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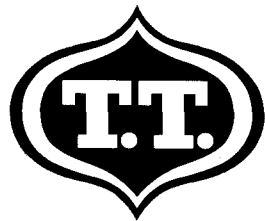
2002-2003  
ANNUAL REPORT  
2002-2003

# **T.T.** *Garments Mein Sub Kutch*



- *Knit Garments*
- *Bermudas*
- *Shorts*
- *Polo Shirts*
- *Ladies Blouses*
- *Sleeaks*
- *Baba Suits*
- *Ladies Tops*
- *Winterwear*
- *Track Suits*
- *Casual & Leisurewear*
- *Nightwear*
- *Payjama Sets*

**T.T.** *Se Adhik Aram Kaha?*



**T T LIMITED**

<b>BOARD OF DIRECTORS</b>	<b>Shri Rikhab C. Jain (Chairman &amp; Managing Director)</b> Justice (Retd.) U.N. Bhachawat Shri Navratan Dugar Shri Sanjay Kumar Jain Smt. Jyoti Jain Dr. (Prof.) V.K. Kothari
<b>COMPANY SECRETARY</b>	Shri Sunil Mahnot
<b>AUDITORS</b>	DOOGAR & ASSOCIATES
<b>INTERNAL AUDITORS</b>	R.S. MODI & CO.
<b>BANKERS</b>	A.Consortium : ORIENTAL BANK OF COMMERCE PUNJAB NATIONAL BANK B.Others: INDUSIND BANK LTD. STATE BANK OF HYDERABAD
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	MAS SERVICES PVT LTD. AB-4, Safdarjung Enclave, New Delhi - 110 029 Ph.: 26104142, 26104292, 26104326 Fax : 011-26181081
<b>REGISTERED OFFICE</b>	879, Master Prithvi Nath Marg, Opp. Ajmal Khan Park Karol Bagh, New Delhi - 110 005 Phone : 51545881-5 Fax: (0091-11) -23632283 Internet : tttd@eth.net Web site :http://www.tttextiles.com
<b>BRANCHES</b>	Kolkata, Tirupur
<b>100% E.O.U.'S</b>	Gajroula (Uttar Pradesh) Avinashi (Tamil Nadu)

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

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of the company will be held on Monday, the 29<sup>th</sup> September 2003 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 31<sup>st</sup> March, 2003 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 Sanjay Kumar Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Navratan Dugar 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 authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS :**

**ITEM NO. 5: VOLUNTARY DELISTING OF THE COMPANY'S SECURITIES FROM  
DELHI STOCK EXCHANGE :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as 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 delist its equity shares from The Delhi Stock Exchange Association Ltd."

Place : New Delhi

Date : 26.5.2003

Regd. Office:

879, Master Prithvi Nath Marg,  
Opp. Ajmal Khan Park,  
Karol Bagh, New Delhi - 110005.

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 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 Registrar 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 19<sup>th</sup> September 2003 to 29<sup>th</sup> September 2003 (both days inclusive)

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

Equity Shares of the Company are presently listed at Delhi & Mumbai Stock Exchanges. For quite sometime, virtually there had been no trading in the Equity Shares of the company at Delhi Stock Exchange. Trading volume of DSE in general in all its listed securities has declined to almost nil level rendering DSE almost dried up. Recently SEBI has promulgated the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 which permit the listed companies to delist voluntarily their securities from the Stock Exchange, including the regional Stock Exchange.

It is therefore, proposed to delist the Equity Shares of the Company from The Delhi Stock Exchange which requires approval of the Members by way of Special Resolution.

The proposed delisting is in the interest of the company and the Board recommends the resolution for acceptance by members.

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

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

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2003.

**FINANCIAL RESULTS**

	<b>2002-2003</b> (Rs. in Lakh)	<b>2001-2002</b> (Rs.in Lakh)
Sales	<b>13546.35</b>	10396.83
Profit before interest, Depreciation and Tax	<b>886.33</b>	919.78
Financial Charges	<b>392.03</b>	495.50
Depreciation	<b>251.02</b>	222.76
Terminal Depreciation on sale of Certain Fixed Assets	<b>187.62</b>	161.46
Provision for Income Tax	<b>11.63</b>	9.75
Profit after Tax	<b>44.03</b>	30.31
Balance brought forward previous year	<b>244.28</b>	213.97
<b>TOTAL</b>	<b>288.31</b>	<b>244.28</b>

**DIVIDEND**

In view of on going expansion programme, your Board is constrained to declare any dividend.

**REVIEW OF OPERATIONS & FUTURE OUTLOOK :**

Your company has done exceedingly well during the year under review. Turnover of the company has gone up from Rs.104 crores to Rs.135 crores and operating profit have increased from Rs.2.01 crores to Rs.2.43 crores. Your company has completed expansion and modernisation of both spinning units of the company located at Gajroula and Avanashi. Production of Gajroula unit has increased from 6.5 ton to 8.5 ton per day. Avanashi Unit has been converted to produce combed yarn finer counts upto 100s. Thus opening a new product range of yarn both for domestic as well as exports.

