

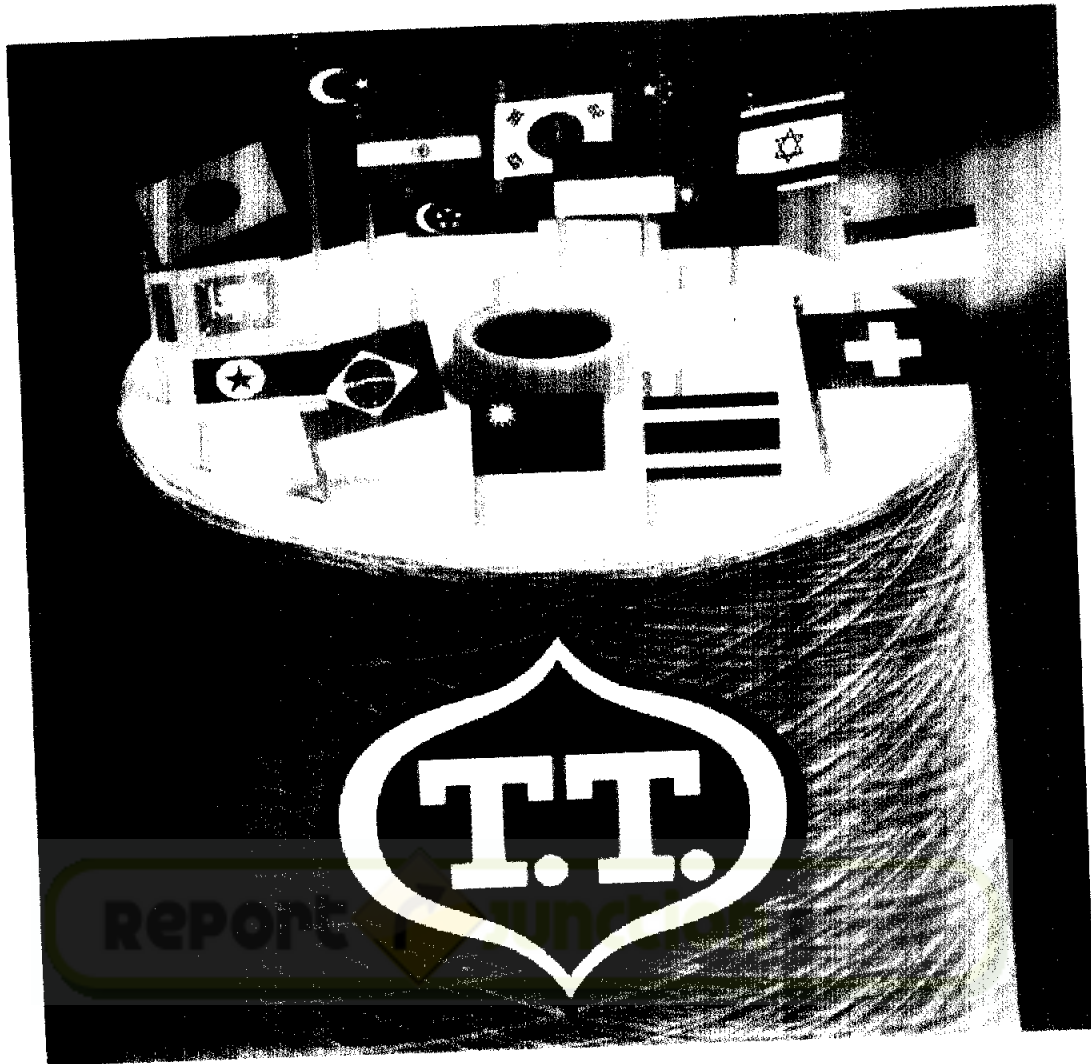
T.T. LTD.
ANNUAL REPORT
2001 - 2002

T.T. LIMITED

INCORPORATED IN INDIA

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T T LIMITED

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

T T LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the company will be held on Wednesday, the 25th September 2002 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, 2002 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 Smt. Jyoti Jain who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Dr. (Prof.) V K Kothari 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary Resolution :
 "RESOLVED that pursuant to Section 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 (Act) read with the Schedule XIII to the said Act, the Company hereby accords its approval for the re-appointment of Shri Rikhab C. Jain as "**Managing Director**" of the company for a further period of 5 years with effect from 1st April 2002 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this meeting and signed by the Managing Director for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said reappointment and / or Agreement, in accordance with the limits specified in schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Shri Rikhab C. Jain."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :
 "RESOLVED that pursuant to Sections 198, 269, 309 and all other applicable provisions, if any of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, the company hereby accords its approval for appointment of Shri Sanjay Kumar Jain as "**Whole Time Director**" for a period of 5 years with effect from 1st July 2002 with such designation as the Managing Director may decide from time to time and upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) set out in the agreement submitted to this meeting and signed by the Whole Time Director for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and / or agreement in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto as may be agreed to between the Managing Director and Shri Sanjay Kumar Jain."

Place : New Delhi

Date : 29.06. 2002

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

T T LIMITED**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) The Explanatory Statement pursuant to Section 173 of the Companies act, 1956 is given below and forms part of the notice.
- iii) ***Shareholders of erstwhile T.T. Finance Ltd who have not got exchanged their share certificates are advised to surrender Share Certificate for exchange with certificates of the Company.***
- iv) 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. Members whose shareholding are in Demat form are requested to send the intimation for change of address to their respective depository participant.
- v) 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.
- vi) The Register of Member and Share Transfer Books of the Company will remain closed from 19th September 2002 to 25th September 2002 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 :**ITEM NO. 5 :**

