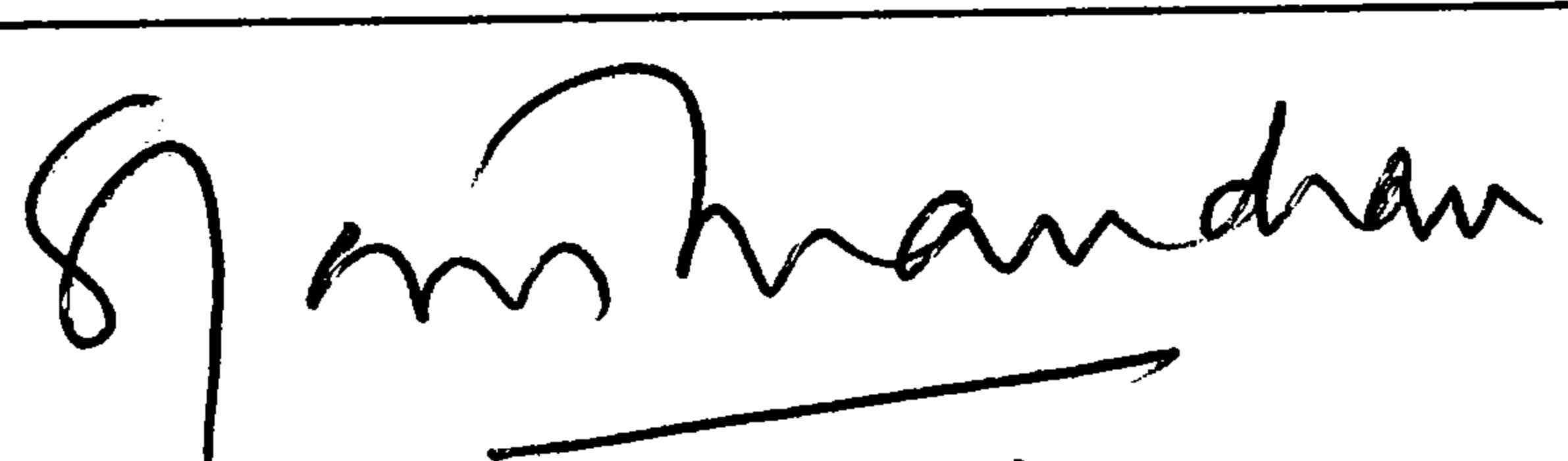


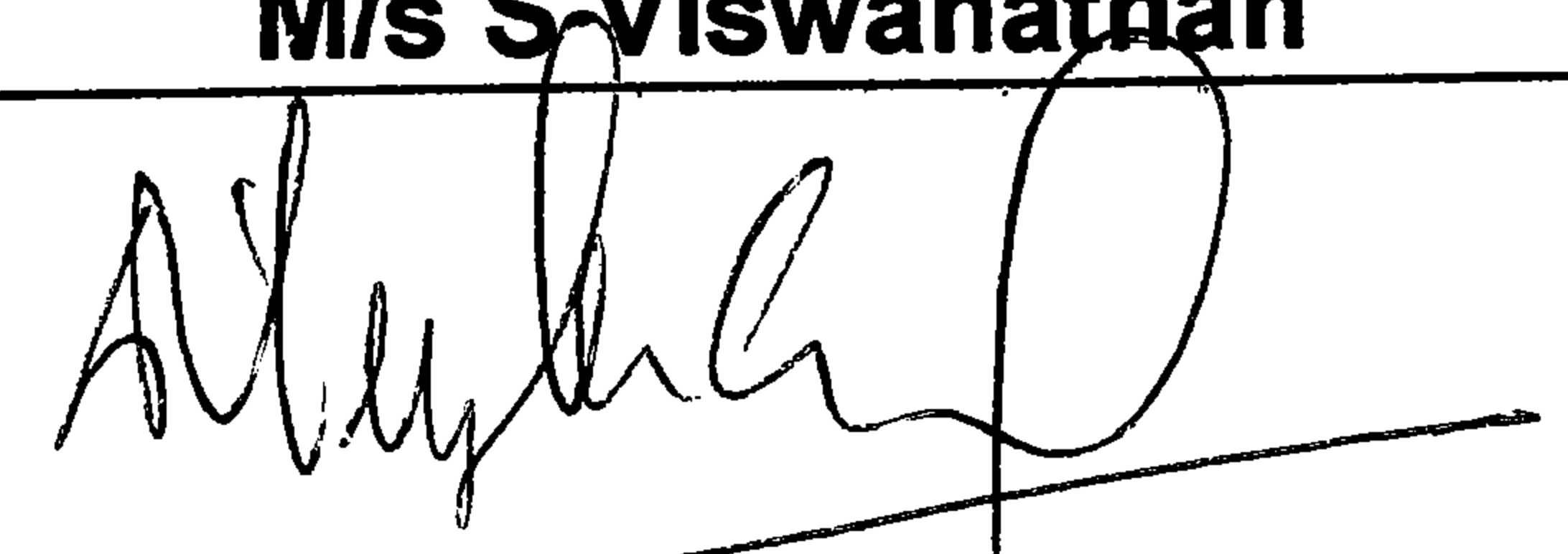


FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	TTK Prestige Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	(i) Unqualified (ii) Matter of Emphasis
4.	Frequency of Observation	Appeared first time. (Matter of Emphasis) [Please refer Page No.17 of the Annual Report 2013-14].
5.	Signed by-	
	CEO / Managing Director	 (S. RAVICHANDRAN) Managing Director
	CFO	 (V. SUNDARESAN) Chief Financial Officer
	Auditors of the Company	 (C N SRINIVASAN) Partner M/s S Viswanathan
	Audit Committee Chairman	 (DILEEP KRISHNASWAMY) Chairman Audit Committee



*Jo biwi se kare pyaar, woh
Prestige se kaise kare inkaar.*

Prestige®

ANNUAL REPORT 2013-14



*Jo biwi se kare pyaar, woh
Prestige se kaise kare inkaar.*

Prestige®

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 Bialelli Industries Private Limited (TBI), (a subsidiary of Bialelli 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

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 Walvekar Mr. Dileep K. 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 6 Board meetings during the period 1.4.2013 to 31.3.2014. The dates of the meetings are 16th May 2013, 31st May 2013, 15th July, 2013, 23rd September, 2013 12th October 2013 & 17th January, 2014. 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	5	Yes	3	-	-
Mr. T.T. Raghunathan	4	No	3	-	-
Dr. (Mrs.) Latha Jagannathan	5	Yes	1	-	-
Mr. Ajay I Thakore	6	No	-		
Mr. R. Srinivasan	5	Yes	8	5	2
Dr. (Mrs.) Vandana Walvekar	5	No	-	-	-
Mr. S. Ravichandran	6	Yes	-	-	-
Mr. K. Shankaran	6	Yes	1	3	-
Mr. Dileep K. Krishnaswamy	6	Yes	-		-
Mr. Arun K. Thiagarajan	5	Yes	5	6	-

Other directorship does not include private companies.

TTK Prestige Limited

4. Audit committee :

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 292A of the Companies Act, 1956 as regards composition of Audit Committee.

The Audit Committee consists of five Non-executive Independent Directors. The Committee has held six meetings during the financial year 2013-14 i.e., 16th May 2013, 24th May 2013, 15th July, 2013, 23rd September 2013, 12th October 2013 and 17th January, 2014. The Composition of the Audit Committee as on 31st March, 2014 and the attendance of members at the meetings of the Audit Committee held during the financial year 2013-14 are as follows:

Members of the Audit Committee	No. of meetings attended
Mr. Ajay I Thakore	4
Dr. (Mrs.) Vandana Walvekar	4
Mr. R. Srinivasan	6
Mr. Dileep K. Krishnaswamy (Chairman)	6
Mr. Arun K. Thiagarajan	6

The Audit Committee Meetings were also attended by the Statutory / Internal Auditors, wherever necessary.

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees, appointment of CFO reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee has discussed with the statutory auditors and external management auditors regarding their audit methodology, audit planning and significant observations / suggestions made by them. The Committee has also discussed major issues related to risk management and compliances.

In addition, the Committee has discharged such other role / function as envisaged under Clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 292A of the Companies Act, 1956.

5. Remuneration Committee:

The Remuneration Committee consists of three Non-executive Independent Directors namely, Mr. Ajay I Thakore as Chairman and Dr. (Mrs.) Vandana R. Walvekar & Mr. R. Srinivasan as Members of the Committee.

The role of the Remuneration Committee is to recommend to the Board, the remuneration package of the Executive Directors. Remuneration of Executive Directors is governed by the external competitive environment, track record, potential and performance of the executive and performance of the Company.

The Company has a credible and transparent Policy in determining and accounting for the remuneration of the Executive / Non-executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the Members.

The Board shall from time to time provide requisite guidelines / scope of work for the Remuneration Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

The committee met once during the year.

6. Directors' Remuneration

The details of remuneration paid to whole-time directors for the year 2013-14 are as follows:

Name/Designation	Salary	HRA and other allowances	Contribution to PF and other funds	Performance Bonus Commission	Total	Tenure of appointment
	₹	₹	₹	₹	₹	
T.T. Jagannathan Executive Chairman	5100000	3456328	988930	63964627	73509885	5 years from 1 st July 2013
S. Ravichandran Managing Director	2400000	2652061	518320	15991157	21561538	From 5 th Feb, 2012 to 31 st March, 2015

The Managerial remuneration paid to the Wholetime Directors is within the ceiling prescribed under Schedule XIII to the Companies Act, 1956.

The Company currently does not have Stock Option Schemes.

