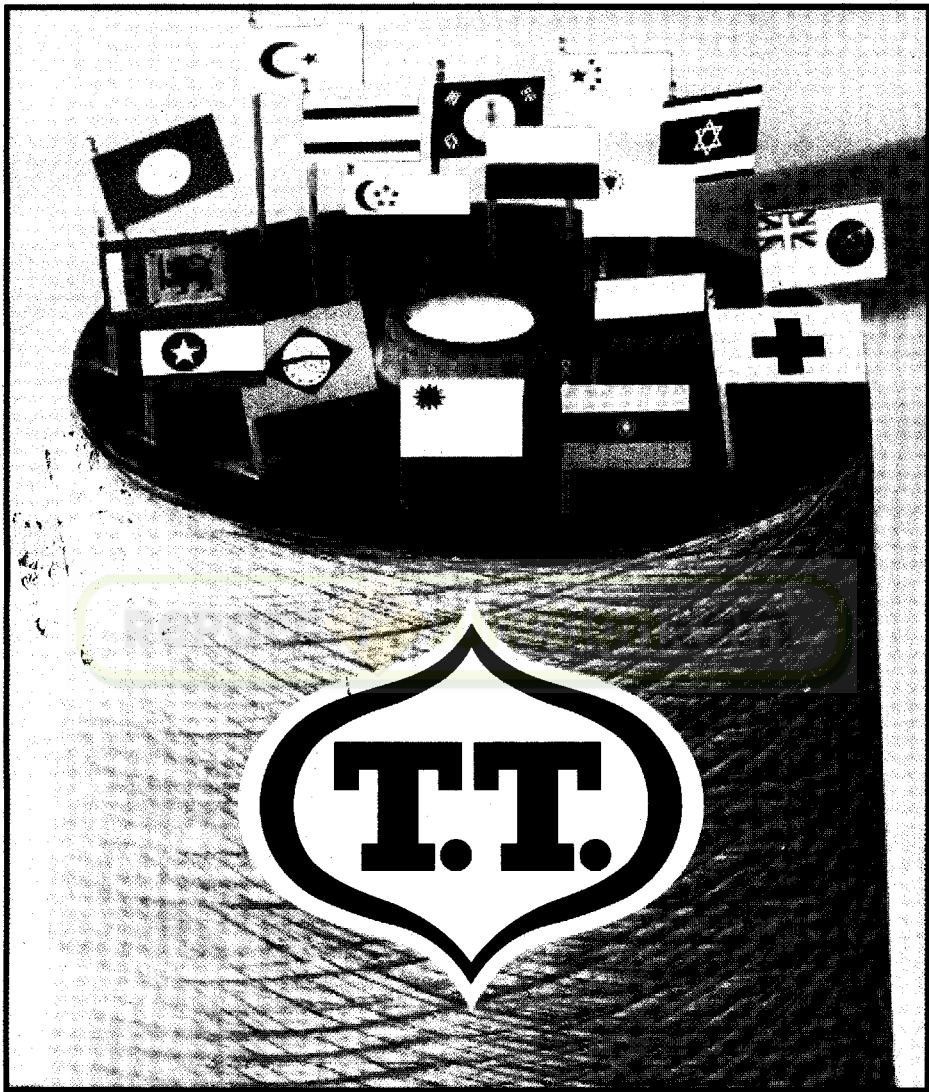


# WORLD CLASS YARN

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**M A D E I N I N D I A**

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**TT LTD.**

**ANNUAL REPORT**

**2004 - 2005**

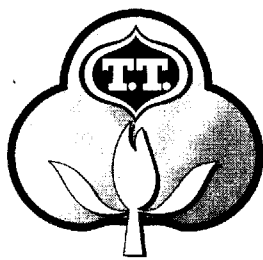


*Bhumi Pujan for first spinning mill of Sourashtra at Gondal, Rajkot, Gujarat*





<b>BOARD OF DIRECTORS</b>	<b>Dr. Rikhab C. Jain (Chairman &amp; Managing Director)</b> Shri V.R. Mehta Shri Navratan Dugar Shri Sanjay Kumar Jain (Jt. Managing Director) Dr. (Prof.) V.K. Kothari Smt. Jyoti Jain
<b>VICE PRESIDENT (FINANCE) &amp; 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: STATE BANK OF HYDERABAD INDUSIND BANK LTD.
<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 E-mail: masserv@giasdl01.vsnl.net.in
<b>REGISTERED OFFICE</b>	879, Master Prithvi Nath Marg, T.T. Garment Park Karol Bagh, New Delhi - 110 005 Phone : 011-51545881-3 Fax: (0091-11) -23632283 Internet : ttld@eth.net or export@tttextiles.com Web site : http://www.tttextiles.com
<b>BRANCHES</b>	Kolkata, Tirupur, Gondal, Jalna, Ludhiana
<b>100% E.O.U.'S</b>	Gajroula (Uttar Pradesh) Avinashi (Tamil Nadu)





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2005.

## FINANCIAL RESULTS

	2004-2005 (Rs. In lakh)	2003-2004 (Rs. In lakh)
Sales	16492.36	14105.11
Profit before interest, Depreciation and Tax	1048.32	801.48
Financial Charges	479.02	308.55
Depreciation	312.01	294.70
Provision for Income Tax (Net)	6.03	29.95
Profit after Tax	251.26	168.28
Balance brought forward from previous year	334.58	288.31
<b>TOTAL</b>	<b>585.84</b>	<b>456.59</b>

## Appropriation

Proposed Dividend	85.99	85.99
Provision for Dividend Distribution tax	11.24	11.02
Transferred to General Reserve	100.00	25.00
Balance Carried forward	388.61	334.58
<b>TOTAL</b>	<b>585.84</b>	<b>456.59</b>

## DIVIDENDS

Your Directors have pleasure to recommend a dividend @ 8%

## REVIEW OF OPERATIONS AND FUTURE OUTLOOK

Your company has done exceedingly well during the year under review. Turnover of the company has gone up from Rs. 141 crores to Rs. 165 crores and profit after tax has increased from Rs. 1.68 crores to Rs 2.51 Crores. Profits would have been much higher but for doubling up of HSD fuel costs and widening impact of service tax out go.

