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TT LTD



ANNUAL REPORT
1998-99

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TT LIMITED

BOARD OF DIRECTORS	Mr. Rikhab C. Jain (Chairman & Managing Director) Justice (Retd.) U.N. Bhachawat Mrs. Kala Jain Mr. Navratan Dugar Mr. Sanjay Kumar Jain Mrs. Jyoti Jain Dr. (Prof.) V. K. Kothari Mr. Amit Dugar Mr. R. Krishnan (Nominee of ICICI)
COMPANY SECRETARY	Mr. Sunil Mahnot
AUDITORS	DOOGAR & ASSOCIATES
INTERNAL AUDITORS	R. S. MODI & CO. N. C. KUMBHAT & CO.
BANKERS	A. Consortium : ORIENTAL BANK OF COMMERCE PUNJAB NATIONAL BANK B. Others : STATE BANK OF INDORE INDUSIND BANK LTD.
REGISTRAR & SHARE TRANSFER AGENTS	ALLIED COMPUTER TECHNIQS PVT. LTD. Flat No. 18, Block-A, Local Shopping Centre, Ring Road, Naraina, New Delhi-110028 Phone : 5796461, 5795118 Fax : 011-5798451
REGISTERED OFFICE	879, East Park Road Opp. Ajmal Khan Park, Karol Bagh, New Delhi-110005 Phone 7779027, 7534671 Fax : 0117532283 Internet Mail address : tti@gias.dlo1.vsnl.net.in Web site : http://www.tttextstyle.com
BRANCHES	Calcutta, Tirupur, Ghaziabad
100% E.O.U. MILLS	Gajroula (Uttar Pradesh) Avinashi (Tamil Nadu)

TT LIMITED



NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of T T LIMITED will be held on Wednesday the 10th November, 1999 at 10.00 a.m. at FICCI Auditorium, Tansen Marg, New Delhi-110001 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. Smt. Kala Jain, Director retires by rotation although eligible for reappointment, reappointment is not sought.
3. Shri Amit Dugar, Director retires by rotation although eligible for reappointment, reappointment is not sought.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

5. Voluntary delisting of the Company's Securities from Calcutta, Ahmedabad and Chennai Stock Exchanges :

To consider and if thought fit, pass with or without modification, the following resolution as a special resolution

"RESOLVED that subject to the provisions of the Companies Act, 1956. (including any statutory modification (s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary consent is hereby accorded to the Board to delist its Equity Shares from The Calcutta Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and Madras Stock Exchange Ltd."

Place : New Delhi

Date : 18th September, 1999

BY ORDER OF THE BOARD

Sd/-
(SUNIL MAHNOT)
COMPANY SECRETARY

Regd. office :
879, East Park Road
opp. Ajmal Khan Park,
Karol Bagh, New Delhi-110005.

NOTES :

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- ii) Shareholders of erstwhile T.T. Finance Ltd. who have not got exchanged their share certificates are advised to surrender Share Certificates for exchange with certificates of the Company.
- iii) Members are requested to notify the change in their address and such communications be addressed to the Registered Office of the Company or the Registrar and share Transfer Agents of the Company.
- iv) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies of Annual Report to the Meeting.
- v) The Register of Member and Share Transfer Books of the Company will remain closed from 2nd November, 1999 to 10th November, 1999. (both days inclusive)

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Presently the the Company's Securities are listed on the following 5 Stock Exchange in India :

- i) The Stock Exchange, Mumbai.
- ii) The Delhi Stock Exchange Association Ltd.
- iii) The Calcutta Stock Exchange Association Ltd.
- iv) The Stock Exchange, Ahmedabad.
- v) Madras Stock Exchange Limited.

With the networking of centres of the Stock Exchange, Mumbai, the members of the Company have access to online dealings in the Company's Securities across the Country. A miniscule number of members are located in the regions where the Madras Stock Exchange Ltd., The Calcutta Stock exchange Association Ltd. and the Stock Exchange, Ahmedabad are situated and trading Volumes on the said Stock Exchange in the Companies Securities is negligible. The proposed delisting of the Company's Securities on these exchange will not, therefore adversely affect any investor including the members located in regions where the said stock exchange are situated.

