

TTK Prestige LIMITED



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August 11, 2017

National Stock Exchange of India Ltd. “Exchange Plaza”, C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. Scrip Symbol : TTKPRESTIG	BSE Ltd. 27th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code : 517506
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Dear Sir / Madam,

Re : Chairman’s Speech

We are forwarding herewith a copy of the Speech delivered by the Chairman at the 61st Annual General Meeting of our Company held today at Hotel Claresta, Sarovar Portico, SIPCOT Phase II, Bengaluru-Chennai NH7, Hosur - 635109.

We request you to kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Prestige Limited

A handwritten signature in blue ink, appearing to read 'K. Shankaran'.

(K Shankaran)
Director & Whole-time Secretary



Encl. : a/a

A  Group Company

(Registered Office: Plot No.38, SIPCOT Industrial Complex, Hosur – 635 126, Tamil Nadu. INDIA)

CHAIRMAN'S SPEECH

I have great pleasure in welcoming you all to the 61st Annual General Meeting of your Company.

General Economic Scenario:

I would like to start with a positive belief, that the domestic economy is being put on a more formal platform with two major initiatives of the Government – demonetisation followed by implementation of long awaited GST, notwithstanding the transitional disruptions caused by both these structural change initiatives.

The first initiative did impact the consumption and growth for a few months following the announcement of demonetisation on 8th November 2016.

As regards GST, the transitional impact in the month of June 2017 was quite severe on many of trade channels, seriously affecting the primary sales of many businesses. The trade and the small & medium manufacturing sector are trying to adjust themselves to the new regime and are yet to settle down.

The south-west monsoon has been bountiful in most parts of the country, though parts of southern states continue to experience deficit rainfall. Notwithstanding severe flood situation in certain parts, the overall agricultural sector is expected to perform better. In addition, the rural thrust and investments in infrastructure is expected to have a positive impact on rural demand.

The overall GDP growth for the FY 17-18 is estimated at 7.4%.

The global market conditions continue to be sluggish, further compounded by the Brexit phenomenon. The silver-lining is that India is regarded as the best growing economy and is able to attract sizable foreign investments. The fundamentals of the Indian economy are considered to be strong and the various policy initiatives by the Government to broad-base the economy can further strengthen the economic foundation for a rewarding long-term growth.

FINANCIAL YEAR 2016-17:

The Annual Report for the year has already been circulated. Being the first year after acquisition of UK business, this Annual Report contains both stand-alone and consolidated financials.

Your company registered a growth of 8% against the back drop of sluggish domestic economic conditions and the adverse impact of demonetisation on consumption during the crucial months of November, December and January.

Your Company recorded an all-time high turnover of Rs.1683 crores against previous year's turnover of Rs.1558 crores. The consolidated sales including the UK Subsidiary was Rs.1837 crores.

The Post-tax profits stood at Rs.142.57 crores (after considering reversal of excess tax provisions in the past years) as against Rs.114.84 crores in the previous year. The consolidated post-tax profit was Rs.139 crores after providing for Rs.5.48 crores of one-time acquisition costs.

During the year the acquisition of the kitchen appliance division of Triveni Bialetti Industries P Ltd through a Scheme of Demerger duly sanctioned by the Honourable High Courts of Madras and Bombay, became effective, the appointed date being 1st April 2012.

DIVIDEND:

Your Directors paid an interim dividend of Rs.15 per share for the Financial Year 16-17 during May 2017. A further final dividend of Rs.12 per share is now recommended by the Board. Thus, the aggregate dividend is maintained at Rs.27 per share. This amounts to a pay out of Rs.31.45 crores (PY Rs.31.43 crores) by way of Dividend and Rs.6.41 crores (PY Rs.6.40 crores) by way of Dividend Distribution Tax. The overall pay-out ratio including dividend tax is around 26.5% of the net-profit.

Finances:

On a stand-alone basis, your Company is debt-free and carried a free cash of Rs 89 Crores as on 31.3.2017 after investing Rs.97 crores in the UK Subsidiary.

Buy-Back of Shares:

As you are aware, your Company completed buy-back of one lakh shares at a total consideration of Rs.70 crores on 4th August 2017.

Property Development Proceeds:

During the first quarter of the current financial year your Company dealt with its entire rights relating to the development of the Dooravani Nagar property which will further improve your Company's cash position after spending Rs.70 crores towards buy-back of shares completed on 4th August 2017.

Brand Salience & Recognitions

Due to consistent investments in brand building, the Prestige brand continues to be recognized as the Super Brand in the Kitchen Segment.

Apart from the Brand, your company's unique product designs are also receiving recognitions continuously. Your Company received the most coveted Red Dot award for the four-burner hob-top in July 2017 and further received European Product Design Award for Clip-on Pressure Cookers and Hob-Tops.

Prestige Brand has retained or improved its share in various markets even under difficult economic conditions and intense competition from both large and small players.

Ranking:

Your Company is now ranked within the Top 300 listed companies of India based on market capitalization as on 31st March 2016.

CRISIL continues to rate your Company as 5/5 in terms of fundamentals.

Financial Year 2017-18

Your company started the financial year with a double-digit growth in the months of April and May 2017 – the cumulative growth for the two months being 12.5% year-on-year. However, the month of June 2017 witnessed a slump of over 11.2% YOY, as the trade started down-sizing stock levels on account of GST implementation taking effect from 1st July 2017. Thanks to the brand salience and dealer- educational efforts of your Company, your company during the first quarter of FY 17-18 performed better than all its peers both in terms of revenue growth and profitability.

The performance during the month of July 2017 was encouraging as good volume growth was witnessed in most of the categories. Based on the economic scenario outlined earlier your Company does have a positive outlook for the rest of the year.

GST Impact:

Your Company has been duly geared up to function under GST regime in all aspects.

Your Company's products fall under 12%, 18% and 28% tariff headings. By and large the impact is neutral and hence the maximum retail prices are being maintained at pre GST levels, even though some SKUs require upward revision.

Enlarging the Business Domain:

As mentioned in my last year address, your Company has entered the Cleaning Solutions domain in select markets and the response has been encouraging. Your Company will be extending the offering of these products on a national basis during the current financial year and enlarge the number of SKUs in this category.

Your Company's revenue is mainly from urban markets. Having carefully studied various aspects of rural markets, your Company has developed specific products for these markets with appropriate price-points and the launch will be made in select rural markets under a different brand name.

CONCLUSION

I acknowledge the support received from the shareholders, employees, channel partners and banks in putting the Company into the track of sustainable growth.