Your company has completed upgradation of its spinning units and knitting factory with ultra modern machines and technology.

During last financial year your company has started own ginning of cotton at Gondal (Gujrat) and Jalna (Maharashtra) and also started domestic trading and export of raw cotton.

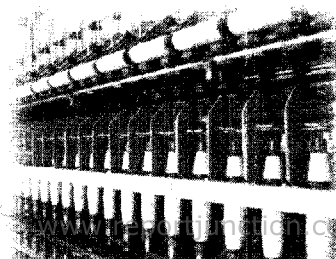
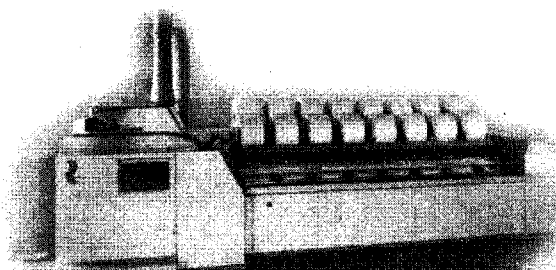
Now your company has a presence in the complete chain of cotton textiles - raw cotton, cotton yarn, knitted fabrics and garments. It is now planning to grow in the raw cotton and yarn segments where it feels that margin would improve alongwith volumes leading to double acceleration of profits. The world garment trade is undergoing a restructuring phase where business is shifting and India is expected to be a major gainer. This would lead to higher volumes for India. Further the demand for yarn/fabric would grow exponentially leading to higher input prices.

Your company has therefore decided to invest more in upstream products like fiber, yarn and fabric. The garment business would be more focussed on the domestic side. Your company is planning following projects in next two years time:

1. Addition of 18000 spindles in existing Gajroula factory
2. Furnance oil/gas based 2.5 MW Power Plant in Gajroula
3. Wind Power Project in Tamilnadu to feed power requirements of its Avinashi Unit and
4. 25000 spindles spinning unit in Rajkot.

The above investments would substantially reduce power cost and the enhanced capacity would enable it to meet the growing demand for quality products in both India and Global markets.

The investment in all aforesaid projects would be funded with a mix of debt, internal accruals and equity.





## DIRECTORS

Due to old age and health problem, Justice (Retd.) U.N. Bhachawat has resigned from the Directorship of the Company. The Board of Directors place on record their appreciation of the services rendered by Justice (Retd.) U.N. Bhachawat during his association with the company.

