



**T.T. LTD.**  
**ANNUAL REPORT**

2000-2001



**T T LIMITED**

|   |  |
|---|--|
| <b>BOARD OF DIRECTORS</b>   | <b>Mr. Rikhab C. Jain (Chairman &amp; Managing Director)</b><br>Justice (Retd.) U.N. Bhachawat<br>Mr. Navratan Dugar<br>Mr Sanjay Kumar Jain<br>Mrs. Jyoti Jain<br>Dr. (Prof.) V.K. Kothari<br>Mr. R. Krishnan (Nominee of ICICI)                              |
| <b>COMPANY SECRETARY</b>  | Mr. Sunil Mahnot   |
| <b>AUDITORS</b>   | DOOGAR & ASSOCIATES  |
| <b>INTERNAL AUDITORS</b>  | R.S. MODI & CO.  |
| <b>BANKERS</b>  | A.Consortium :<br>ORIENTAL BANK OF COMMERCE<br>PUNJAB NATIONAL BANK<br>B.Others:<br>STATE BANK OF INDORE<br>INDUSIND BANK LTD.   |
| <b>REGISTRAR &amp; SHARE<br/>TRANSFER AGENTS</b><br>(Both for Physical & Demat) | MAS SERVICES PVT LTD.<br>AB-4, Safdarjung Enclave, New Delhi - 110 029<br>Ph.: 6104142, 6104292, 6104326<br>Fax : 011-6181081  |
| <b>REGISTERED OFFICE</b>  | 879, Master Prithvi Nath Marg, Opp. Ajmal Khan Park<br>Karol Bagh, New Delhi - 110 005<br>Phone : 3536317, 3537761-64<br>Fax: (0091-11)-3632283, 3550902<br>Internet: ttl@giassdl01.vsnl.net.in / ttlimited@bol.net.in<br>Web site :http://www.tttextstyle.com |
| <b>BRANCHES</b>   | Kolkata, Tirupur, Ghaziabad  |
| <b>100% E.O.U Units</b>   | Gajroula (Uttar Pradesh)<br>Avinashi (Tamil Nadu)  |

**T T LIMITED****NOTICE**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of the company will be held on Saturday, the 29th September, 2001 at 11.00 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, 2001 and Profit & Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Navratan Dugar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Justice (Retd.) U.N. Bhachawat who retires by rotation and being eligible, offers himself for reappointment.
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.**

Place : New Delhi  
Date : 31st July, 2001

Regd. Office :  
879, Master Prithvi Nath Marg,  
Opp. Ajmal Khan Park,  
Karol Bagh, New Delhi - 110 005

BY ORDER OF THE BOARD  
Sd/-  
(SUNIL MAHNOT)  
COMPANY SECRETARY

**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 Registrars 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 18th September 2001 to 29th September 2001 (both days inclusive)

**T T LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2001.

**FINANCIAL RESULTS**

|  | <b>2000-2001</b><br>(Rs. in Lakh) | <b>1999-2000</b><br>(Rs. in Lakh) |
|--|-----------------------------------|-----------------------------------|
| Sales  | <b>10540.66</b>                   | 10213.80                          |
| Profit before Interest, Depreciation and Tax | <b>903.51</b>                     | 1013.91                           |
| Financial Charges                            | <b>472.59</b>                     | 529.06                            |
| Depreciation                                 | <b>252.89</b>                     | 266.91                            |
| Loss on sale of certain Fixed Assets         | <b>104.83</b>                     | —                                 |
| Provision for Income Tax                     | <b>15.00</b>                      | 25.00                             |
| Profit After Tax                             | <b>58.20</b>                      | 192.94                            |
| Balance Brought Forward from previous year   | <b>155.77</b>                     | 362.83                            |
| <b>TOTAL</b>                                 | <b>213.98</b>                     | 555.77                            |

**DIVIDEND**

In order to meet with long term loan repayment liabilities, your Board is constrained to declare any dividend for this year also.