Ready made garments production and exports has been started during the year under review. Company has imported modern sewing machines and is planning for imports of more. During the current financial year company would be emphasising garment exports and increase in domestic undergarments business.

In house fabric production is also being increased and company is importing ultra modern state of art knitting machines. Fabric Division has been relocated at Gajroula.

Nowadays, for global competence low cost energy sourcing has become must for every manufacturer. There are various high tech alternative energy sources. If electricity is generated by latest technology using low cost fuels, cost can come down from Rs.4.05 to Rs.1.50 per unit. Unfortunately low cost energy generation with latest technology is highly capital intensive. Your company is trying to explore possibilities in this respect and is planning to install a 10 MW modern multifuel, fuel efficient power plant to make a modest entry in the power segment.

**DIRECTORS**

Shri Sanjay Kumar Jain and Shri Narvatan Dugar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

**T T LIMITED**

- 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 |

**PERSONAL**

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 (1) (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 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.

**ACKNOWLEDGEMENT**

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

Place: New Delhi  
Date: 26.5.2003

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 the 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.		
A	Power and fuel consumption	2002-2003	2001-2002
1)	Electricity (KWH)		
a)	Purchased (Units)	4655052.00	3982564
	Total Amount (Rs)	18426267.00	17086141
	Rate per unit (Rs)	3.95	4.29
b)	Own Generation Through Diesel Generator		
	Units	9327234.00	8865188
	Units per Ltr. Of Diesel Oil	3.61	3.50
	Cost/Unit	4.05	3.97
2)	Coal	Not used	Not used
3)	Furnace Oil	Not used	Not used
B	Consumption per unit (Yarn in Kg) of production/Electricity	3.63	3.93

**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.5785.10 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: 26.5.2003

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

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2002-2003**

(As required under Clause 49 of the listing agreement entered into with the Stock Exchanges)

**1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The company firmly believes in good Corporate Governance. The Company, while conducting its business has been upholding the core values of T.T.'s i.e. transparency, integrity, honesty, accountability and compliance of laws. The company continuously endeavour to improve on these aspects on an ongoing basis.

**2. BOARD OF DIRECTORS:**

The Board of Directors comprises Chairman & Managing Director, 2 Executive Directors and 3 non-Executive Directors. During the year, 6 Board Meetings were held on 29.06.2002; 31.07.2002; 5.09.2002; 26.10.2002; 17.12.2002 and 27.01.2003. The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting as also number of other Directorships/Memberships of Committees are as follows:

	Name of Director	Category of Directorships attended	No. of Board meetings	Attendance last AGM	No. of other Directorship	Committee Membership	
						Member	Chairman
1	SHRI RIKHAB C. JAIN	CHAIRMAN & MG. DIRECTOR	6	YES	1	1	1
2	JUSTICE (RETD.) U N BHACHAWAT	NON-EXECUTIVE	5	YES	NIL	2	1
3	SHRI NAVRATAN DUGAR	NON-EXECUTIVE	NIL	NO	2	1	-
4	SHRI SANJAY KR JAIN	EXECUTIVE	4	YES	NIL	3	1
5	SMT. JYOTI JAIN	EXECUTIVE	1	NO.	NIL	-	-
6	DR. (PROF.) V K KOTHARI	NON-EXECUTIVE	6	YES	NIL	2	-

**3. AUDIT COMMITTEE:**

The audit committee constituted in July 2000 consists of three Directors. The members of the committee are well versed in finance, accounts and company law matters and general business practices.

The composition of the Audit Committee is as under:

- A. Shri Sanjay Kumar Jain  
 B. Dr. (Prof.) V K Kothari  
 C. Justice (Retd.) U N Bhachawat

The terms of reference of the Audit Committee include:

- To review financial statements and pre publication announcements before submission to the Board.
- To ensure Compliance of Internal Control Systems and action taken on internal audit reports.
- To apprise the Board on the impact of accounting policies, accounting standard and legislation.
- To hold periodical discussions with statutory auditors on the scope and content of the audit.
- To review the company's financial and risk management policies.

During the financial year 2002-03 four Audit Committee Meetings were held on 29.06.2002; 31.07.2002; 26.10.2002 and 27.01.2003. Shri Sanjay Kumar Jain could not attend the committee meeting held on 26.10.2002 and 27.01.2003.

**4. REMUNERATION OF DIRECTORS:**

The remuneration of Executive Directors is decided by the Board of Directors as per the remuneration policy of the company within the ceiling fixed by the shareholders. The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings. Given below are the details of actual payments made to the Directors for the period 1.04.2002 to 31.03.2003.