The company paid sitting fees of ₹ 20,000/- per meeting of the Board/Committee, attended to each of the non-executive directors during the year 2013-14 and also provided for commission pursuant to the special resolution already passed by the shareholders, the details of which are as follows:

Director	Sitting fees	Commission	Total
T.T. Raghunathan	60000	1200000	1260000
Dr. (Mrs) Latha Jagannathan	120000	1200000	1320000
Ajay Thakore	180000	1200000	1380000
Dr. (Mrs) VandanaWalvekar	200000	1200000	1400000
Mr. R. Srinivasan	240000	1200000	1440000
Dr. Dileep Krishnaswamy	240000	1200000	1440000
Mr. Arun Thiagarajan	220000	1200000	1420000

The above sitting fees and commission paid is within the ceiling prescribed under the provisions of the Companies Act, 1956.

7. Shareholders'/Investors' Grievance Committee

This committee consists of Mr. T.T. Jagannathan, Mr. S Ravichandran, Dr. (Mrs) Latha Jagannathan and Mr. K Shankaran. This committee is chaired by Dr. (Mrs) Latha Jagannathan, a non-executive director. The committee's scope includes issue of duplicate share certificates, overseeing of process of redressal of investor grievances and the performance of the Registrars and Share Transfer Agents. The power to approve share transfers is delegated to Mr K Shankaran, Director and a few other executives of the company. Share transfers are approved on a weekly basis.

The Board has designated Mr. K. Shankaran, Director and Company Secretary, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, was 159. No requests for dematerialization were pending for approval as on 31st March, 2014.

The committee met once during the year.

8. Particulars of Directors appointed/re-appointed.

1. Mr. T.T. Raghunathan

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 Protective Devices Limited, TTK Tantex Limited, TTK Services (P) Limited, CignaTTK Health Insurance Company Limited and TTK Property Services (P) Ltd.

He holds 2000 shares in the Company.

2. Dr. (Mrs.) Latha Jagannathan

Dr. (Mrs.) Latha Jagannathan is a Medical Practitioner. She has been on the Board of the Company since 1988.

She is a Director on the Board of TTK Protective Devices Limited.

She chairs the Shareholders'/Investor Grievance Committee of the Company.

She does not hold any shares in the Company.

3. Mr. R. Srinivasan

Mr. R. Srinivasan is B.E. (Hons.) and is an independent professional having vast industrial experience and is also a Management Consultant. He has been on the Board of the Company since 2000.

He is a Director of ACE Designers Ltd., Kirloskar Oil Engines Ltd, Murugappa Morgan Thermal Ceramics Ltd, Nettu Technical Training Foundation, TTK Healthcare Limited, Sundram Fasteners Ltd, Yuken India Ltd, Sterling Abrasives Limited, TaeguTec India Pvt. Ltd, Edutech NTTF India Ltd, NTTF Industries Private Ltd, Bangalore International Exhibition Services Pvt. Ltd. And IMTMA Machine Tool Park.

He is the Member of Audit Committee and Remuneration Committee of the Company.

He is the Chairman of Audit Committee of Sundram Fasteners Ltd, ACE Designers Ltd., Member of Audit Committee of Yuken India Ltd, Kirloskar Oil Engines Limited, member of Remuneration Committee of Yuken India Ltd.

Mr. R. Srinivasan is an independent director and is being proposed for appointment as an independent director for a period of 5 years.

He does not hold any shares in the Company.

TTK Prestige Limited

9. General Body Meetings

Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time	No. of spl. resolutions passed
2011	Ashok Leyland Management Development Centre, No.312, SIPCOT Industrial Complex, Hosur – 635 126	15.07.2011	12 Noon	-
2012	Rennaaissancce Sarovar Portico, No.422, SIPCOT Phase II, Bengaluru Road, Hosur – 635 109	02.07.2012	10.15 a.m.	-
2013	Rennaaissancce Sarovar Portico, No. 422, SIPCOT Phase II, Bengaluru Road, Hosur – 635 109	15.07.2013	10.15 a.m.	1

10. Disclosures:

(a) Related Party Disclosure :

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

(b) Compliances by the Company

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years. Hence, the question of penalties or strictures being imposed by SEBI, the Stock Exchanges or any statutory authorities does not arise.

(c) Whistle Blower Policy

The Company does not have a formal whistle blower policy. However, access to Audit Committee is made available to every employee.

(d) Code of conduct for prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a Code of Conduct for prevention of Insider Trading with effect from 29th January, 2008, modified from time to time. This Code of Conduct is applicable to all Directors and such designated employees of the company who are expected to have access to unpublished price sensitive information relating to the company.

(e) The details of compliance with Mandatory / Non Mandatory requirements :

The Company has complied with all the mandatory requirements of the Corporate Governance Code including Board Composition, Audit Committee, Share Holders Grievance Committee, and Disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

With respect to Non-mandatory requirements, the Company has a Remuneration Committee in place and has no qualifications in the Auditors Report.

11. Means of Communication

While the Annual Report is sent to household address of shareholders, quarterly results are published in leading newspapers and are also published on Company's website www.ttkprestige.com.

All other communications of the company related to the developments of the company are communicated to Stock Exchanges, Press and also published on the website of the company. Presentations, if any, made at Analysis Meets are displayed on the Company's website.

Management Discussion and Analysis Report is separately provided in this Annual Report as part of Directors' Report.

12. General Shareholder Information :

a. - Date, Time and Venue of Annual General Meeting

- Date and Time 21st August, 2014, 11.00 a.m.
- Venue Plot No. 38, SIPCOT Industrial Complex, Hosur – 635126

b. Financial Calendar

- Annual General Meeting 21.08.2014
- Quarterly Results - 30.6.2014 Second week of July, 2014
- Quarterly Results - 30.9.2014 Last week of October, 2014
- Quarterly Results - 31.12.2014 Last week of January, 2015
- Quarterly Audited/Annual Results - 31.3.2015 Last week of May, 2015

c. Book Closure date

13.08.2014 to 21.08.2014 for AGM (Both days inclusive)

d. Dividend payment date

The dividend will be paid on 28th August, 2014

e. Listing of Equity Shares on the Stock Exchanges at

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

f. Stock Code

Trading Symbol & Code
Mumbai Stock Exchange
National Stock Exchange

- TTK PRESTIGE - 517506
- TTKPRESTIG - EQ

g. Demat ISIN Numbers in NSDL & CDSL

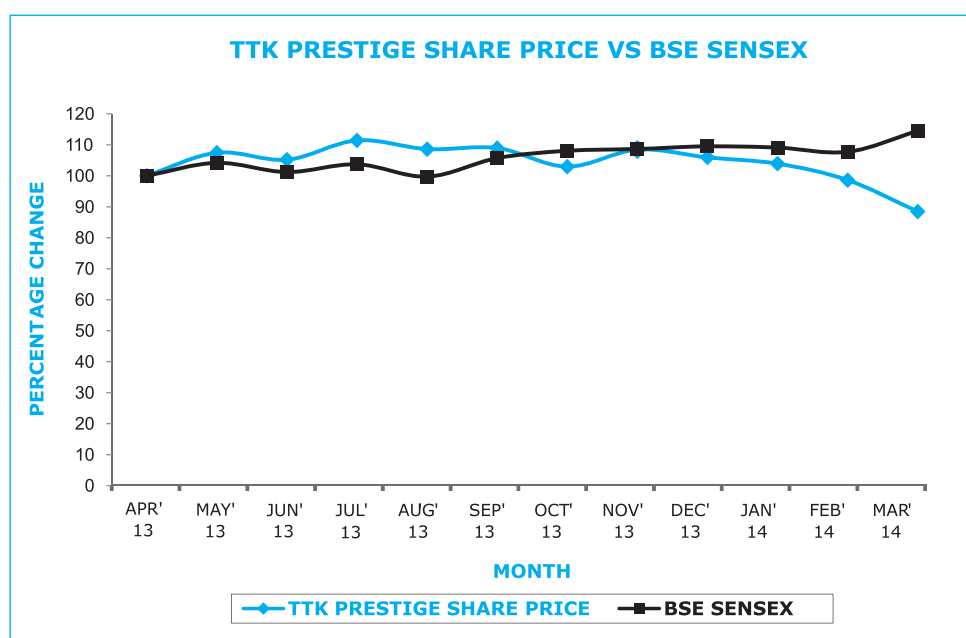
- **INE690A01010**

h. Stock Market Data

Month	NATIONAL STOCK EXCHANGE			MUMBAI STOCK EXCHANGE		
	High	Low	Volume	High	Low	Volume
Apr 2013	3506.95	2870.10	767968	3499.00	2870.00	152074
May 2013	3759.95	3285.00	696419	3759.35	3281.20	168461
Jun 2013	3685.70	2970.25	603247	3680.00	2980.00	435121
Jul 2013	3899.00	3175.00	1016005	3899.00	3190.00	277045
Aug 2013	3900.00	3222.05	312841	3800.00	3250.00	57398
Sept 2013	3825.00	3287.15	256525	3811.80	3245.00	33839
Oct 2013	3600.50	3172.95	436829	3602.00	3175.75	64879
Nov 2013	3718.00	3211.10	447428	3795.00	3232.00	85045
Dec 2013	3708.00	3341.00	357438	3706.90	3325.00	50041
Jan 2014	3616.15	3215.00	303724	3636.00	3215.75	80894
Feb 2014	3329.35	2872.00	155446	3449.80	2873.00	18791
Mar 2014	3100.00	2693.00	584845	3095.00	2700.00	254312

i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price	% Change to Base	BSE Sensex	% Change to Base
	High		High	
Apr 2013	3499.00	-	19622.68	-
May 2013	3759.35	7.4%	20443.62	4.2%
Jun 2013	3680.00	5.2%	19860.19	1.2%
Jul 2013	3899.00	11.4%	20351.06	3.7%
Aug 2013	3800.00	8.6%	19569.20	-0.3%
Sept 2013	3811.80	8.9%	20739.69	5.7%
Oct 2013	3602.00	2.9%	21205.44	8.1%
Nov 2013	3795.00	8.5%	21321.53	8.7%
Dec 2013	3706.90	5.9%	21483.74	9.5%
Jan 2014	3636.00	3.9%	21409.66	9.1%
Feb 2014	3449.80	-1.4%	21140.51	7.7%
Mar 2014	3095.00	-11.5%	22467.21	14.5%



TTK Prestige Limited

j. Registrars & Transfer Agents:

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

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

k. Share Transfer system

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form.

Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.

l. Shareholding Pattern as on 31st March, 2014:

CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A.	Promoter's holding* Promoters & their relatives	8192416	70.38
B	Non-Promoters Holding		
1.	INSTITUTIONAL INVESTORS		
	Mutual Funds	241330	2.07
	Financial Institutions/Banks	1544	0.01
	FIIIs	2428759	20.87
2.	OTHERS		
	a. Private Corporate Bodies	54969	0.47
	b. Indian Public	667730	5.74
	c. NRIs**	31930	0.27
	d. Any Other (please specify) Clearing Members Directors/Relatives/Associates (Independent and not in control of the company)	14968 7544	0.13 0.06
GRAND TOTAL		11641190#	100.00%

* Promoters include T.T. Krishnamachari & Co. represented by its partners and constituents of TTK Group. The constituents of TTK Group include TTK Healthcare Limited and relatives of the partners of T.T. Krishnamachari & Co.

** The Company has not issued any GDRs/ADRs, Warrants & Convertible Instruments

The issued capital of the company is 11668490. We have forfeited 28600 shares in December 2008. We have annulled forfeiture of 1300 shares so far.

m. Distribution of Shareholding as on 31st March 2014 :

Category (Amount)	Shareholders			Shares	
	Nos.	%	Total Shares	₹	%
1 - 5000	11841	98.43	564427	5644270	4.85
5001 - 10000	90	0.75	69688	696880	0.60
10001 - 20000	36	0.30	56421	564210	0.48
20001 - 30000	7	0.06	17458	174580	0.15
30001 - 40000	9	0.07	32500	325000	0.28
40001 - 50000	4	0.03	18155	181550	0.16
50001 - 100000	11	0.09	80435	804350	0.69
100001 & Above	32	0.27	10802106	108021060	92.79
Total	12030	100.00	11641190	116411900	100.00

n. Dematerialisation of Shares and Liquidity as on 31st March, 2014 :

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	1711	235109	2.02
No. of Shareholders in Electronic Mode	10319	11406081	97.98
Total	12030	11641190	100.00

Days taken for Dematerialisation	No. of Requests	No. of Shares	% of Shares
15 days	NIL	NIL	NIL

	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2013-14	2012-13	2013-14	2012-13
Number of Shares Dematerialised	334082	14815	6200	6400
Number of Shares Rematerialised	11	-	-	1

- o. Outstanding GDRs / ADRs/ Warrants or any convertible Instruments** The Company has not issued any GDRs/ADRs/ Warrants & Convertible instruments.
- p. Plant Locations** Plot Nos. 82 & 85, Sipcot Industrial Complex, Hosur – 635 126, Tamilnadu
Plot No. 38, Sipcot Industrial Complex, Hosur – 635 126, Tamilnadu.
Myleripalayam Village, Kovai Terku Coimbatore, Tamilnadu – 641 032.
Plot No.1A & 2, Dev Bhoomi Industrial Estate, Roorkee, Uttarakhand – 247 667.
Vermardi Road, Juni Jithardi Village, Karjan Taluka, Vadadara, Gujarat
- q. Registered Office** Plot No. 38, Sipcot Industrial Complex, Hosur – 635 126, Tamilnadu
(During March 2009 the Registered Office was shifted from Bengaluru, Karnataka to Hosur, Tamilnadu)
- r. Other constituents of the TTK Group within the meaning of “Group” under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:**
- T.T. Krishnamachari & Co. and its partners & relatives of the partners
 - TTK Healthcare Limited
 - TTK Protective Devices Limited
 - TTK Services (P) Limited
 - TTK Property Services (P) Ltd.
 - TTK Tantex Limited
 - Cable & Wireless Networks India (P) Limited
 - CignaTTK Health Insurance Company Limited
 - Packwell Packaging Products Limited
 - Pharma Research & Analytical Laboratories
 - Peenya Packaging Products
 - TTK Partners LLP

13. DECLARATION/ CERTIFICATION

- a. **CODE OF CONDUCT** : The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.
- b. **CEO / CFO Certification** : As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash flow statements for the year ended 31st March 2014.

Declaration by Managing Director on Code of Conduct

I, S.Ravichandran, Managing Director of TTK Prestige Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of TTK Prestige Ltd., which has been made applicable to all the Directors and Senior Managers of the Company. The Code of Conduct has been affirmed to by all the Directors and Senior Managers of the Company. The said code of conduct has been posted on the Website of the Company www.ttkprestige.com

Place : Bengaluru

Date : 15th July, 2014

S. RAVICHANDRAN

Managing Director

TTK Prestige Limited

Auditors' Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of TTK Prestige Limited

To the Members of TTK Prestige Limited

We have examined the compliance of conditions of Corporate Governance by TTK Prestige Limited, for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s S VISWANATHAN**
Chartered Accountants
Firm's Reg. No. 004770S

Place : Bengaluru
Date : 15th July, 2014

C N SRINIVASAN
Partner
Membership No. 18205

Independent Auditor's Report

To the Members of TTK Prestige Limited.

Report on Financial Statements

We have audited the accompanying financial statements of TTK Prestige Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter:

Without qualifying our opinion, we draw attention to Note No. 2.45 of Notes forming part of Financial Statement regarding Scheme of Demerger between TTK Prestige Limited and Triveni Bialelli Industries Private Limited. Pursuant to the approval of Share holders to the proposed Scheme of Demerger between TTK Prestige Limited (TTKPL) and Triveni Bialelli Industries Private Limited (TBI) for the purpose of transferring the Kitchen Appliances division of TBI to TTKPL, the Scheme has been approved by The Hon'ble High Court of Madras. Approval of Hon'ble High Court of Bombay is awaited. On the final sanction of the Scheme by The Hon'ble High Court of Bombay, books of accounts will be updated in accordance with applicable practices and for allotting of equity shares to the shareholders of TBI. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **M/s S. VISWANATHAN**
Chartered Accountants
Firm's Reg. No. 004770S

C. N. SRINIVASAN
Partner
Membership No.18205

Place : Bengaluru
Date : 15th May, 2014

TTK Prestige Limited

The Annexure referred to in our report to members of TTK Prestige Limited ('the Company') for the year ended 31st March 2014, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) According to information and explanation given to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is maintaining proper records of its inventories. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii(a), iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) The company has taken loans from four parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 50 Lakhs and the year-end balance of the loans taken from such parties was ₹ 50 Lakhs.
(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956 and are not, prima facie prejudicial to the interest of the company.
(d) There is no overdue amount of loans and interest taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register under section 301 of the Companies Act, 1956 have so been entered
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under in respect of the deposits accepted from the public. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- (vii) In our opinion the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Central Government has prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for Aluminium, Stainless Steel Pressure Cookers and Non-stick Cookware manufactured by the Company. In our opinion and according to information given to us such accounts and records have been maintained by the Company.
- (ix) a) According to information and explanation given to us and according to the books and records produced and examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as mentioned above as at 31st March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanation s given to us, the following are the particulars of disputed dues on account of Sales tax and Income tax as at 31st March, 2014:

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (₹ In Lakhs)	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	220.14	Karnataka High Court
Central Sales Tax Act and Local Sales Tax Act	Sales tax	35.24	Various authorities up to the level of Appellate Tribunal
Income Tax Act	Income Tax	177.36	CIT (Appeals)

- (x) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- (xvi) According to the information and explanations given to us and the records examined by us, on an overall basis, the term loan obtained by the Company was applied for the purpose for which the loan was obtained.
- (xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short-term basis which have been used for long-term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies / firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has no outstanding debentures during the period under audit.
- (xx) The Company has not raised any money by public issue during the year. However, during the year the Company has made preferential allotment of 3,00,000 shares to Cartica Capital Limited.
- (xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **M/s S. VISWANATHAN**
Chartered Accountants
Firm's Reg. No. 004770S

C. N. SRINIVASAN
Partner
Membership No.18205

Place : Bengaluru
Date : 15th May, 2014

TTK Prestige Limited

Balance Sheet as at 31st March, 2014

(₹ IN LAKHS)