As a part of its cost reduction measures, the Company has proposed delisting of its securities from the said stock exchange and in line with the SEBI regulations for voluntary delisting of the Company's Securities by the Company, members approval is sought by a special resolution for delisting of its securities from stock exchanges mentioned above. The proposed delisting is in the interest of the Company and the Board recommends the resolutions for acceptance by members.

None of the Directors is concerned or interested in the resolution.

TT LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 1999.

FINANCIAL RESULTS

	1998-99 (Rs. in Lakh)	1997-98 (Rs. in Lakh)
Sales	8726.88	8528.24
Profit before Interest, Depreciation and Tax	1082.76	1079.79
Financial Charges	651.71	687.62
Depreciation	245.98	203.26
Provision for Income Tax	28.32	15.00
Profit After Tax	156.75	173.91
Balance Brought Forward from previous year	204.88	180.05
TOTAL	361.63	353.96

APPROPRIATIONS

Dividend	—	90.07
Provision for dividend distribution Tax	—	9.01
Transfer to General Reserve	—	50.00
Balance Carried Forward	361.63	204.88
Total	361.63	353.96

DIVIDEND

Financial Institutions and Consortium of Banks have not cleared our proposal for payment of dividend in order to conserve resources. Hence your Board of Directors are constrained to declare any dividend this year.

REVIEW OF OPERATIONS & FUTURE OUTLOOK

The year under review has been a very difficult year for the textile industry because of the depressed market conditions at home and abroad. Although we have been able to increase our turnover substantially, profit margins had eroded significantly due to worst competition amongst spinners in India. Your Company had also suffered substantially by way of currency exchange losses due to stiff fall in the value of rupee as your company has substantial ECB and FCNR (B) borrowings in foreign currency.

Cotton crop prospects this year are bright however our cotton prices continues to be much higher than international cotton prices. This has affected adversely for last two years. The traditional advantage of cheaper cotton in India has been nullified.

The major thrust of business expansion in the current year is exports where a vast major market has been developed for the company's products.

Your Company's status has been elevated by the Govt. of India's Recognised "Export House" to "Trading House". Exports in the current year are expected to be above Rs.70 crores and total turnover is expected to cross Rs.100 crores mark. The company's further expansion plan is in its core competence area of knitted undergarments business during the current year.

Merger of the T.T. Finance Ltd. with the company has been completed. The present accounts includes affairs of merged company during the year 1998-99. Share certificates of T.T. Finance Ltd. has been exchanged and despatched by the company. Shareholders of erstwhile T.T. Finance Ltd. are now members of T T Limited.

Your company however is not forging ahead with leasing business of merged company any more as no appreciable prospect of leasing business is there.

WHOLLY OWNED SUBSIDIARY IN SINGAPORE

A wholly owned subsidiary (WOS) of the Company in the name and style T.T. Global Pte Ltd. has been formed in Singapore with a view to add third country dimension to your Company's textiles trade. Company has been formed with a nominal small capital of SGD 1,00,000 (equivalent to Rs. 25.00 lacs). The amount has been utilised mainly in preliminary and establishment expenses. The First Annual closing of Accounts of WOS falls on 31st March 2000 & as such no Auditors' Report & Accounts of WOS are appended to this Report. Future prospects of WOS business is reasonably good but constrained by depressed international market conditions.

TT LIMITED**DIRECTORS**

Smt. Kala Jain and Shri Amit Dugar retire by rotation and although eligible for re-appointment, it has been decided not to reappoint them and also not to fill the vacancies caused by retirement of above directors. The Board of Directors place on record their appreciation of the services rendered by Smt. Kala Jain and Shri Amit Dugar during their association with the Company.

VOLUNTARY DELISTING OF THE COMPANY'S SECURITIES FROM SOME STOCK EXCHANGES

The Company's Securities are presently listed on five Stock Exchanges in India. With Computerisation of the Stock Exchange, Mumbai and Delhi Stock Exchange Association Ltd. where the Company's securities are listed and the ready accessibility to these networks by investors situated even in remote areas, the listing of the Company's Securities on other exchanges is no longer felt necessary.

