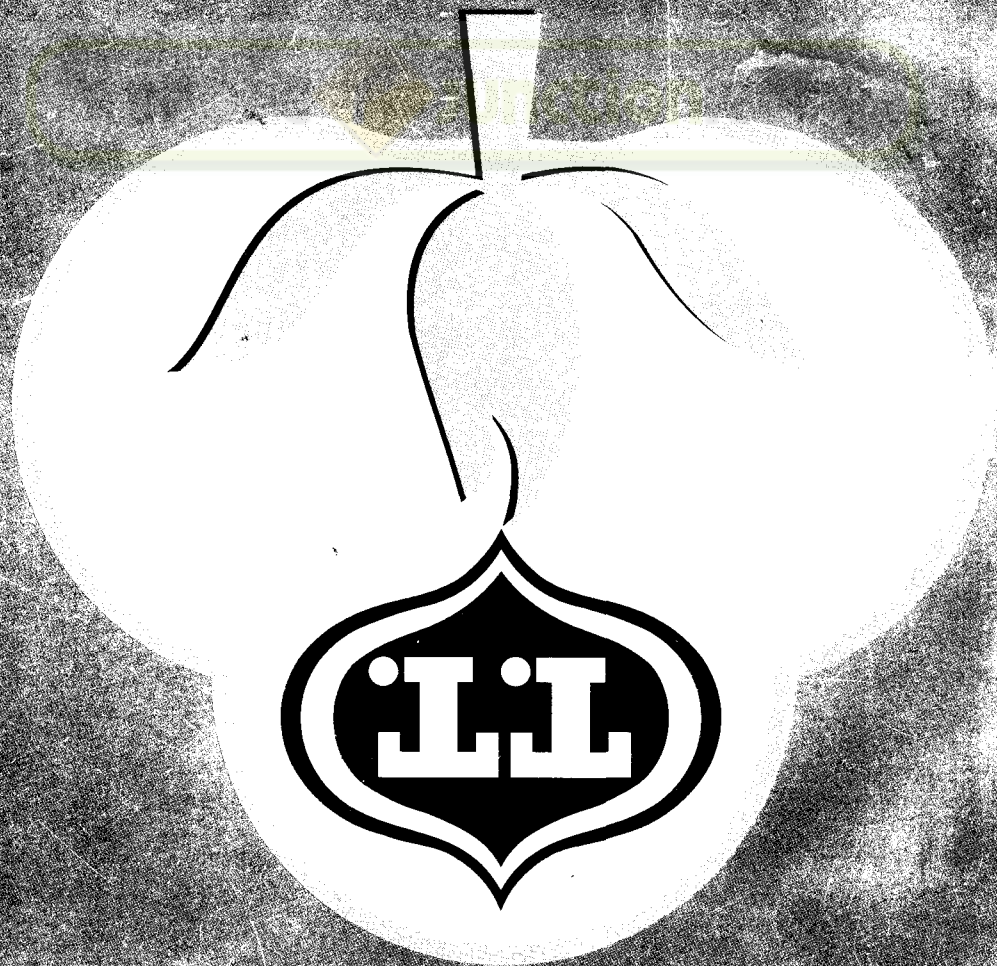


Enjoy Fruits of Cotton





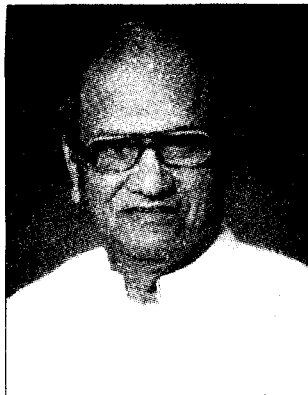
Dr. Rikhab C. Jain
Chairman & Managing Director



Shri Sanjay Jain
Joint Managing Director



Smt. Joyti Jain
Executive Director



CHAIRMAN'S POLICY STATEMENT

In one word Business Philosophy of T T Group is "FAIR BUSINESS", – Fair to all: Suppliers, Buyers, Dealers, Workers, Shareholders, Investors, Community and the Society at large.