Particulars	Note No	As at the end 31 st March 2014	As at the end 31 st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2.1	1165.48	1135.48
(b) Reserves and Surplus	2.2	57365.89	38410.82
		58531.37	39546.30
Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	43.22	95.97
(b) Deferred Tax Liabilities (Net)	2.4	2052.93	1011.50
(c) Other Long -Term Liabilities	2.5	500.00	500.00
(d) Long-Term Provisions	2.6	411.60	782.07
		3007.75	2389.54
Current Liabilities			
(a) Short-Term Borrowings	2.7	2537.63	11354.54
(b) Trade Payables	2.8	12301.01	12332.98
(c) Other Current Liabilities	2.9	7671.60	9187.82
(d) Short-Term Provisions	2.10	3130.46	4260.56
		25640.70	37135.90
TOTAL		87179.82	79071.74
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	33777.73	16584.22
(ii) Intangible Assets	2.12	184.00	225.33
(iii) Capital Work-in-Progress	2.13	2430.57	14007.92
(b) Non-Current Investments	2.14	1.65	1.65
(c) Long-Term Loans and Advances	2.15	902.05	2244.68
		37296.00	33063.80
Current Assets			
(a) Current Investments	2.16	902.51	-
(b) Inventories	2.17	26681.00	23552.71
(c) Trade Receivables	2.18	14911.05	14320.70
(d) Cash and Cash Equivalents	2.19	2960.15	3255.07
(e) Short-Term Loans and Advances	2.20	4037.99	4729.48
(f) Other Current Assets	2.21	391.12	149.98
		49883.82	46007.94
TOTAL		87179.82	79071.74
Significant Accounting Policies and Notes on Accounts	1 & 2		
As per our report attached For Messrs. S. VISWANATHAN Chartered Accountants Firm's Registration Number : 004770S C.N. SRINIVASAN Partner Membership No. 18205 Bengaluru 15 th May, 2014		For and on behalf of the Board T.T. Jagannathan Executive Chairman S. Ravichandran Managing Director Dileep K. Krishnaswamy Director K. Shankaran Director & Secretary V. Sundaresan Chief Financial Officer	

Profit and loss statement for the year ended 31st March, 2014

(₹ IN LAKHS)

Particulars	Note No.	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
1. Revenue from Operations					
(a) Sale of Products		131599.92		137767.07	
(b) Other Operating Revenues:					
Sale of Scrap		737.84	132337.76	821.93	138589.00
Less :					
(c) Excise Duty			2954.80		2740.61
			129382.96		135848.39
2. Other Income	2.22		787.52		473.23
3. Total Revenue (1 + 2)			130170.48		136321.62
4. Expenses:					
a) Cost of Materials Consumed		36698.52		36694.66	
b) Purchase of Stock - in - Trade		38267.95		45790.78	
c) Changes in Inventory of:					
(i) Work in Progress		(539.65)		(130.35)	
(ii) Finished Goods		(307.86)		(4121.76)	
(iii) Stock in Trade		(884.08)		(576.69)	
		(1731.59)	73234.88	(4828.80)	77656.64
d) Employee Benefits Expense	2.23		9100.10		8358.04
e) Finance Costs	2.24		853.56		1426.53
f) Depreciation and Amortization Expense	2.11 & 2.12		1477.15		899.02
g) Other Expenses	2.25		31025.67		29460.92
Total expenses			115691.36		117801.15
5. Profit before Exceptional and Extraordinary Items and Tax (3-4)			14479.12		18520.47
6. Exceptional Items	2.26		695.92		-
7. Profit before Extraordinary Items and Tax (5-6)			15175.04		18520.47
8. Extraordinary Items			-		-
9. Profit Before Tax (7-8)			15175.04		18520.47
10. Tax Expense :					
(1) Current Tax(MAT)		3170.27		4880.84	
Less: MAT Credit Entitlement		215.88		0.00	
		2954.39		4880.84	
(2) Deferred Tax		1041.43	3995.82	330.66	5211.50
11. Profit After Tax (9-10)			11179.22		13308.97
12. Earnings per Equity Share: (in Rupees)					
(1) Basic			96.78		117.35
(2) Diluted			96.78		117.35
Significant Accounting Policies and Notes on Accounts	1 & 2				

As per our report attached
For **Messrs. S. VISWANATHAN**
Chartered Accountants
Firm's Registration Number : 004770S

C.N. SRINIVASAN
Partner
Membership No. 18205
Bengaluru
15th May, 2014

For and on behalf of the Board

T.T. Jagannathan
Executive Chairman

Dileep K. Krishnaswamy
Director

V. Sundaresan
Chief Financial Officer

S. Ravichandran
Managing Director

K. Shankaran
Director & Secretary

TTK Prestige Limited

Cash flow Statement for the year ended 31st March, 2014

(As per Accounting Standard AS(3) issued by the Institute of Chartered Accountants of India)

(₹ IN LAKHS)

Particulars	As at 31 st March 2014	As at 31 st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items:	15175.04	18520.47
Additions		
Depreciation	1477.15	899.02
Profit on Sale of Assets	(2.18)	(3.53)
Interest Expenses	853.56	1426.53
Interest, Dividend & Commission Received	(617.70)	(321.74)
Cash generated from operations before Working Capital Changes	16885.87	20520.75
Adjustments for:		
(Increase)/Decrease in Debtors	(590.35)	(3716.99)
(Increase)/Decrease in Inventories	(3128.29)	(6063.09)
Increase/(Decrease) in Creditors	(1962.17)	4954.38
(Increase)/Decrease in Other Receivables	2006.55	(2769.87)
Cash generated from Operations	13211.61	12925.18
Direct Taxes Paid	(4707.55)	(3242.02)
Net Cash Flow from Operation before extra ordinary item	8504.06	9683.16
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	(7049.85)	(9235.77)
Purchase of Investments	(902.51)	-
Deposits	-	(2.10)
Capital subsidy received	-	30.00
Interest, Dividend & Commission Received	617.70	321.74
Net Cash from / (used in) Investing Activities	(7334.66)	(8886.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Refund)/Acceptance of Deposit	(11.25)	(16.11)
Increase(Decrease) in Bank Borrowings	(8809.39)	3586.10
Issue of Shares and share premium	10529.77	-
Interest Paid	(853.56)	(1426.53)
Dividend Paid	(2322.01)	(1973.64)
(including dividend distribution tax)		
Net Cash from / (used in) Financing Activities	(1466.44)	169.82
Net increase / (decrease) in Cash and Cash Equivalents	(297.04)	966.85
Cash and Cash Equivalents at the beginning of the year	3174.86	2208.01
Cash and Cash Equivalents at the end of the year*	2877.82	3174.86
* Cash and cash equivalents comprise of balances in current accounts, Margin money for LC's and Cash Balances.		
For and on behalf of the Board		
As per our report attached For Messrs S. VISWANATHAN Chartered Accountants Firm's Registration Number : 004770S	T.T. Jagannathan Executive Chairman	S. Ravichandran Managing Director
C.N. SRINIVASAN Partner Membership No. 18205	Dileep K. Krishnaswamy Director	K. Shankaran Director & Secretary
Bengaluru 15 th May, 2014	V. Sundaresan Chief Financial Officer	

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014**1. Significant Accounting Policies and Notes on Accounts:****1.1. Basis for preparation of accounts:**

The Accounts have been prepared to comply in all material aspects with applicable Accounting Principles in India, the applicable Accounting Standards notified under Section 211(3C) of The Companies Act 1956 and the relevant provisions thereof. Financial Statements are prepared based on historical cost and on the basis of a going concern. The Company follows the mercantile system of Accounting and recognizes income and expenditure on an accrual basis.

1.2. Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes, insurance etc. relating to the acquisition including installation/erection charges up to the date the asset is put to use, as applicable.

Borrowing costs attributable to acquisition /construction or production of a qualifying asset is capitalized as a part of cost of the asset.

Depreciation:

The Company is providing depreciation on Written Down Value (WDV) method by adopting the rates specified in Schedule XIV of the Companies Act, 1956 in respect of all Fixed Assets capitalized up to 31st March, 1997. In respect of additions from 1st April 1997, the Company is providing depreciation by adopting Straight Line method specified in Schedule XIV of the Companies Act, 1956. ERP Software, being intangible asset is depreciated at 20% on straight line basis in line with AS 26. Depreciation on additions during the year is provided on pro-rata basis.

Leasehold land is amortized over the period of the Lease.

1.3. Revenue Recognition:

Sales are stated at net of returns and sales tax. The Excise Duty relatable to sales is separately disclosed and deducted from Sales. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

Dividend income from investments is accounted for when the right to receive the payment is established.

Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

1.4. Investments:

Investments are classified into Current and Non Current Investments. Current Investments are stated at the lower of cost and fair value. Non Current Investments are stated at cost.

1.5. Impairment of Assets:

Impairment loss, if any is provided to the extent, the carrying amount of the assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

1.6. Trade Receivables and Loans and advances:

Sundry Debtors and Loans and advances are stated after making adequate provisions for doubtful balances.

1.7. Provisions:

A Provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

1.8. Retirement /Post Retirement Benefits:

The Company also provides for retirement/post retirement benefits in the form of Gratuity, Pension, and Leave Encashment. Such benefits are provided for based on the valuations, as at the Balance Sheet date, made by independent actuaries. Termination benefits are recognized as an expense as and when incurred.

1.9. Taxes on Income:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

1.10. Foreign Currency Transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the time of the transactions and exchange difference arising from foreign currency transaction are dealt with in the profit and loss account and capitalized where they relate to the Fixed Assets. Current Assets and Liabilities at year end are being converted at closing rates and exchange gains /losses are dealt with in the profit and loss account, as per AS 11.

1.11. Grant / subsidies

Grant / subsidy received under "Central Investment Subsidy Scheme "is directly credited to capital reserve.

1.12 Inventories

Inventories are valued at lower of cost, computed on a weighted average basis and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset. As per AS-16 "Borrowing costs", a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All the other borrowing costs are expensed as and when incurred.

1.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity share holders and weighted average number of shares outstanding during the year are adjusted for the effects of dilutive part of equity shares, if any.

1.15 Segment ReportingIdentification of Segments

The Company has complied with AS 17 "Segment Reporting" with the business as its primary segment. The risk and awards are very similar in different geographical areas and hence there is no reportable secondary segment as defined in AS-17.

Segment Policies

(i) Revenues have been identified to segments on the basis of their relationship to the operative activities of the segment. Revenues and expenses that relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Un-allocable expenses".

(ii) Inter segment revenue and expense are eliminated.