**REVIEW OF OPERATIONS & FUTURE OUTLOOK**

Year under review has affected due to USA economy slow down. Despite recession in the textile industry and USA slow down, your company has been able to increase turnover marginally from Rs. 10213.80 lakhs to Rs. 10540.65 lakhs.

The global business is undergoing a great shift putting most industries on the move in search of finding sustainable competitive advantage. The textile industry is one of the world's most volatile industries at this juncture. The industry is simultaneously facing incessant recession, global reorganisation and relocation. Therefore, the industry is passing through most difficult circumstances all over the world.

The announcement of New Textile Policy, 2000 augurs well for the Indian textile industry with its bold features for growth and export projections of USD 50 billion by 2010. The New Textile Policy marks a significant shift from inward looking to export led growth. If the policy intent is followed to its logical end of redrawing the rules of the game, policy reforms and infrastructure support, we hope that the textile industry in the country will be basking in the new found glory.

Your company has already initiated Technology Upgradation and replaced all spindles at Gajroula Mill by ultra modern state of art spindles. Technology upgradation programme for all manufacturing units of the company has been finalised and about to be submitted to Financial Institutions for approval. Once the upgradation programme is implemented, company's outlook and profits are likely to be surged ahead.

**WHOLLY OWNED SUBSIDIARY IN SINGAPORE**

Wholly owned subsidiary in Singapore has done some business despite adverse trade situation.

Financial statements and other documents of the subsidiary company are annexed hereto as required pursuant to provisions of Section 212 of the companies Act, 1956.

We hope that in near future with revival of global trade, it would be possible for WOS to play the intended role in larger scale.

**DIRECTORS**

Shri Navratan Dugar and Justice (Retd.) U N Bhachawat retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

**T T LIMITED****DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors report as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE OF THE BOARD**

Your Directors are happy to report that the Board of Directors of the Company has constituted Audit Committee comprising an institutional nominee Director besides two non-executive Directors. The committee has powers similar to those stated in the listing agreements and shall exercise most of the functions as per the terms of reference in line with requirement of the code on Corporate Governance.

**AUDITORS AND THEIR OBSERVATIONS**

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 reappointment.

The observations of the Auditors referred to in the Auditors report have been suitably explained in the Notes on Accounts.

**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**

The particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956 are not given as no employee falls within ambit of this section.

**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.

**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 continued valued support.

Place : New Delhi  
Date : 31st July, 2001

For and on behalf of the Board  
Sd/-  
(RIKHAB C. JAIN)  
CHAIRMAN & MANAGING DIRECTOR



**T T 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 has always been conscious of the need to conserve energy. The Company is continuously identifying areas where energy can be saved and appropriate measures have been taken for optimizing the energy conservation.
- b) Additional investments and proposals:
- (i) 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 reducing connected load from electricity board. Due to lower cost of captive generation per unit, company has decided to use 80% power from the captive sources. This will result in substantial saving in cost to the Company.
- (ii) Replacement of old D.G. Sets with latest model multi-fuel energy efficient D.G. sets reduced generation cost to a large extent.
- (iii) Replacement of existing humidification supply and return fans with R.P.F. fans lead to direct saving of energy.
- (iv) Company is planning for installation of Furnace Oil based Wartsilla Generator Set which will substantially save energy cost to the company.
- (c) 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 consumptions, energy consumption per unit of production:

| A  | Power and fuel consumption                       | 2000-2001   | 1999-2000   |
|----|--|-------------|-------------|
| 1) | Electricity (KWH)                                |             |             |
| a) | Purchased (Units)                                | 2567552.00  | 3131549.00  |
|    | Total Amount (Rs)                                | 11214419.20 | 13410767.00 |
|    | Rate per unit (Rs)                               | 4.37        | 4.28        |
| b) | Own Generation                                   |             |             |
|    | Through Diesel Generator                         |             |             |
|    | Units  | 9613800.00  | 8200183.00  |
|    | Units per Ltr. of Diesel Oil                     | 3.40        | 3.395       |
|    | Cost/Unit  | 3.68        | 3.295       |
| 2) | Coal   | Not used    | Not used    |
| 3) | Furnace Oil                                      | Not used    | Not used    |
| B. | Consumption per unit (Yarn in Kg.) of Production |             |             |
|    | Electricity                                      | 3.90        | 3.795       |