Sources for drawing inspiration in founding basic principles of T T Group's business are found in Philosophies propounded by three great Saints, Philosophers and Mahatmas belonging to the Textile World: The Most reverend Spinner in the World History known to mankind till date, Mahatma Gandhi, father of the nation; symbol of religious harmony and great humanist "Kabir" the weaver and the great Tamil Saint, Poet and Philosopher weaver: Thiru Valuvar. Thirukural the great epic book of wisdom serves us as a reference book for seeking day to day solutions of business problems. All the three guiding lights of humanity are nowhere in variance with Jainism, Hinduism, Buddhism or infact any religion.

In dealing with people we follow Vidur and Chanakya.

In business management techniques of modern day obviously we rely on my learnings as well as teachings at Indian Institute of Management, Calcutta / M.I.T. Our Joint Managing Director Mr. Sanjay Jain has his sources in his studies at the Indian Institute of Management, Ahmedabad / Harvard Business School.

Regarding the choice of Technology to be used, we do not compromise. It is always the best of the world, "State of the Art" technology. We do quick updating and remain in tune with the latest innovations. Our source of strength in the field is renowned Textile Technologist - Dr. V. K. Kothari, currently heading Textile Dept. of world's prestigious seat of learning, Indian Institute of Technology, (IIT) Delhi.

As for consumers, we wish to deliver them more than value for their money. We are here to serve them. We are because of them. We wish them to enjoy new recipies, new delights in their satisfaction. We do not follow trends, instead we set trends. Mrs. Jyoti Jain, a National Institute of Fashion Technology (NIFT) graduate is always at hand to deal with them liberally. All her dealers, agents and customers are more than happy with her.

Renowned Management and Finance Experts Shri Navratan Dugar and Shri V R Mehta are our leading rule setters in the realm of Finance & accounting and corporate governance. In Finance, Manufacturing, Law, Corporate governance we have a dedicated team of Executives, Engineers, Company Secretaries, Chartered Accountants, Human Engineers (HRD) to deliver fruits and achieve corporate goals.

Today Textile Industry is a "Focus Industry" in India. It is once again a Sun Rise Industry. Textile Manufacturing is shifting from America & Europe to Asia – China, India, Bangladesh, Pakistan, Turkey etc. Timely cotton revolution in India has made India's position unique in competitive edge in world trading of cotton and its products- Yarn, Fabric, Textiles, Knitwear Garments and Home Textiles. T T group is essentially an only "Cotton" company. It handles Cotton, Cotton yarn, Cotton fabrics and Cotton garments. Realising the global potential T T is already on the world Cotton scene and is ready to play world cup in Cotton. We wish to enjoy fruits of Cotton. We wish to ensure no one remains devoid of Cotton Garments and that too with assurance to satisfaction to one's heart's content.

Our Company's policy is not to speculate, not to gamble, not to undertake high risk deals. Slow but steady growth is our motto. Our Company does not interfere with free play of share & securities market.