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.1 SHARE CAPITAL

(A) Authorised, Issued, Subscribed and Paid Up Share Capital

Particulars	As at 31 st March 2014	As at 31 st March 2013
Authorised Share Capital: 1,50,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,50,00,000 Equity Shares of ₹ 10/- each)	1500.00	1500.00
Issued and Subscribed Share Capital: 1,16,68,490 Equity Shares of ₹ 10/- each (Previous Year 1,13,68,490 Equity Shares of ₹ 10/- each)	1166.85	1136.85
Paid Up Share Capital: 1,16,41,190 Equity Shares of ₹ 10 each (Previous Year 1,13,41,190 Equity Shares of ₹ 10/- each)	1164.12	1134.12
Add : 27,300 Equity Shares Forfeited (₹ 5/- paid-up)	1.36	1.36
	1165.48	1135.48

1. Paid Up Share Capital of 1,16,41,190 shares (Previous Year : 1,13,41,190 shares) includes 78,69,064 shares of ₹ 10 each allotted as Bonus Shares fully paid-up by capitalisation of reserves and 20106 shares issued to shareholders of M/s. Prestige Housewares India Limited (PHIL) consequent to merger of PHIL with TTK Prestige Limited. This also includes 3,00,000 Equity shares of ₹ 10 each allotted on preferential basis to M/s. Cartica Capital Limited during the financial year.
2. There was no issue/buy back of shares of the nature mentioned in clause (i) of note 6A of general instructions to Schedule VI in the last five years.

(B) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at 31 st March 2014	As at 31 st March 2013
Number of shares outstanding as at the beginning of the year	11341190	11321084
Add : Number of shares issued during the year	300000	20106
Number of shares outstanding as at the end of the year	11641190	11341190

(C) Shares in the company held by each shareholder holding more than 5% shares

Sl. No.	Name of the Share Holder	Number of shares held in the Company	Percentage of shares held
1	T.T. Krishnamachari & Co. represented by its partners	6988747	60.03%
2	M/s. Cartica Capital Limited	850303	7.30%

2.2 RESERVES AND SURPLUS

Particulars	As at 31 st March 2013	Additions/ Created during the year	Deduction during the year	As at 31 st March 2014
(a) Capital Reserve (Amount received under Central Investment scheme)	73.72	-	-	73.72
(b) Securities Premium Reserve Add : Premium on Forfeited shares	592.26 10.92	10620.00	120.23	11092.03 10.92
	603.18	10620.00	120.23	11102.95
(c) Revaluation Reserve	214.74			214.74
(d) General Reserve	10509.84	1200.00		11709.84
(e) Surplus in Profit & Loss Account	27009.34	7255.30		34264.64
	38410.82	19075.30	120.23	57365.89
Notes	2014	2013		
f) Profit for the year		11179.22		13308.97
Less: Dividend on Equity Shares	2328.24		1984.71	
Tax on Distributed Profits on Equity Shares	395.68		337.30	
Transfer to General Reserve	1200.00	3923.92	1500.00	3822.01
Balance carried to balance sheet		7255.30		9486.96
g) Addition to Securities Premium Reserve represents an amount of ₹ 10620 lakhs of share premium received during the year, on account of Preferential Issue of 300000 equity shares at the premium of ₹ 3540 per share to M/s. Cartica Capital Limited. Deduction from this account represents expenses incurred on the preferential issue.				

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.3 LONG TERM BORROWINGS

Particulars	As at 31 st March, 2014		As at 31 st March 2013	
FIXED DEPOSITS (Unsecured)				
(i) from Directors	-		14.00	
(ii) Others	43.22	43.22	81.97	95.97
Total		43.22		95.97

2.4 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 st March, 2014	As at 31 st March 2013
Deferred Tax Liabilities	2136.22	1098.53
Deferred Tax Assets	(83.29)	(87.03)
Deferred Tax Liabilities (Net)	2052.93	1011.50

2.5 OTHER LONG TERM LIABILITY

Particulars	As at 31 st March, 2014	As at 31 st March 2013
Property Development	500.00	500.00
Total	500.00	500.00

2.6 LONG-TERM PROVISIONS

Particulars	As at 31 st March, 2014	As at 31 st March 2013
Provision for Employee Benefits - Gratuity/Leave Encashment	147.06	121.07
Others-Warranties	264.54	661.00
Total	411.60	782.07

2.7 SHORT-TERM BORROWINGS

Particulars	As at 31 st March, 2014		As at 31 st March 2013	
(A) LOANS REPAYABLE ON DEMAND				
i) From Banks :				
Secured :				
Cash credit from Canara Bank and Bank of Baroda, secured by equitable mortgage of Land & Buildings and hypothecation of Plant & Machinery and Current assets of the company on paripassu basis		-		6309.39
Unsecured :				
Short Term Loan from HDFC Bank		1500.00		5000.00
Short Term Loan from HSBC Bank		1000.00		-
(B) FIXED DEPOSITS (Unsecured)				
(i) from Directors	-	-	-	-
(ii) Others	37.63	37.63	45.15	45.15
Total		2537.63		11354.54

2.8 TRADE PAYABLES

Particulars	As at 31 st March, 2014	As at 31 st March 2013
(i) Acceptances	6000.94	5144.91
(ii) Sundry Creditors for goods supplied/ services rendered	6300.07	7188.07
Total	12301.01	12332.98

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.9 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March 2014	As at 31 st March 2013
Current Maturities of Long- Term Debt		
- HDFC Bank	-	-
- FIXED DEPOSITS (Unsecured)		
(i) from Directors	42.00	28.00
(ii) Others	67.04	32.02
Current maturities of finance lease obligations	-	0.44
Interest accrued but not due on borrowings	14.50	50.52
Unpaid dividends / unclaimed dividends	68.33	57.61
Other Payables		
Payables for Capital Expenditure	185.06	243.84
Accrued Salaries and Incentives		
Salaries and Benefits	161.33	150.16
Bonus and Incentives	1521.64	1846.38
Taxes Payable	446.96	443.87
Trade Deposits and Advances	864.49	732.43
Provision for Expenses	4300.25	5602.55
Total	7671.60	9187.82

2.10 SHORT-TERM PROVISIONS

Particulars	As at 31 st March 2014	As at 31 st March 2013
Provision for Employee Benefits	86.69	81.19
Provision for Wealth Tax	2.95	2.94
Provision for Fringe Benefit Tax	186.70	186.70
Proposed Dividends	2328.24	1984.71
Provision for Dividend Tax	395.68	337.30
Provision for Income Tax (Net)	130.20	1667.72
Total	3130.46	4260.56

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

2.1.1 FIXED ASSETS-TANGIBLE											(₹ IN LAKHS)
Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION/AMORTISATION			NET BLOCK			
	Total as at 31 st March 2013	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Impairment/ (Reversal) during the year	Total as at 31 st March 2014	Total as at 31 st March 2013	Provided during the year	Deductions/ Adjustments during the year	Total as at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014
Land:											
(a) Freehold	3606.10	5.08	-	-	3611.18	-	-	-	-	3611.18	3606.10
(b) Leasehold	263.21	-	-	-	263.21	19.74	2.86	-	22.60	240.61	243.47
Buildings	7022.12	7484.02	-	-	14506.14	1258.63	367.98	-	1626.61	12879.53	5763.49
Plant & Machinery	8008.27	8437.79	-	-	16446.06	3214.00	708.93	-	3922.93	12523.13	4794.27
Electrical Installations	782.63	2021.99	-	-	2804.62	200.56	99.14	-	299.70	2,504.92	582.07
Tools, Moulds & Dies	695.59	205.03	-	-	900.62	340.30	65.36	-	405.66	494.96	355.29
Furniture and Fixtures	879.02	252.38	-	-	1131.40	320.97	77.89	-	398.86	732.54	558.05
Office equipment	665.43	121.21	-	-	786.64	308.05	17.58	-	325.63	461.01	357.38
Vehicles											
- Owned	383.21	45.52	0.14	-	428.59	59.36	39.42	0.04	98.74	329.85	323.85
- Leased	4.19		4.19	-	-	3.94	0.25	4.19	-	-	0.25
TOTAL	22309.77	18573.02	4.33	-	40878.46	5725.55	1379.41	4.23	7100.73	33777.73	16584.22
2.1.2 FIXED ASSETS-INTANGIBLE											
Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION/AMORTISATION			NET BLOCK			
	Total as at 31 March 2013	Additions/ adjustments during the year	Deductions/ adjustments during the year	Impairment/ (reversal) during the year	Total as at 31 March 2014	Total as at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	Total as at 31 March 2014	As at 31 March 2013	As at 31 March 2014
ERP - SOFTWARE ETC.	313.47	56.40			369.87	88.13	97.74		185.87	184.00	225.34
2.1.3 Capital Work in Progress											
Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION/AMORTISATION			NET BLOCK			
	Total as at 31 March 2013	Additions/ adjustments during the year	Deductions/ adjustments during the year	Impairment/ (reversal) during the year	Total as at 31 March 2014	Total as at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	Total as at 31 March 2014	As at 31 March 2013	As at 31 March 2014
Capital Work in Progress	14007.92	4042.15	15619.50		2430.57				2430.57		14007.92
Note : Capital Work in Progress includes : a) Dooravaninagar Property development amount of ₹ 2375.42 lakhs (Previous year : ₹ 2375.42 lakhs) b) Interest on Loan capitalised ₹ Nil (Previous year : ₹ 81.15 lakhs) as per AS-16.											