Therefore as a part of Company's cost reduction measures, it has been decided to delist Company's securities from Madras, Calcutta and Ahmedabad Stock Exchanges. The delisting has to be approved by a special resolution as per guidelines issued by the Securities and Exchange Board of India.

AUDITORS

M/s. Doogar & Associates, Chartered Accountants, who have been the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

PUBLIC DEPOSITS

The company has accepted deposits and the information as per directions of Reserve Bank of India is given below :

- | | |
|--|-----|
| i) Total number of depositors whose deposits have not been claimed or paid by the company after the date on which the deposit become due | Nil |
| ii) Total amount due to the depositors and remaining unclaimed or unpaid | Nil |

PERSONNEL

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given in the statement which form a part of this report. However as per the provisions of section 219(l) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining a copy of the particulars may write to the Company's Registered Office.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be furnished under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is annexed herewith and forming part of this report.

Y2K COMPLIANCE

Your Company's existing hardware and software will not be affected in anyway on account of new millennium as both are Y2K compatible.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. They are grateful to shareholders, banks, financial institutions, depositors, customers and suppliers of the company for their continuous valued support.

For and on behalf of the Board

Place : New Delhi
Date : 18th September 1999

Sd/-
(RIKHAB C. JAIN)
CHAIRMAN & MANAGING DIRECTOR

TT LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY :

- a) Energy Conservation measures taken : The Company continues to give high priority to conservation of energy on an on-going basis. A few significant measures taken are :
- The company has installed energy efficient motors, equipments and other methods leading to direct saving of energy.
 - The power load factor has been improved by the company by conservation of energy of power receiving sub-station & distribution centres.
 - The humidification and ventilation system installed also lead to conservation of energy.
- b) Additional Investments and proposals :
- The current power tariff applicable to company is very high. Further the Company has also suffered because of poor quality of power. These problems to a large extent have been over come by installation of 500 KVA D.G. set additionally. The lower cost of captive power generation per unit will result in substantial saving in cost to the Company.
 - Replacement of old D.G. Sets with latest model energy efficient D.G. set reduced generation cost to a large extent.
 - Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods :
- The impact of the measures taken above, would result in reduction in energy consumption in future years to come.
- d) Total energy consumption and energy consumption per unit of production :

	<u>1998-99</u>	<u>1997-98</u>
A. Power and fuel consumption :		
1) Electricity (KWH)		
a) Purchased (Units)	2665694.00	7943519.00
Total Amount (Rs.)	11533205.00	24656151.00
Rate per unit (Rs.)	4.33	3.10
b) Own Generation		
Through Diesel Generator :		
Units	9410133.00	4398780.00
Units per Ltr. of diesel Oil	3.41	3.25
Cost/Unit	2.84	2.62
2) Coal	not used	Not used
3) Furnace Oil	not used	Not used
B. Consumption per unit (Yarn in Kg.) of production		
Electricity	3.62	3.72

B. RESEARCH AND DEVELOPMENT

- Specific areas on which R & D carried out by the Company : Research and Development has been carried out for quality improvement.
- Benefits derived as a result of the above R & D : The Company was able to improve the quality of its on going product.
- Future plan of action : Continuous efforts is being made for quality improvement.
- Expenditure on R & D : No separate account is being maintained by the company for the expenditure incurred on R & D.

C. TECHNOLOGY ABSORPTION :

The technology developed as a result of R & D activity was properly absorbed which has resulted in product improvement and cost reduction. We have not made any import of technology so far.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's main thrust area had been exports and is further initiating globalisation of its operations mainly in textiles. The company has also earned "Trading House" Status during the year.

During the year under review your company has exported goods worth Rs. 5780.59 lakh as compared to last year Rs. 5573.15 lakh. The details of foreign exchange earnings and outgo are given in the Notes to the accounts which forms a part of the Annual Report.

Place : New Delhi

Date : 18th September, 1999

For and on behalf of the Board

Sd/-
(RIKHAB C. JAIN)
CHAIRMAN & MANAGING DIRECTOR