Business Philosophy

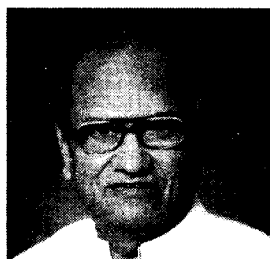
1. Management's job is not only to manage company profitably but to ensure its steady growth as well.
2. Quick decision making, speedy implementation, harmonized, teamwork, deliver success.
3. Our objective is to serve Customers to their satisfaction. We strive to enable them taste new delights in quality and service. We make them break their own parameters of satisfaction.
4. Investors are owners of the company. Safeguarding their interest is the prime duty of the management.
5. What is the best today, will not be so tomorrow and will be definitely rejected day after. Hence continuous quality upgradation can only retain customers.
6. Let none be harmed by our dealings with them. We need not make money out of their weaknesses. Instead let buyer and seller both mutually help each other make profit.
7. Knowledge input is the best quotient of profit. For future growth, knowledge sourcing and knowledge management is the first requirement.
8. Ways of the world never remain the same. Keep changing and you never live out.
9. Wisdom attracts money, lack of it may cause loss of money.
10. Indians have now realised their potentials in the global scenario. Every crown there is for them, but only if they try.
11. India traditionally ranks first in the world of nations in respect of the wealth of knowledge. Putting this wealth into action will certainly yield rich monetary rewards as well.
12. We do not compete, we try to co-exist. Cooperation is our motto.
13. Big fish eats up small fishes and yet the ocean is always full of small fishes.
14. No one can drink all the waters of seven oceans, so none can monopolise for ever.
15. Purity of means is more important than the ends. Come what may, great souls will never pick up means not ordained by ethics, morality and one's religion.
16. You earn money, you may loose it anytime, but if you tend to earn goodwill and integrity, money will never leave you.

HIGHLIGHTS

- T.T. is a "Only Cotton" Company
- T.T. uses World's best fibre yet known to humanity: Cotton.
- T.T. Partners Revolution in the White Gold : Cotton.
- Scientists through out the World try to match Chemical fibres to cotton. They have not been able to excel cotton as yet and they may never be able to do that.
- T.T. knows Cotton globally and delivers fruits of Cotton all over the globe.
- T.T. is ready to play world cup in Cotton.
- T.T. focuses on Cotton Textiles because it is Eco friendly, pure, user friendly, Customer friendly. Customers skin loves cotton, nothing but cotton.
- T.T. has a goal to deliver cleaner and yet better cotton.
- T.T. intends to enrich values in Cotton



BOARD OF DIRECTORS



Dr. Rikhab C. Jain
Chairman & Managing Director



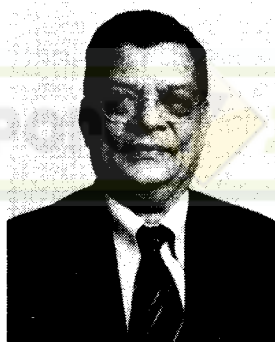
Mr. Sanjay Kumar Jain
Joint Managing Director



Mrs. Jyoti Jain
Executive Director



Mr. V.R. Mehta
Director



Mr. Navratan Dugar
Director



Dr. (Prof.) V.K. Kothari
Director



Overview Textile Industry

The Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 16 percent to the country's export earnings. It provides direct employment to about 35 million people. The Textile sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textile industry is extremely varied, with the hand-spun and hand woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The close linkage of the Industry to agriculture and the ancient culture and traditions of the country makes the Indian textile sector unique in comparison with the textile industry of any other country. This also provides the industry with the capacity to produce a variety of products suitable to different market segments, both within and outside the country.