During the year Shri V R Mehta was appointed as additional Director on the Board of the Company. It is proposed to appoint him as regular Director of the Company liable to retire by rotation.

Dr. (Prof.) V K Kothari and Shri Navratan 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 :

- 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 alongwith 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

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'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.

## ACKNOWLEDGEMENT

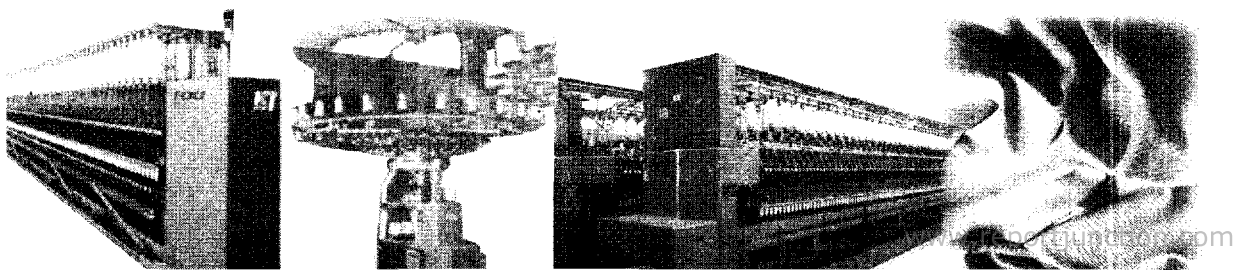
Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. They are grateful to shareholders, banks, financial institutions, depositors, customers and suppliers of the company for their continued valued support.

For and on behalf of the Board  
Sd/-

Place: New Delhi

Date: 29-06-2005

(Dr. RIKHAB C. JAIN)  
CHAIRMAN & MANAGING DIRECTOR



**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 :
- Due to abnormal increase in HSD prices, company has decided to utilise maximum extent electricity supplied by Grid instead of own generation.
  - Company is planning for setting up of Wind Mill in Tamil Nadu for meeting energy requirement of its spinning unit at Avanashi, Dist: Coimbatore.
  - Company is also planning to set up a Furnace Oil / Gas based power plant of 2.50 MW at Gajroula.
  - Company continuously upgrading its plant and machineries so that energy requirement of per unit production can be minimised.
- 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	2004 - 2005	2003 - 2004
1)	Electricity (KWH)		
a)	Purchased (Units)	6545948.00	4425104.00
	Total Amount (Rs)	27874769.00	18295538.00
	Rate per unit (Rs)	4.26	4.13
b)	Own Generation		
	Through Diesel Generator		
	Units	10884008.00	11929384.00
	Units per Ltr. Of Diesel Oil	3.78	3.76
	Cost/Unit	4.46	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	3.86	4.03

**A. 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.

**B. 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.

- C. **FOREIGN EXCHANGE EARNINGS AND OUTGO** : During the year under review your company has exported goods worth Rs.8387.18 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.

For and on behalf of the Board

Place : New Delhi  
Date : 29-06-2005

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





## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2004-2005

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

**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 Director and 3 non-Executive Directors. During the year, 5 Board Meetings were held. 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	No. of Board meetings attended	Attendance last AGM	No. of other Directorship	Committee Membership	
					Member	Chairman
1 Dr. RIKHAB C. JAIN	CHAIRMAN & MG. DIRECTOR	5	YES	1	1	1
2 JUSTICE (RETD.) U N BHACHAWAT (Resigned w.e.f. 29.06.05)	NON-EXECUTIVE	4	YES	NIL	2	1
3 SHRI V. R. MEHTA (Appointed w.e.f. 22.01.05)	NON-EXECUTIVE	NIL	N.A.	7	5	4
4 SHRI NAVRATAN DUGAR	NON-EXECUTIVE	NIL	NO	2	1	-
5 SHRI SANJAY KR JAIN	EXECUTIVE	5	YES	1	3	1
6 SMT. JYOTI JAIN	EXECUTIVE	4	NO	NIL	-	-
7 DR. (PROF.) V. K. KOTHARI	NON-EXECUTIVE	4	NO	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<br>(Resigned w.e.f. 29.6.05) | D. | Shri V.R. Mehta (Appoint w.e.f. 29.6.05) |