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.14 NON-CURRENT INVESTMENTS

Particulars	As at 31 st March 2014	As at 31 st March 2013
NON-TRADE INVESTMENTS		
(i) Investment in Equity Instruments TTK Healthcare Limited, (Group Company) 1440 shares fully paid up, Face Value of ₹ 10/- per share)	1.65	1.65
Total	1.65	1.65
Notes:-		
1. All Non Trade investments are valued at cost		
2. Quoted Investments:		
Aggregate Amount	1.65	1.65
Market Value	7.54	5.90

2.15 LONG-TERM LOANS AND ADVANCES:

Particulars	As at 31 st March 2014	As at 31 st March 2013
(A) Capital Advances		
- Unsecured, Considered good	281.57	1284.38
(B) Security Deposits:		
- Unsecured, Considered good	620.48	960.30
Total	902.05	2,244.68

2.16 CURRENT INVESTMENTS:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Quoted		
Investment in Mutual Funds :		
Baroda Pioneer Liquid Fund- 1001.8617 units	200.68	-
Reliance Liquid Fund -13098.698 units	200.25	-
Birla Sun Life floating Rate Fund-300541.058 units	301.05	-
Birla Sun Life cash plus -199872.209 units	200.53	-
Total	902.51	-
Notes:-		
1. All Current investments are valued at cost or market value, whichever is less		
2. Quoted Investments:		
Aggregate Amount	902.51	-
Market Value	902.51	-

2.17 INVENTORIES:

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Raw-Materials	6303.58	5005.26
(b) Work in Progress	1229.46	689.80
(c) Finished Goods	8566.10	8258.24
(d) Stock in Trade	10156.48	9272.39
(e) Stores and Spares	425.38	327.02
Total	26681.00	23552.71

Mode of Valuation:

Inventories are valued at lower of cost, computed on a weighted average basis and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished Goods and Work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

TTK Prestige Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.18 TRADE RECEIVABLES:

Particulars	As at 31 st March 2014	As at 31 st March 2013
(A) Trade receivables outstanding for a period less than six months from the date they are due for payment		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	14474.11	14069.27
(iii) Doubtful	-	-
Less:- Allowance for Bad and Doubtful Debts	- 14474.11	- 14069.27
(B) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	436.94	251.43
(iii) Doubtful	243.13	162.87
Less:- Allowance for Bad and Doubtful Debts	243.13 436.94	162.87 251.43
Total	14911.05	14320.70

2.19 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March 2014	As at 31 st March 2013
(A) Balances with Banks:		
(I) Earmarked Bank Balances:		
Unpaid dividend bank account	68.33	56.71
(II) Bank Balances held as margin money or as security against:		
(i) Letter of Credit	153.99	422.97
(ii) Other Commitments	14.00	23.50
(III) Other Bank Balances (including balance in current account):	2719.47	2747.32
(B) Cash on hand	4.36	4.57
Total	2960.15	3255.07

2.20 SHORT-TERM LOANS AND ADVANCES:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Secured, considered good-Loan to Contract Manufacturer	1875.00	1875.00
Unsecured, considered good:		
- MAT Credit Entitlement	215.88	-
- Advance Fringe Benefits Tax	197.37	197.37
- Balances with Excise and Sales Tax Authorities	358.87	296.22
- Advances to Employees	14.43	15.37
- Others	1376.44	2345.52
(Advance for goods purchased, prepaid expenses & other trade advances)		
Total	4037.99	4729.48

2.21 OTHER CURRENT ASSETS

Particulars	As at 31 st March 2014	As at 31 st March 2013
Interest accrued on investments/Deposits	391.12	149.98
Total	391.12	149.98

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
2.22 OTHER INCOME				
(a) Interest Income	399.19		153.69	
(b) Dividend Income	50.05		32.88	
(c) Commission Receipts	168.46		135.17	
(d) Bad Debts Recovered	38.29		27.69	
(e) Profit on Sale of Assets	2.18		3.53	
(f) Other Non-Operating Income	10.65		12.70	
(g) Net gain/(loss) on Foreign currency transactions and translations (Other than considered in finance cost)	118.70	787.52	107.57	473.23
2.23 EXPENSES:				
Employee Benefits Expense				
(i) Salaries and Wages	7935.63		7371.67	
(ii) Contribution to Provident and Other Funds	399.33		316.63	
(iii) Staff Welfare Expenses	765.14	9100.10	669.74	8358.04
2.24 FINANCE COSTS				
(i) Interest expense [includes ₹ 4.20 lakhs paid to Directors (P.Y. ₹ 4.20 Lakhs)]	624.99		1,131.26	
(ii) Other Borrowing costs	13.19		17.79	
(iii) Net (gain)/loss on Foreign currency transactions and translations	215.38	853.56	277.48	1426.53
2.25 OTHER EXPENSES				
(a) Consumption of Stores and Spare Parts	467.41		344.14	
(b) Power and Fuel	1331.17		972.12	
(c) Rent	490.98		420.96	
(d) Repairs to Buildings	184.72		142.60	
(e) Repairs to Machinery	210.97		142.24	
(f) Donations	80.87		110.00	
(g) Insurance	106.67		72.58	
(h) Rates and Taxes, excluding, taxes on income	77.15		63.36	
(i) Miscellaneous Expense	1328.24		1261.46	
(j) Sundry Manufacturing Expenses	1691.44		1271.06	
(k) Repairs & Maintenance to other Assets	318.49		255.14	
(l) Travelling & Conveyance	1096.95		857.84	
(m) Motor Vehicle Expenses	89.27		82.37	
(n) Bank Charges	493.44		590.28	
(o) Carriage Outwards	4933.15		4881.25	
(p) Directors Sitting Fees	12.80		9.80	
(q) Non Executive Directors' Commission	84.00		-	
(r) Legal & Professional Charges	194.80		232.05	
(s) Postage & Communication Expenses	181.48		180.75	
(t) Printing & Stationery	101.20		100.06	
(u) Advertisement & selling Expenses	8044.37		7940.41	
(v) Distribution Expenses	2167.47		2304.20	
(w) Discounts and Schemes	7206.39		7149.62	
(x) Provision for Bad Debts	98.08	30991.51	46.99	29431.28
(y) Payments to the auditor as:				
(i) Auditor	22.47		22.47	
(ii) for Taxation Matters	4.72		3.32	
(iii) for Other Services	6.72		3.60	
(iv) for Reimbursement of Expenses	0.25	34.16	0.25	29.64
Other Expenses Total		31025.67		29460.92

TTK Prestige Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
2.26 EXCEPTIONAL ITEMS :				
Land Compensation Received from Government (Net of Expenses)	312.50		-	
Add : Interest Received on Land Compensation	497.66		-	
Less : Amount Paid under Voluntary Retirement Scheme	(114.24)	695.92	-	-

2.27 Previous year figures are given in brackets.

2.28 Break-up of Major Raw Materials Consumed-Manufactured Goods

Particulars	Amount
Raw Materials Consumption	
Aluminium	12576.06 (12357.79)
Steel	1525.74 (1740.05)
Components, Packing Material etc	22596.72 (22596.82)
Total	36698.52 (36694.66)

2.29 Break-up of Purchases of Stock-in-Trade

Particulars	Amount
Goods Purchased	
Non Stick	2967.15 (7875.06)
Gas Stove	10557.46 (8344.15)
Kitchen Electrical Appliances	21453.79 (24888.13)
Others	3289.55 (4683.44)
Total	38267.95 (45790.78)

2.30 Break-up of Sales, Closing and Opening Value of Inventories

Particulars	Sales Values	Closing Inventory	Opening Inventory
Manufactured Goods			
Pressure Cookers	49353.82 (51065.42)	5063.58 (4921.15)	4921.15 (3368.69)
Non Stick Cookware	16688.03 (8038.62)	1836.87 (1853.61)	1853.61 (598.50)
Gas Stove	13.80 (260.21)	4.14 (10.53)	10.53 (5.43)
Kitchen Electrical Appliances	9019.22 (7250.48)	1661.51 (1472.95)	1472.95 (163.85)
Total	75074.87 (66614.73)	8566.10 (8258.24)	8258.24 (4136.47)

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

Particulars	Sales Values	Closing Inventory	Opening Inventory
Traded Goods			
Non Stick Cookware	5969.80 (16446.47)	959.06 (1460.98)	1460.98 (1906.63)
Gas Stove	16675.39 (12529.91)	1521.26 (1526.70)	1526.70 (941.88)
Kitchen Electrical Appliances	30049.83 (37651.19)	5042.91 (3863.01)	3863.01 (4685.97)
Others	3830.03 (4524.77)	2633.26 (2421.70)	2421.70 (1161.23)
Total	56525.05 (71152.34)	10156.48 (9272.39)	9272.39 (8695.71)
Grand Total	131599.92 (137767.07)	18722.58 (17530.63)	17530.63 (12832.18)

2.31 Imported & Indigenous Raw Materials, Components & Spares Consumed:

Particulars	2013-14		2012-13	
Imported & Indigenous Raw Materials, Components & Spares Consumed	Value	%	Value	%
Imported	4913.55	13.39	5470.57	14.91
Indigenous	31784.97	86.61	31224.09	85.09
Total	36698.52	100.00	36694.66	100.00

2.32 The previous year's figures have been regrouped and reclassified wherever necessary to make them comparable with the figures of the current year.

- 2.33** (a) The company has created a Trust which has taken a Group Gratuity Policy with the Life Insurance Corporation of India for future payment of gratuity to retired / resigned employees. Based on the actuarial valuation, provision has been made for the full value of the gratuity benefits as per the requirements of Accounting Standard (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.
- (b) The Company contributes to a Superannuation Fund covering specified employees. The Contributions are by way of annual premia payable in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired / resigned employees based on policy norms. No other liabilities are incurred by the Company in this regard.
- (c) Leave encashment benefit has been charged to Profit & Loss account on the basis of actuarial valuation as at the year end in line with the Accounting Standard (AS -15) (Revised) issued by the Institute of Chartered Accountants of India
- (d) **As per Accounting Standard AS -15 (Revised) Employee Benefits, the disclosures as defined in the Accounting Standard are given below:**

DEFINED CONTRIBUTION PLAN:

Particulars	2013-14	2012-13
Employers contribution to Provident Fund	248.75	220.50
Employers Contribution to Superannuation Fund	22.39	21.42

DEFINED BENEFIT PLAN:

The Employees' Gratuity Fund Scheme managed by a Trust is defined benefit plan.