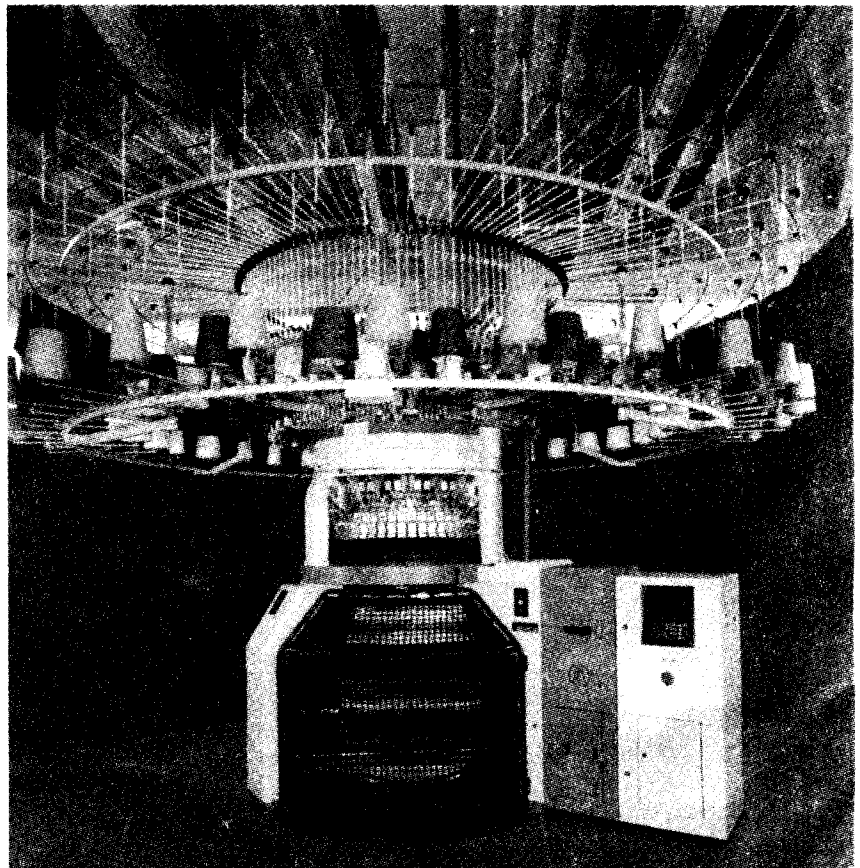
TEXTILE EXPORTS

Textile exports contribute substantially to the Country's export earnings. In 2004-05 they contributed 16.24% of the total

export earnings of the country. In quantum terms they were US\$ 13 billion, against a target of US\$ 15.16 billion, and during April to November, 2005, these grew by 8.2% over the corresponding period of the previous year. The overall target for 2005-06 has been fixed at US\$15.565 billion. The size of the domestic market is estimated at US\$25 billion and imports form about 5% of the market size, i.e., US\$ 2 billion. The export basket includes a wide range of items viz. cotton yarn and fabrics, man-made yarn and fabrics, wool and silk fabrics, made-ups, and a variety of garments.

Post Multi Fibre Arrangement (MFA) Scenario

With the abolition of quotas from 1st January, 2005, the liberalized trading regime has opened new vistas for the sustained development of the textile industry by providing greater export opportunities and creating a large number of additional jobs, especially for unskilled, semi-skilled workers and women. Various measures have been taken to prepare the textile industry to reap the benefits of the post Multi-Fibre Arrangement (MFA) regime.





TT LIMITED

The Government has rationalized the fiscal structure, allowed 100% FDI under the automatic route, de-reserved the ready made garments, hosiery and knitwear sector, launched the Technology Up gradation Fund Scheme (TUFS) on 01.04.1999, and the Technology Mission for Cotton (TMC) on 21.02.2000. The Textile Centre Infrastructure Development Scheme (TCIDS) and Apparel Parks for Export Scheme (APES) has been merged into a single scheme namely the 'Scheme for Integrated Textile Parks' (SITP). In the new scheme, Government support in the form of grant or equity would be limited to 40% of the project cost, subject to a ceiling of Rs. 40.00 crores. (Source: www.texmin.nic.in)

In the Budget 2006-07, the following important announcements concerning the textile sector have been made.

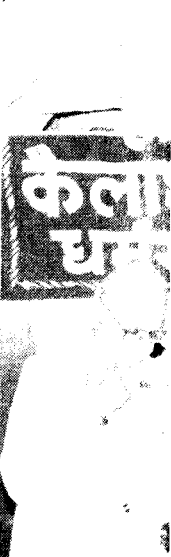
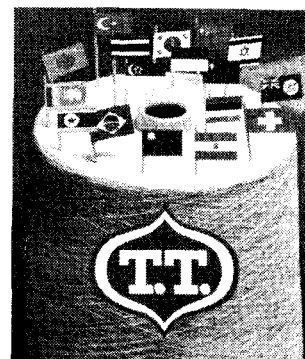
- Excise Duty on Man-made Fibre and Filament yarn reduced from 16% to 8%
- Import Duty on Man made Fibre and Filament yarn reduced from 15% to 10%
- The allocation for Technology Upgradation Fund Scheme (TUFS) has been enhanced from Rs. 435.00 cr. to Rs. 535.00 cr.
- An allocation of Rs. 189.00 cr. has been provided for the Scheme for Integrated Textiles Parks (SITP).
- The Jute Technology Mission has been announced.
- A Jute Board is proposed to be established.
- The Cluster Development approach will continue, 100 additional clusters at a cost of Rs. 50.00 cr. will be covered.
- Yarn depots will be established to ensure the uninterrupted supply of yarn to weavers.