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 2004-05 four Audit Committee Meetings were held on 2.7.04., 31.7.04., 16.10.2004 and 22.1.05

**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 1.04.2004 to 31.03.2005.







Name of Directors	Business relationship with the Company	Remuneration paid / payable from 1.4.2004 to 31.3.2005		
		Sitting Fees	Salary & Perks	Total
Dr. RIKHAB C. JAIN	CHAIRMAN & MANAGING DIRECTOR	---	30,64,000	30 64,000
JUSTICE U N BHACHAWAT	NONE	8000	---	3000
SHRI NAVRATAN DUGAR	NONE	---	---	---
SHRI SANJAY KR. JAIN	JT. MANAGING DIRECTOR	---	20,64,000	20 64,000
SMT. JYOTI JAIN	EXECUTIVE DIRECTOR	---	20,64,000	20 64,000
DR. (PROF.) V.K. KOTHARI	NONE	8000	---	3000
SHRI V.R. MEHTA	NONE	---	---	---

#### 5. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE:

The Board Constituted a Shareholder's/Investor's Grievance Committee in April 2001. The Committee consists of three Directors. Shri Rikhab C Jain, Chairman & Managing Director heads this Committee. The Committee meets at frequent intervals to consider, interalia, share transfer, shareholder's complaints etc. Shri Sunil Mahnot Company Secretary is the compliance officer.

#### 6. GENERAL BODY MEETINGS :

Location and time where last three Annual General Meetings were held are given below:

FINANCIAL YEAR	DATE	TIME	VENUE
2001-2002	25.9.2002	11 A.M.	FICCI Auditorium, Tansen Marg, New Delhi.
2002-2003	29.9.2003	11 A.M.	FICCI Auditorium, Tansen Marg, New Delhi.
2003-2004	30.9.2004	11 A.M.	FICCI Auditorium, Tansen Marg, New Delhi.

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matter requiring postal ballot are placed for shareholder's approval at this meeting.

#### 7. DISCLOSURES:

There are no materially significant related party transactions which may have potential conflict with the interest of the company at large. However, attention is drawn to point No. 14 of schedule 14B to the accounts.

#### 8. MEANS OF COMMUNICATION:

The quarterly, half yearly and full year results are published in national news papers and the company is also providing regular information to the Stock Exchanges as per the requirements of the Listing Agreements. SEBI/Stock Exchanges has never imposed any penalty on the Company for violation of any law/agreement.

#### 9. GENERAL SHAREHOLDER INFORMATION

##### A ANNUAL GENERAL MEETING

Date and Time : 30th September, 2005 at 11 A.M.  
Venue : FICCI Auditorium, Tansen Marg, New Delhi.





**T T LIMITED**

7

**B FINANCIAL CALENDAR**

The Company follows April-March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter except for the last quarter for which the results were declared in June as permitted under the listing agreement.

**C DATE OF BOOK CLOSURE**

20th September 2005 to 30th September, 2005 (both days inclusive)

**D LISTING ON STOCK EXCHANGES**

The Company's shares are listed on The Stock Exchange, Mumbai (BSE).

Stock code at the Stock Exchange, Mumbai is - 514142 .

Demat ISIN Number in NSDL & CDSL is -INE 592B01016

**E MARKET PRICE DATA**

The monthly high and low quotations of shares traded on the Stock Exchange, Mumbai is as follows:

Month		BSE		Sensex	
		High (Rs)	Low (Rs)	High	Low
April	2004	8.40	6.52	5979.25	5593.12
May	2004	8.75	6.33	5772.64	4227.50
June	2004	8.90	5.55	5012.52	4613.94
July	2004	11.50	8.12	5200.85	4723.04
August	2004	11.50	8.00	5269.22	5022.29
September	2004	16.00	10.50	5638.79	5173.57
October	2004	15.00	12.65	5803.82	5553.14
November	2004	21.00	13.45	6248.43	5649.03
December	2004	20.20	13.55	6617.15	6176.09
January	2005	20.30	16.10	6696.31	6069.33
February	2005	19.50	16.20	6721.08	6503.33
March	2005	23.50	17.00	6954.86	6321.31

**F REGISTRAR AND SHARE TRANSFER AGENTS**

MAS Services Pvt. Ltd.