Shri Rikhab C. Jain was appointed as "Managing Director" of your company and his tenure is expired on 31st March, 2002.

The Board of Directors of your company at its meeting approved, subject to the approval of the shareholders of the company, the reappointment of Shri Rikhab C. Jain as Managing Director of the Company with effect from 1st April 2002 for a further period of five years on the following remuneration as to salary, commission and other perquisites :

- A. Salary : Rs.1.00 lakh per month with such revision as may be approved by the Board from time to time.
- B. Commission : Not exceeding 1% of Net Profit in an accounting year as may be decided by the Board from time to time.
- C. Perquisites : Managing Director shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, furnishings, repair, utility allowance etc., medical reimbursement, leave travel allowance, membership fees of clubs, hospitalisation and accident insurance and any other "perquisites" as per the policy/ rules of the company in force or as may be approved by the Board from time to time provided that aggregate value of such perquisites shall not exceed Rs.1.00 lakh per month.

In addition to above, Managing Director shall also be entitled to the following benefits as may be approved by the Board from time to time.

- i) Company Maintained car(s) with driver (s); (ii) Telephone (s) and fax at residence; (iii) Company's contribution to Provident Fund and Super annuation fund; iv) Payment of gratuity and other retired benefits and v) Encashment of Leave.
- D. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII to the Companies Act, 1956.

T T LIMITED

Shri Rikhab C. Jain, Managing Director, Shri Sanjay Kumar Jain, Director and Smt. Jyoti Jain, Director may be deemed to be interested in the proposed resolution. Other Directors are not interested in the resolution.

The Board recommend that the resolution be passed.

ITEM NO.6

Shri Sanjay Kumar Jain is on the Board of the Company since 1997. Shri Jain aged 33 years is an MBA from IIM, Ahmedabad, Chartered Secretary and Cost Accountant.

The Board of Directors has appointed Shri Sanjay Kumar Jain as Whole Time Director of the Company for a period of five years with effect from 1st July 2002 subject to approval of shareholders.

The material terms of the agreement entered into by the company with Shri Sanjay Kumar Jain, interalia, are as follows :

A. Salary :

Rs.1.00 lakh per month with such revision as may be approved by the Board from time to time.

B. Perquisites and Allowances :

In addition to salary, Shri Sanjay Kumar Jain shall be entitled to perquisites and allowances like accommodation or House Rent Allowance in lieu thereof, medical reimbursement, children education allowance, leave travel allowance for self and family, club fees, premium for medical insurance, retirement benefits etc. in accordance with the company's rules in force or as may be approved by the Board from time to time provided that aggregate value of such perquisites shall not exceed Rs. 1.00 lakh per month.