**B. RESEARCH AND DEVELOPMENT**

- a) Specific areas on which R & D carried out by the Company: Research and Development has been carried out for quality improvement.
- b) Benefits derived as a result of the above R & D: The Company was able to improve the quality of its ongoing product.
- c) Future plan of action : Continuous efforts is being made for quality improvement.
- d) 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. During the year under review your company has exported goods worth Rs. 7219.78 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 : 31st July, 2001

For and on behalf of the Board  
Sd/-  
(RIKHAB C. JAIN)  
CHAIRMAN & MANAGING DIRECTOR

**TT LIMITED****AUDITORS' REPORT**

To the members of TT Limited

We have audited the attached Balance Sheet of TT Limited as at 31st March 2001 and the Profit & Loss Account for the year ended on that date annexed thereto.

As required by the Manufacturing and Other Companies (Auditors Report) order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we give our comments on the matters specified in paragraph 4 & 5 of the said order:

1. The Company is maintaining records showing particulars including quantitative details and situation of fixed assets. Major fixed assets have been physically verified by the management during the year. No material discrepancy was noticed on such verification.
2. None of the Fixed Assets have been revalued by the company during the year except to the extent of restatement of foreign currency loan.
3. Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw material except material lying with third parties and in transit.
4. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancy has been noticed on physical verification of stocks as compared to the book records. In view of the nature of activities of the company, the same have been properly dealt within the books of account wherever considered appropriate.
6. In our opinion and on the basis of our examination of stock records, the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section are not applicable to a Company on or after 31st October, 1998.
8. The Company has granted unsecured loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of the loans granted are not prejudicial to the interest of the Company. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the section are not applicable to a Company on or after 31st October, 1998.
9. Loans and advances in the nature of loans have been given to the employees and other parties, the repayment thereof are generally regular as per stipulations, wherever made.
10. There are adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of stores, machinery equipment and other assets and with regard to sale of goods.
11. In our opinion and as per explanation given to us the transactions of purchase of goods and sale of goods, material and service made in pursuance of contracts of arrangements entered in the register maintained under section 301 of Companies Act, 1956 and aggregating to Rs. 50000/- or more during the year in respect of each party have been made at prices which are reasonable having regard to prevailing market prices such goods for material or services at the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us the Company has a regular procedure for determination of unservicable and damaged stores, raw material and finished goods. For such goods, adequate amount has been written off in the accounts for the estimated losses assessed by the company.
13. In our opinion, the company complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, the company has maintained reasonable records for the sale and disposal of realisable production scrap/waste. The Company has no by-products.
15. In our opinion the company has an internal Audit system commensurate with the size of the Company and nature of its business.
16. The Cost Accounts and records of Spinning Mills for the year 1998-1999 to 2000-2001 prescribed by the Central Government under Section 209(i) (d) of the Companies Act 1956 are under compilation.
17. The company is generally regular in depositing the Provident Funds and Employees State Insurance dues with the appropriate authorities. As informed to us ESI is not applicable for Company's Spinning Mill at Gajroula.
18. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding as at the last date of financial year for more than six months from the date it become payable.
19. No personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation in accordance with the generally accepted business practice.
20. The Company is not a Sick Industrial Company within the meaning of clause (O) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1956
21. In the case of trading activities of the Company, there were no damaged goods.