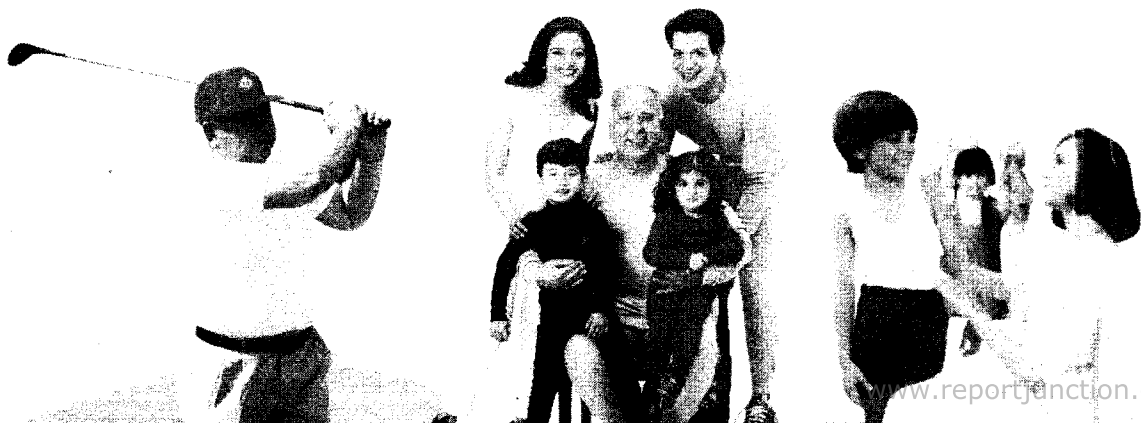
AB-4, Safderjung Enclave, New Delhi - 110029.

Ph.: 011-26104142, Fax : 011-26181081

E-mail: masserv@giasd101.vsnl.net.in

Applications for transfer of shares held in physical form are received at the Regd. Office of the Company as well at the office of the Registrar and Share Transfer Agents of the Company. All valid transfers are processed and effected within 15 days from the date of receipt.

Shares held in the dematerialised form are electronically traded by Depository Participants and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficially holdings so as to enable them to update their records and to send all corporate communications.



**G Distribution of share holding (as on 31st March, 2005)**

Numbers of Equity Shares Held	Shareholders		Share amount	
	Numbers	% age to Total	Rs.	% age
Up to 500	26067	94.76	40947050	38.09
500 to 1000	993	3.61	7968320	7.41
1000 to 2000	281	1.02	4117390	3.83
2000 to 3000	79	0.29	1964340	1.83
3000 to 4000	36	0.13	1264870	1.18
4000 to 5000	17	0.06	820500	0.76
5000 to 10000	19	0.07	1349710	1.26
10000 & above	17	0.06	49058070	45.64
<b>TOTAL</b>	<b>27509</b>	<b>100.00</b>	<b>107490250</b>	<b>100.00</b>

**H DEMATERIALISATION OF SHARES AND LIQUIDITY**

About 60.40% of the shares have been dematerialised as on 31st March 2005 representing 6492631 shares and balance shares are held in physical form..

**I PLANT LOCATIONS:** Company's Plants are located at Gajroula (U.P.) and Avinashi Distt. Coimbatore (T.N.).

**J ADDRESS FOR CORRESPONDENCE:** For any assistance regarding dematerialisation of shares, shares transfer, transmissions, change of address or any other query relating to shares, please write to:

T T LIMITED 879, Master Prithvi Nath Marg, Karol Bagh New Delhi - 110005. Ph.: 51545881 Fax: 23632283

E-mail: [ttltd@eth.net](mailto:ttltd@eth.net)

OR MAS services Pvt. Ltd. AB-4 Safderjung Enclave, New Delhi - 110029. Ph.: 26104142 Fax: 26181081

**AUDITOR'S CERTIFICATE**

To  
The Members of  
T T Limited

We have examined the compliance of conditions of Corporate Governance by T T Limited, for the year ended on 31<sup>st</sup> March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above- mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Company have maintained the records of investor grievances and certify that as at 31<sup>st</sup> March, 2005 there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi  
Date : 29-06-2005

For DOOGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

MUKESH GOYAL  
PARTNER