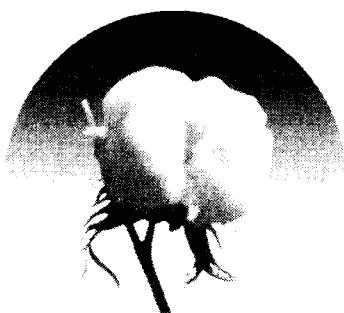
- A 'Handloom Mark' on the pattern of 'Wool Mark' will be introduced.
- TUFS will be extended to the handloom sector to provide interest subsidy on term loans.
- The provision for the handloom sector has been enhanced from Rs. 195.00 cr. to Rs. 241.00 cr.

The government is committed to a strong and vibrant Textile Industry, which would contribute significantly to production and employment and thereby promote economic growth. The government has set out following important targets :

- To ensure the growth of Textile Industry from the current US \$ 37 billion to US\$85 billion by 2010. Exports would rise to US\$ 40 billion from present US\$ 13 billion and domestic market would touch US\$ 45 billion;
- To Create 12 million new jobs in the Textile Sector;
- Increase India's share in world trade from current level of 3 % to 6 % by 2010;
- Make an additional investment of Rs. 1,40,000 crores for modernizing and consolidating the Textile Industry to make it globally competitive;
- Implement vigorously, in a time bound manner, the Technology Upgradation Fund Scheme (TUFS) covering all manufacturing segments of the industry;
- Achieve increase in cotton productivity by at least 50% and upgrade its quality to international standards, though effective implementation of the Technology Mission on Cotton;
- Launch the Technology Mission on Jute to increase productivity and diversify the use of this environment-friendly fibre;

- Assist the private sector to set up specialized financial arrangements to fund the diverse needs of the textiles industry;
- Encourage the private sector to set up world class, environment friendly, integrated textile complexes and textile processing units in different parts of the country;
- Strengthen and encourage the handloom industry to produce value added items;
- Re-design and revamp, the Schemes and Programmes initiated in the handlooms, sericulture, handicrafts and jute sector to ensure better returns for those belonging to the disadvantaged categories, and the North East and other backward regions of the country;
- Facilitate the growth and strengthen HRD Institutions including NIFT (National Institute of Fashion Technology) on innovative lines;
- Review and revitalize the working of the TRAs (Textile Research Associations) to focus research on industry needs; and
- Transform, rightsize and professionalise all field organizations under the Ministry of Textiles to enable them to play the role of facilitators of change and growth. (Source: www.txcindia.com)





Cotton Textiles A Sunrise Industry

The turnaround story of Cotton Sector has been pronounced by the Ministry of Textiles and CCI. In the last two years it is truly amazing. By concentrated on better technology, efforts yielded desired results. Now India produces better and whiter cotton. Production and productivity have touched new record levels. Exports are at an all time high.

THE COTTON TALE

BETTER TECHNOLOGY, RECORD YIELD, HIGHER PRODUCTION

BETTER TECHNOLOGY

- Under the path-breaking Technology Mission on Cotton (TMC), Ministry of Textiles has received Rs. 195 crore out of an allocation of Rs. 225 crore. So far Rs 171 crore has been spent on technology and process up gradation to improve quality of cotton.
- As a result, 201 market yards (Out of a target of 250) have been sanctioned for modernization. These will provide improved marketing facilities to cotton growers. Also, 678 ginning and pressing units (out of a target of 1000) have been sanctioned for modernization.