The present value of obligation is determined based on actuarial valuation using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation as per Para 65 of the Accounting Standard AS - 15 (Revised), issued by the Institute of Chartered Accountants of India.

The obligation for Leave Encashment is recognized in the same manner as gratuity.

Reconciliation of the Opening and Closing Balances Defined Benefit Obligation

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
Defined Benefit Obligation at the beginning of the year	1090.07	986.14	220.44	205.25
Current Service Cost	66.39	63.21	14.81	14.59
Interest Cost	87.21	78.88	17.64	16.42
Actuarial (gains) and losses on Obligation	17.66	(15.36)	10.52	(15.82)
Benefits Paid	(80.63)	(22.80)	NIL	NIL
Defined Benefit Obligation at the end of the year	1180.70	1090.07	263.41	220.44

Reconciliation of the Opening and Closing Balances of Fair Value of Plan Assets:

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
Fair value of plan assets at the beginning of the year	934.21	797.50	174.04	138.50
Expected return on plan assets	84.93	79.73	16.61	14.30
Actuarial loss on plan assets	NIL	NIL	NIL	NIL
Contribution by the employer	66.39	79.78	14.81	21.24
Benefits paid	(80.63)	(22.80)	NIL	NIL
Fair value of plan assets at the end of the year	1004.90	934.21	205.46	174.04

Reconciliation of the Fair Value of Assets and Obligations

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
Fair Value of Plan Assets	1004.90	934.21	205.46	174.04
Present Value of Obligation	1180.70	1090.07	263.41	220.44
Amount recognized in Balance Sheet	175.80	155.86	57.95	46.40

Expenses recognized during the year:

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	66.39	63.21	14.81	14.59
Interest Cost	87.21	78.88	17.64	16.42
Expected Return on Plan Assets	84.93	79.73	16.61	14.30
Actuarial loss (gain)	17.66	(15.36)	10.52	(15.82)
Net Cost	86.33	47.00	26.36	0.89

Actuarial Assumptions:

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
	1994-96	1994-96	1994-96	1994-96
Mortality Table (LIC)	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a.)	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets (p.a.)	10.00%	10.00%	10.00%	10.00%
Rate of Escalation in Salary (p.a.)	6.00%	7.00%	6.50%	7.00%

The estimate of rate of escalation in salary considered in actuarial valuation, take in to account inflation, Seniority, promotion and other relevant factors including supply and demand in the employment market.

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

e) Amounts for the Current and previous periods are as follows :-

(A) Gratuity

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	1180.70	1090.07	986.14	864.04	751.34
Plan Assets	1004.90	934.21	797.50	691.97	587.31
Surplus /(Deficit)	(175.80)	(155.86)	(188.64)	(172.07)	(164.03)
Experience adjustments on Plan Liabilities(Gains)/Losses	-	-	-	-	-
Experience adjustments on Plan Assets	-	-	-	-	-

(B) Leave Encashment

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	263.41	220.44	205.25	175.46	159.09
Plan Assets	205.46	174.04	138.50	115.36	79.88
Surplus /(Deficit)	(57.95)	(46.40)	(66.75)	(60.10)	(79.21)
Experience adjustments on Plan Liabilities(Gains)/Losses	-	-	-	-	-
Experience adjustments on Plan Assets	-	-	-	-	-

2.34 Fringe Benefit Tax (till the time of abolition) was paid under protest, since the matter is pending before The Hon'ble Supreme Court of India. In case of a favourable decision, the company would be entitled to seek refund of the same. Amount: ₹ 197.37 Lakhs (P/Y : ₹ 197.37 Lakhs).

2.35 Earnings in Foreign Exchange:

Particulars	2013-14	2012-13
On account of Export Sale less Returns calculated:		
a) at FOB Basis	5483.05	6520.55
b) at CIF Basis	5483.54	6522.72

2.36 Expenditure in Foreign Currency:

Particulars	2013-14	2012-13
1. Travelling Expenses	4.09	4.33
2. Other Expenses	134.65	545.41
3. CIF Value of Imports (on Payment Basis)	19751.66	24777.65
4. Import of Capital Goods	173.28	628.17

2.37 Based on data received from Vendors, the amount due to MSMED is ascertained as ₹ 1518.59 Lakhs. There are no over dues.

2.38 The company has two segments namely Kitchen Appliances and Property & Investment for reporting purposes.

2.39 Disclosure as per Accounting Standard - 19

The company has not acquired any item of Vehicles on Financial Lease during the year. The details in respect of vehicles purchased in earlier years are as follows :-

The Minimum lease rental outstanding as of 31st March 2014 in respect of these assets is as follows:

Particulars	Total Minimum Lease Payment Outstanding as on		Future interest on outstanding lease payments as on		Present value of Minimum lease payments as on	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Within One Year	-	0.44	-	0.01	-	0.43
Later than one Year and not Later than 5 Years	-	-	-	-	-	-
Later than 5 Years	-	-	-	-	-	-

2.40 Related Party transactions as per Accounting Standard - 18:
(a) The Company has transactions with the following entities

Related Party, Enterprises over which Key Management personnel have significant control.

TTK Health Care Limited, Peenya Packaging Products, TTK Protective Devices Limited, T.T. Krishnamachari & Co., TTK Services (P) Limited.

Key Management Personnel and their Relatives:

Mr. T.T. Jagannathan, Mr. T.T. Raghunathan, Mr. S. Ravichandran, Mr. K. Shankaran, Dr. (Mrs.) Latha Jagannathan, Dr. T.T. Mukund, Mrs. Bhanu Raghunathan, Mrs. Shanthi Ranganathan.

(b) Summary of the transactions with the above Related Parties is as follows:

Particulars	Enterprises with which the Key Management Personnel have significant control	Key Management Personnel & Relatives	Total
Sales	63.56	-	63.56
Purchases	256.17	-	256.17
Commission and Sitting fees to Non-Executive Directors	-	25.80	25.80
Remuneration	-	1114.48	1114.48
Interest Payments	-	5.00	5.00
Others	1789.38	7.31	1796.69

(c) Balances outstanding as on 31.3.2014

Particulars	Associates/Others	Key Management Personnel & Relatives
Fixed Deposits (due by the Company)	- (-)	50.00 (50.00)
Amount due to the Company against supplies	13.81 (1.47)	- (-)
Amount Owed by Company against purchases	0.20 (76.71)	- (-)
Other Current Liabilities	77.55 (33.17)	945.38 (1282.78)

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.41 Earnings per share as per Accounting Standard (AS-20)

Particulars	31.03.2014	31.03.2013
Profit after tax as per Profit & Loss a/c before extra-ordinary items (net of tax)	11179.22	13308.97
Weighted Average number of Equity Shares used as Denominator for calculating EPS (in lakhs shares)	115.52	113.41
Earnings Per Share of ₹ 10/- each :		
Before Extra –Ordinary items (₹)	96.78	117.35
After Extra – Ordinary items (₹)	96.78	117.35

2.42 The company is liable to pay Minimum Alternate Tax (MAT) U/s 115 JB of the Income Tax Act 1961. The difference between tax calculated under normal provision of Income Tax Act 1961 and MAT is shown as MAT Entitlement Credit in accordance with Guidance Note issued by ICAI in this respect.

2.43 Disclosure required by AS 29 'Provisions, Contingent Liabilities and Contingent Assets.

a) Movement in Provisions (figures in brackets are in respect of the previous year)

Particulars	As at 01.04.2013	Additions	Amount Used	As at 31.03.2014
Income Tax	1667.72 (28.90)	Nil (1638.82)	1537.52 (Nil)	130.20 (1667.72)
Fringe Benefit Tax	186.70 (186.70)	Nil (Nil)	Nil (Nil)	186.70 (186.70)
Gratuity/Leave Encashment	202.26 (255.39)	31.49 (Nil)	Nil (53.13)	233.75 (202.26)
Warranties	661.00 (775.31)	393.39 (441.31)	789.85 (555.62)	264.54 (661.00)

2.44 CONTINGENT LIABILITIES AND COMMITMENTS:

Particulars	As at 31 st March 2014	As at 31 st March 2013
A) Contingent Liabilities		
(a) Guarantees/LC	1104.31	7424.18
(b) Tax matters under appeal (IT/ST/ED etc)	432.74	686.62
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2561.58	5212.27

2.45 Pursuant to the Approval of shareholders to the proposed scheme of Demerger between TTK Prestige Limited (TTKPL) and Triveni Bialeiti Industries Private Limited (TBI) for the purpose of transferring the Kitchen Appliances Division of TBI to TTKPL, the Honourable High Court of Madras has approved the scheme. However, the approval of The Honourable High Court of Bombay is awaited.

The Appointed Date being 01.04.2012, appropriate effect will be given in the Books of Accounts for the Assets /Liabilities including adjustments for taxes paid in accordance with the sanction of the Courts.

2.46 The Exceptional Income shown under Note No. 2.26 relates to the Enhanced Compensation for Land at Bangalore, acquired by the Government of Karnataka for Road widening purpose. The compensation was settled in accordance with the Order of the Honourable High Court of Karnataka. The compensation amount (net of related expenses) is ₹ 312.50 lacs. The interest on account of delay in settlement of compensation is ₹ 497.66 lacs.