**FURTHER TO THE ABOVE WE REPORT THAT**

- i) We have obtained all informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of these books.
- iii) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- iv) The Balance Sheet and profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- v) On the basis of the written representations received from the directors of the company as on 31st March 2001 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2001 from being appointed as a director in terms of clause (g) of the sub section (i) of section 274 of the Companies Act, 1956.
- vi) The Company has continued to consider plant and machinery at Spinning Units as continuous process plant within the meaning of footnote No.9 to the Schedule XIV as amended by Companies Act, 1956 and has accordingly provided depreciation. This being technical matter, we have not formed an independent opinion on such classification of assets and are therefore unable to comment thereon. Accounting of depreciation on assets leased/on hire as per the rates given in Schedule XIV of the Companies Act, 1956 instead of accounting of the same to ensure full depreciation over the tenure of the lease as per "Guidance Note on Accounting of Lease" issued by the Institute of Chartered Accountants of India, the impact of which is neither ascertained nor disclosed. Attention is invited regarding certain claims of Rs.282 lakhs (refer to note no.3 & 4 of notes to accounts of schedule 15), accounted on claim basis and are yet to be confirmed/under process by respective authorities. Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the accounting policies and notes to accounts give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view:
- a) In case of the Balance Sheet of the State of Affairs of the Company as at 31st March 2001 and
- b) In case of the Profit & Loss Account of the profit for the year ended on that date.

Place: New Delhi  
Date : 31.07.2001

For Doogar & Associates  
Chartered Accountants  
Sd/-  
(MUKESH GOYAL)  
PARTNER



**T T LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2001**

| <b>PARTICULARS</b>   | <b>SCHEDULE</b> | <b>Current Year<br/>Rs.</b> | <b>Previous Year<br/>Rs.</b> |
|--|-----------------|-----------------------------|------------------------------|
| <b>I. SOURCES OF FUNDS</b>   |                 |                             |                              |
| 1. Share Capital   | 1               | 107490250.00                | 107490250.00                 |
| Reserves & Surplus   | 2               | 260727025.01                | 258839557.29                 |
| <b>2. LOAN FUNDS</b>   |                 |                             |                              |
| Secured Loans  | 3               | 289131465.00                | 243360626.00                 |
| Unsecured Loans  | 4               | 37983917.59                 | 30886773.59                  |
|  |                 | <u>695332657.60</u>         | <u>640577206.88</u>          |
| <b>II APPLICATION OF FUNDS</b>   |                 |                             |                              |
| <b>1. FIXED ASSETS</b>   |                 |                             |                              |
| Gross Block  | 5               | 580646008.51                | 583282540.82                 |
| Less: Depreciation   |                 | <u>153852588.95</u>         | <u>137804456.99</u>          |
| Net Block  |                 | 426793419.56                | 445478083.83                 |
| Capital work in progress/Advances                                      |                 | <u>3344955.28</u>           | <u>1513137.25</u>            |
|  |                 | 430138374.84                | 446991221.08                 |
| <b>2. Investments</b>  | 6               | 9683465.57                  | 9733465.57                   |
| 3 i. Current Assets, Loans & Advances                                  |                 | 338219031.99                | 248946491.37                 |
| ii. Less: Current Liabilities & Provisions                             |                 | <u>87520175.04</u>          | <u>67331375.14</u>           |
| <b>Net Current Assets (i-ii)</b>                                       | 7               | 250698856.95                | 181615116.23                 |
| <b>4. Miscellaneous Expenditure</b><br>(To the extent not written off) | 8               | 4811960.24                  | 2237404.00                   |
|  |                 | <u>695332657.60</u>         | <u>640577206.88</u>          |

NOTES TO ACCOUNTS &amp; ACCOUNTING POLICIES : 15

As per our report of even date attached.  
for **DOOGAR & ASSOCIATES**  
Chartered Accountants

for and on behalf of the Board

(**MUKESH GOYAL**)  
Partner

(**RIKHAB C. JAIN**)  
Chairman & Managing Director

(**SANJAY KR. JAIN**)  
Director

PLACE : NEW DELHI  
DATE : 31.07.2001

(**SUNIL MAHNOT**)  
Company Secretary