RECORD PRODUCTION

- Cotton production rose from 179 lakh bales in 2003-2004 to 244 lakh bales each in 2004-2005 and 2005-2006. Productivity up by 30%.

RECORD YIELD

- Cotton yield shot up from 302 kg per hectare in 2002-2003 to 467 kg per hectare in 2005-06. Gujarat and Punjab respectively registered yield of 728kg/hectare and 641kg/hectare (2005-06)
- Hon'ble President of India **Dr. A.P.J. ABDUL KALAM** visited Gehri-Buttar village in Bhatinda, Punjab

where yield touched a record 873 kg/hectare.

RECORD EXPORTS

Exports shot up from 0.84 lakh bales in 2002-03 to 10 lakh bales in 2004-05 and a very commendable 35 lakh bales in 2005-06.

- In 2002-03, exports to China were nil. In 2004-05 and 2005-06 exports to China rose to 7 lakh bales and 25 lakh bales respectively. A sign of our improved quality.

CCI SCHEMES OPEN TILL 31ST MARCH, 2007

- Outright subsidy of 60 per cent of total project cost for equipment. Machinery and civil infrastructure available for developing market infrastructure in market yards. Maximum subsidy available is Rs. 1.5crore.
- Outright subsidy of 25 per cent of total project cost for modernization of Ginning, Automatic Bale Pressing and HVI testing machine. Maximum subsidy available is Rs. 31lakh.

THE TEXTILE TURNAROUND IN LAST TWO YEARS

- New investments of Rs. 87 crore per day in Textile Sector.
- Record 83,000 jobs per month.
- Record export earnings of Rs. 76,000 crore in 2005-2006
- Exports to US and E.U. increased by 26 and 18 per cent respectively
- The bill on N.I.F.T. has been passed in the parliament. In future N.I.F.T. will award degrees instead of diplomas.

Technology Mission
on cotton
leading to

Record
Exports

Record
Productivity

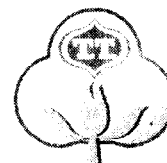
Record
Production

Whiter
Cotton

More Marketing
Outlets

Modernization of
Ginning and
Pressing units.

Source
CCI, Press Ad.





Business Overview

T T Limited is engaged in the manufacturing of combed cotton yarn, carded cotton yarn and knitted fabric cloth at its units at Gajroula (U.P) and Avinashi (Tamil Nadu). T T Limited was incorporated in the year 1978 under the name Tirupati Texnit Limited as a public Limited Company and obtained the certificate of commencement of Business in the same year. The main promoter of the company is Mr. Rikhab C. Jain- a management graduate from IIM Calcutta.

T T Limited started with facilities to manufacture knitted fabric -in 1978 in Ghaziabad. It had a network of franchise manufacturing units for the manufacture of undergarments, which were marketed under the brand name T T In February 1990 the company came out with a public issue of Rs 330 Lakhs to acquire certain balancing equipments and also to expand network of franchise manufacturing units of Hosiery Goods/ Knitwears. In the year 1993 the company set up a 100% EOU Spinning Mill at Gajroula with an installed capacity of 12500 spindles. To part finance the project cost of Rs. 2511 Lakhs it came out with a Rights Issue of 901 Lakhs in February 1993.

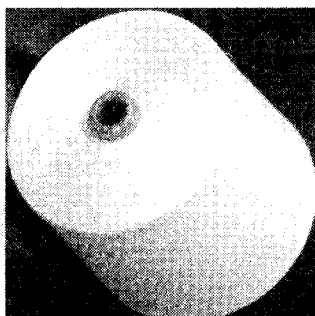
In April 1994, the company set up another 100% export oriented spinning unit for manufacturing of Carded yarn with 12,500 spindles at Avinashi, Coimbatore at a cost of Rs. 1835 Lakhs. In 2000 the company undertook modernization of Gajroula unit. The Ghaziabad unit was also later relocated to Gajroula in the Year 2004. The Gajroula spinning unit of the company has been accorded ISO 9001: 2000 certification by KPMG.