TTK Prestige Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ IN LAKHS)

2.47 The R & D facility of the Company has been recognized by the Ministry of Science & Technology, Government of India, U/s 35(2) AB of the Income Tax Act. As required under this approval, expenditure in connection with R & D centre is disclosed as follows :

	₹ in Lacs
(1) Capital Expenditure	44.26
(2) Revenue Expenditure	178.38

As per our report attached
For **Messrs. S. VISWANATHAN**
Chartered Accountants
Firm's Registration Number : 004770S

C.N. SRINIVASAN
Partner
Membership No. 18205

Bengaluru
15th May, 2014

For and on behalf of the Board

T.T. Jagannathan
Executive Chairman

S. Ravichandran
Managing Director

Dileep K. Krishnaswamy
Director

K. Shankaran
Director & Secretary

V. Sundaresan
Chief Financial Officer

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS		
	Registration Number (CIN)		L85110TZ1955PLC0 15049
	State Code		08
	Balance Sheet Date		31.03.2014
II	CAPITAL RAISED DURING THE YEAR		(Amount in Lakhs)
	Public Issue		Nil
	Rights Issue		Nil
	Bonus Issue		Nil
	Private Placement		30.00
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		(Amount in Lakhs)
	Total Liabilities		87179.82
	Total Assets		87179.82
	Sources of Funds		
	Paid up capital		1165.48
	Reserves & Surplus		57365.89
	Secured Loans		0.00
	Unsecured loans		2689.89
	Application of Funds		
	Net Fixed assets		36392.30
	Investments		1.65
	Net Current and Non Current Assets		
	Current and Non Current Assets	50785.87	
	Less :Current and Non Current Liabilities	25958.56	24827.31
IV	PERFORMANCE OF THE COMPANY		
	Turnover		131599.92
	Total Expenditure		115691.36
	Profit/(loss) before Tax		15175.04
	Profit/(loss) after Tax		11179.22
	Earnings Per Share (in ₹)		96.78
	Dividend Rate %		200%
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)		
	<u>Item Code No. (ITC Code)</u>	<u>Product Description</u>	
	76151011	Aluminium Pressure Cookers	
	76151021	Non-Stick Cookware (Aluminium)	
	85167990	Induction Cooktop	
	39241090	Microwave Cookers	
	73211110	Gas Stoves	
As per our report attached		For and on behalf of the Board	
For Messrs. S. VISWANATHAN			
Chartered Accountants			
Firm's Registration Number : 004770S			
C.N. SRINIVASAN		T.T. Jagannathan	
Partner		Executive Chairman	
Membership No. 18205		S. Ravichandran	
		Managing Director	
V. Sundaresan		Dileep K. Krishnaswamy	
Chief Financial Officer		Director	
		K. Shankaran	
		Director & Secretary	
Bengaluru			
15 th May, 2014			

SEGMENT WISE REVENUE RESULTS & CAPITAL EMPLOYED

(₹ IN LAKHS)

Particulars	2013-14	2012-13
SEGMENT REVENUE		
Kitchen Appliances		
Gross sales	132337.76	138589.00
Less: Excise Duty	2954.80	2740.61
Net Sales / Income from Operations	129382.96	135848.39
Property&Investment	115.00	106.84
Total Segmental Revenue	129497.96	135955.23
Less; Inter-Segment Revenue	(115.00)	(106.84)
Net Sales / Income from Operations	129382.96	135848.39
SEGMENT RESULTS		
{Profit(loss) before Interest & Tax}		
Kitchen Appliances	15233.53	19857.79
Property&Investment	99.15	89.21
Total Segment Results	15332.68	19947.00
Less; Interest Expenses	853.56	1426.53
Less;Unallocable Expenses (Net of unallocable income)	-	-
Total Profit (+) / Loss(-) from ordinary activities before tax and Exceptional items	14479.12	18520.47
Add : Exceptional Items (Net of Expenses)	695.92	0.00
Total Profit (+) / Loss(-) from ordinary activities before tax and after exceptional items	15175.04	18520.47
Extra-ordinary income(net of tax expense)	-	-
Total Profit (+) / Loss(-) from ordinary activities before tax and after extraordinary items	15175.04	18520.47
RECONCILIATION OF TOTAL CAPITAL EMPLOYED VS. CAPITAL EMPLOYED IN SEGMENTS		
	2013-14	2012-13
Total Non Current Assets	34918.93	30686.73
Total current Assets	49883.82	46007.94
Investments	-	-
Capital Work in Progress (Dooravani Nagar)	2375.42	2375.42
Sub-Total	87178.17	79070.09
Less :Total Current Liabilities(excluding Provision for Dividend)	20270.11	23399.33
Sub-Total	66908.06	55670.76
Less :Total Non Current Liabilities	2964.53	2293.57
Total Capital Employed in the Company	63943.53	53377.19
SEGMENTWISE CAPITAL EMPLOYED		
Kitchen Appliances	60863.14	50676.22
Property & Investment	3080.39	2700.97
Unallocated	-	-
	63943.53	53377.19
Notes :		
Segments have been identified in line with Accounting standard on Segment Reporting (AS-17), considering the organisation structure and differential risks and returns.		
The different Business segments identified are : (a) Kitchen Appliances (b) Property & Investment.		
The Segment wise Revenue,Results and capital employed figures relate to respective amounts directly identifiable to each of the segments.		

HISTORICAL FINANCIAL HIGHLIGHTS

Prepared as per conventional method to facilitate comparison

(₹ IN LAKHS)

HISTORICAL DATA		2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
PERFORMANCE											
1	Total Income	133125.28	139062.23	112719.31	77987.90	51794.37	41670.58	34134.83	29391.17	23185.24	19182.58
2	Profit before Interest, Depreciation, Extra ordinary items & tax	16809.83	20846.02	17592.05	12595.49	7616.25	3813.01	3278.60	2578.63	1950.47	1219.69
3	Interest	853.56	1426.53	641.15	75.53	114.14	565.07	767.48	687.92	550.49	636.32
4	Depreciation	1477.15	899.02	624.98	426.08	358.94	347.58	384.48	220.08	188.59	186.98
5	Profit / (Loss) before extra ordinary items	14479.12	18520.47	16325.92	12093.88	7143.17	2900.36	2126.64	1670.63	1211.39	396.39
6	Extra - ordinary \ Exceptional Items	695.92	0.00	0.00	-58.50	397.23	0.00	319.83	-11.29	-11.29	-11.29
7	Profit before tax	15175.04	18520.47	16325.92	12035.38	7540.40	2900.36	2446.47	1659.34	1200.10	385.10
8	Taxation Provision	3995.82	5211.50	4988.15	3660.22	2296.60	662.25	379.95	482.67	488.63	3.76
9	Profit After tax	11179.22	13308.97	11337.77	8375.16	5243.80	2238.11	2066.52	1176.67	711.47	381.34
10	Dividend provision	2328.24	1984.71	1698.16	1415.14	1131.99	565.99	397.19	340.45	283.34	226.64
11	Dividend Tax	395.68	337.30	275.48	229.57	188.01	96.19	67.50	57.86	39.74	29.62
12	Dividend Declared %	200.00	175.00	150.00	125.00	100.00	50.00	35.00	30.00	25.00	20.00
Sources & Application of Funds											
Sources											
1	Share Capital	1165.48	1135.48	1133.47	1133.47	1133.41	1133.41	1133.40	1133.39	1133.37	1133.18
2	Reserves & surplus	57365.89	38410.82	27393.86	18014.85	11283.92	7331.26	5755.29	4377.06	3598.54	3228.75
3	Loan Funds	2689.89	11510.53	7940.87	224.56	279.92	2069.39	4687.33	7352.87	5724.83	6494.66
Total		61221.26	51056.83	36468.20	19372.88	12697.25	10534.06	11576.02	12863.32	10456.74	10856.59
Application											
4	Fixed Assets WDV incl assets kept for disposal	36392.30	32101.85	23761.59	9142.87	6400.35	5957.60	5661.15	3582.74	2525.39	2506.48
5	Investments	1.65	1.65	1.65	2258.00	39.03	39.03	39.03	1812.24	1812.24	1512.79
6	Net Current Assets	26880.24	19964.83	13385.80	8297.82	6569.22	4851.55	6183.39	7762.81	6149.86	6502.10
7	Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.29	22.57	33.86
8	Deferred Tax Asset (Liability)	-2052.93	-1011.50	-680.84	-325.81	-311.35	-314.12	-307.55	-305.76	-53.32	301.36
Total		61221.26	51056.83	36468.20	19372.88	12697.25	10534.06	11576.02	12863.32	10456.74	10856.59

Date :
Mail this form to
Karvy Computershare (P) Limited
(Unit : TTK Prestige Limited)
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.

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 ₹ 5,00,000, subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.
 4. 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

India's largest and most innovative range of kitchen appliances.



Apple Duo



Rice Cookers



*Hard Anodised Plus
Cookware*



Veggie Cutter



Hand Blenders



Mixer Grinders



*Deluxe Plus
Pressure Cookers*



Induction Cook-tops



Chimneys



Kettles



Water Purifier



Barbeques



Dura Plus Cookware



Gas Stoves

The background of the entire page is a repeating pattern of light green silhouettes of Prestige kitchenware, including various pots, pans, and blenders, arranged in a grid-like fashion.

Prestige®

Regd. Office: Plot No. 38, Sipcot Industrial Complex, Hosur - 635126.

Corp. Office: TTK Prestige Ltd., 11th Floor, Brigade Towers, 135, Brigade Road, Bengaluru - 560025.

www.ttkprestige.com

CIN: L85110TZ1955PLC015049