In addition to the above, he will also be entitled to the following benefits as may be approved by the Board from time to time.

- i) Company maintained car with driver; ii) telephone and fax at residence; iii) Company's contribution to Provident Fund and Superannuation Fund; iv) Payment of gratuity and retiral benefits and v) Encashment of Leave.
- C. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII to the Companies Act, 1956.

The Board is of the opinion that his appointment would be in the interest of your company.

Shri Rikhab C. Jain, Managing Director, Smt. Jyoti Jain Director and Shri Sanjay Kr. Jain, Director may be deemed to be interested in the resolution. Other Directors are not interested in the resolution.

The Board recommends that the resolution be passed.

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T T LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2002.

FINANCIAL RESULTS

	2001-2002 (Rs. in Lakh)	2000-2001 (Rs. in Lakh)
Sales	10396.83	10540.66
Profit before interest, Depreciation and Tax	919.78	903.51
Financial Charges	495.50	472.59
Depreciation	222.76	252.89
Loss on sale of certain Fixed Assets	161.46	104.83
Provision for Income Tax	9.75	15.00
Profit after Tax	30.31	58.20
Balance brought forward from previous year	213.97	155.77
TOTAL	244.28	213.97

DIVIDEND

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

REVIEW OF OPERATIONS & FUTURE OUTLOOK

Your company has achieved turnover of Rs.10396.83 lakh during the year under review which is marginally lower than to previous year. During the year 2001-2002 textile prices were down by about 10% consequently amountwise turnover got reduced. However quantitywise turnover was higher than previous year. Operating profits of your company have increased from Rs.178.03 lakh to Rs.201.52 lakh.

The future of textile industry at last appears to be brightening up. The Govt. of India has selected textile industry as **Thrust Industry**. It has offered special packages in this year's Budget and Exim Policy.

Your company has started a 3000 spindle expansion plan of its Gajroula Spinning Plant. Avinashi Spinning Plant has also been upgraded and now being converted into combed yarn spinning.

Sewing Thread production and marketing has been introduced during the year under review. It will be now expanded to about 2 Metric Tonne production per day.

Import line of textile industrial intermediate is being now explored on larger scale.

The garment segment is also poised for growth, expansion and product wise diversification. New marketing and distribution plans have been made to boost output, turnover and margins.

WHOLLY OWNED SUBSIDIARY IN SINGAPORE

Due to adverse trade situation in international market, it had been decided to close down WOS in Singapore. Accordingly, company is under members voluntary winding up and de-registration Certificate from competent authority is expected to be received shortly.

DIRECTORS

Smt. Jyoti Jain and Dr. (Prof.) V.K. Kothari 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.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to this report.

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.

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 employee, 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 : 29.06.2002

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 : In spinning mill energy cost represents the second major cost after the cost of raw material. The company has, therefore, always been conscious of the need to conserve energy. The company is continuously identifying the scope for improving end use efficiency by evaluating the techno-economic viability of various energy conservation measures.
- b) Additional investments and proposals :
- i) Replacement of old D.G. Sets with latest model energy efficient D.G. Sets with reduced generation cost to a large extent as unit generation per litre increased substantially.
- ii) Company is planning for installation of energy efficient electronic tube lights which will substantially save energy cost to the company.
- iii) As Govt. has allowed import of HSD to 100% EOUs, the company has already started direct import of diesel which save energy cost to a large extent.
- iv) The company is also planning to use alternative fuels like LDO, Gas etc.
- c) Impact of the measures of (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 :

	<u>2001-2002</u>	<u>2000-01</u>
A Power and fuel consumption		
1) Electricity (KWH)		
a) Purchased (Units)	3982564	2567552
Total Amount (Rs)	17086141	11214419
Rate per unit (Rs)	4.29	4.37
b) Own Generation Through Diesel Generator		
Units	8865188	9613800
Units per Ltr. Of Diesel Oil	3.50	3.40
Cost/Unit	3.97	3.68
2) Coal	Not used	Not used
3) Furnace Oil	Not used	Not used
B. Consumption per unit (Yarn in Kg) of production/Electricity	3.93	3.90

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 on going 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 :

During the year under review your company has exported goods worth Rs. 5902.07 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 : 29.06.2002

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