Today T T Limited has its presence in fibre, yarn, knitted fabrics and undergarments. It has presence in both domestic and international market and is exporting yarn and cotton to various countries. It is selling its products all over India through a network of dealer spread across the country

The company has a track record

of consistent profitability. It had a turnover of Rs. 1900 Lakhs in 1990 and in the financial year 2005 it had a sales turnover of Rs. 16500 Lakhs. In the year 2005-2006 it has registered a turnover of Rs. 33394 Lakhs and expect to achieve turnover of Rs. 50000 Lakhs during f.y. 2006-07.



Why investments in cotton yarn in India make sense today?

Sanjay Kumar Jain
Joint Mg. Director T.T. Ltd.

The removal of quotas on January 1, 2005 has ushered in a new era in world textiles. This move has created to a large extent a level playing field for all players in the industry/countries. In other words the need for a sustainable global competitiveness can never be over emphasized as today our economy is being integrated with the world economy. Local problems cannot be an excuse for being uncompetitive and no one can save a company, there will be no government, no restrictive policies to protect a unit/company. However differential tariffs and regional trade agreements would keep influencing the movement of goods and trade flow for times to come.

In anticipation of removal of quantitative restrictions, countries like China and to a lesser extent India had started building capacities and preparing itself to increase its share in the global textile market. There is an expected restructuring of the sourcing strategies of the developed countries and economics are seen to be the main driver of deciding where to buy? The textile manufacturing base is fast falling in Europe and North America and Asian and African countries are filling up the gap at an increasing pace the removal of quotas has hastened the process, as there are no limitations on quantities purchased from any country.

China was expected and is the largest beneficiary of the new order in the

Textiles world. They have been installing capacities at a rapid pace in anticipation since 1999 and today have the capacity to make huge supplies at very competitive rates to developed world. In short they are the first choice of every buyer. India did not plan its expansion in a systematic way and the industry / government only woke up in 2004 to the impending opportunity. The resulted gap between China and India has become so large, that it is unfair to call India No.2 player in the global textile industry. However, as the saying goes: "do not put all your eggs in one basket", every large buyer wants to diversify its sourcing base and countries like India/Pakistan/Bangladesh are a ready choice depending on the type of item.

It is clear that the textile world of manufacturing is undergoing restructuring and new buying strategies are evolving. Textile clusters are getting stronger around a limited number of countries. India is gaining because of its strong textile background on both technical and raw material base. It is the second best alternative to China especially for cotton textiles-yarn/fabric/garments. However things are not as easy as it seems and sounds, it is no roller coaster for Indian textile players. Pre-2005, many Indian suppliers who held quotas were able to get premium that, leading to a reduction in their realizations. There has been a drop in prices due to removal of quota in order

equivalent to the quota prices for their products. They overnight lost that, leading to a reduction in their realizations. There has been a drop in prices due to removal of quota in order to match prices of China and other low cost countries this however has been coupled with volumetric growth in garment orders. Orders are increasing from the West, but prices are very tight (as that is the incentive to come to India).

This pressure on garment suppliers to deliver more and more means more demand for downstream raw materials like fabric and yarn. India base of manmade fibres is not very strong and hence India does not have a cost advantage on this side, hence import of blended fabric would grow from China/Pakistan/Indonesia/Thailand. However on the cotton side, India is very strong. India has a large and growing raw cotton fibre base, which is more than sufficient to meet, expected future demand of the industry. Hence this is where opportunities lie. There would be tremendous demand pull for cotton yarn and fabric from the garment industry. India is one of the lowest cost manufacturer of cotton based raw materials in the world and the Indian garment industry would be largely dependent on the domestic industry for its needs. This would lead to a major expansion of domestic demand for cotton yarn/fabric in India. Today, India has 40% market share of the global combed yarn trade however