



Director Shri V. R. Mehta, receiving "PADMA SHREE" award.



## **T.T.** Silver Bell Ceremony 2015.

25 Years Public Listing at BSE Since 1990

**T T LIMITED**

A N N U A L   R E P O R T   2 0 1 4 - 2 0 1 5

# WORLD CLASS YARN



MADE IN INDIA

世界级纱线  
用TT棉花生产  
印度制造

ওয়ার্ল্ড ক্লাস ইয়ান  
আম টি টি কটন  
মেড ইন ইন্ডিয়া

세계적인 수준의 원사  
[티.티. 자체 소유의 원면회사에서 생산한 원면으로  
방직한 티.티.]  
인도에서 생산함

غزل من الطراز العالمي  
مغزولة من TT قطن  
صنع في الهند

HILADOS CLASE MUNDIAL  
HILATURA T T ALGODON  
HECHO EN INDIA



## Company Information

### T.T. LIMITED

CIN NO.L18101DL1978PLC009241

#### BOARD OF DIRECTORS

Dr. Rikhab C. Jain (Chairman)

Shri Sanjay Kumar Jain (Managing Director)

Smt. Jyoti Jain, (Jt. Managing Director)

Shri V.R. Mehta

Shri Navratan Dugar

Dr. (Prof.) V.K. Kothari

Shri Mahesh C. Mehta

Shri Sunil Mahnot, (Director Finance & CFO)

#### COMPANY SECRETARY

Miss Bulbul Daga

#### STATUTORY AUDITORS

DOOGAR & ASSOCIATES

#### INTERNAL AUDITORS

R.S. Modi & Co.

#### BANKERS

A.Consortium :

ORIENTAL BANK OF COMMERCE

PUNJAB NATIONAL BANK

B.Others:

INDIAN BANK, STATE BANK OF MYSORE

STATE BANK OF HYDERABAD, STATE BANK OF INDIA

#### LEGAL ADVISOR

Shilpi Jain Sharma, Advocate

#### REGISTRAR & SHARE TRANSFER AGENTS

BEETAL FINANCIAL AND COMPUTER SERVICES PVT. LTD.

99, MADANGIR, BEHIND LOCAL SHOPPING CENTRE, DELHI - 110 062

Ph.: 011-29961281, E-mail: beetal@beetalfinancial.com

#### REGISTERED OFFICE

T.T. GARMENT PARK,

879, Master Prithvi Nath Marg,

Karol Bagh, New Delhi - 110 005

Phone: 011-45060708, E-mail : export@tttextiles.com

Web site : www.tttextiles.com

#### CORPORATE IDENTIFICATION NO.

L18101DL1978PLC009241

#### BRANCHES

Kolkata, Avinashi, Gajroula, Rajula

#### MILLS/FACTORIES

Gajroula (Uttar Pradesh), Avinashi, Distt. Tirupur (Tamil Nadu),  
Rajula, (Pipavav Port, Gujarat)

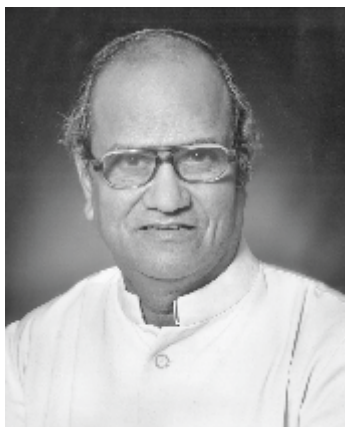
#### SHARE HOLDERS' INFORMATION

visit [www.tttextiles.com](http://www.tttextiles.com). [investors@tttextiles.com](mailto:investors@tttextiles.com)





Hare Krishna

Dr. Rikhab C. Jain,  
(Chairman)

## 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 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, formerly 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. Your two new directors are highly recognised corporate management experts Shri Mahesh Mehta is an outstanding Chartered Accountant and Shri Sunil Mahnot is a company secretary and corporate manager.

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 lose it anytime, but if you tend to earn goodwill and integrity, money will never leave you.

### Board of Directors—T.T. LTD.



**Krishna has done everything, He will do everything**

We are just tools in his hands. He showers upon us his choicest blessings That's our reward, our life, our report

❖❖❖ Hare Krishna ❖❖❖





## DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 36th (Thirty Sixth) Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2015.

### FINANCIAL RESULTS

Sales / Income from operations
Profit before interest, Depreciation and Tax
Financial Charges
Depreciation
Provision for Income Tax / Deferred Tax
Profit / Loss after Tax
Balance brought forward from previous year
TOTAL
Appropriation:
CSR Expenditure
Dividend & Distribution Tax
Transferred to / from General Reserve
Balance Carried forward
TOTAL

2014-15 (Rs. In lakh)	2013-14 (Rs. In lakh)
67919.11	74353.60
6111.72	6212.47
4012.60	3546.59
1483.64	1510.43
211.17	256.61
404.31	898.84
408.97	261.65
813.28	1160.49
25.02	—
257.96	251.52
250.00	500.00
280.30	408.97
813.28	1160.49

### DIVIDENDS

Your Board recommend dividend @10%( Rs.1/-per share of the face value of Rs. 10/-each ) on the paid up Share Capital of the Company for the year ended 31st March, 2015.

### REVIEW OF OPERATIONS

The year 2014-15 was a year of ups and down. We started the year on a low note with poor demand due to Chinese Cotton policy changing which lead to a bearish tone in global market for cotton and its products. This resulted in a mark down in inventory cost and the slide continued nonstop till the 3rd quarter of the year. The market found no support from any end till the new crop came in which was another bumper crop.

This relentless fall in price of cotton based products lead to a curtailment of demand also as buyers postponed purchases and kept inventory levels at bare minimum. This hence impacted turnover and despite best efforts and a good run in the end of the year, turnover was only Rs.679 Crores which was 8.6% less than the last year. The key reasons being lower unit price and global reduction in pipelines inventory due to falling prices. Further last year there was a 2% incentive on incremental exports, which was withdrawn by the government this year.

Further despite a new government coming and lot of optimism , no kick start in consumer demand was seen. Even lower prices didn't bring the consumers in the market.

The only silver lining for the Company has been the full operations of Gujarat new unit at Rajula which due to incentives and locational advantages contributed to the bottom line.

The Company had identified assets for disposal to improve liquidity and reduce its leverage. However due to the poor business environment it could not meet with success.

### FUTURE OUTLOOK

As we enter the New Year we start with a lot of optimism. Global Growth is picking up and India has most probably seen its bottom. Textile and clothing demand is expected to pick up and the Company is well poised to take advantages of it. It has no expansion plans for 2015-16. The Company wants to consolidate and reduce its leveraging to create a strong base for picking up new growth ideas for 2016-17.

With growth picking up domestically and inflation settling down, we expect consumers demand to grow at a globe pace. Last year the value added garments division did not grow much, however this year we look to growth at 25% to 30%. Green shoots are already clearly visible.

The Company's main focus this year is going to be its value added garments division, where many new products are being added and new markets / channels are being activated. The Company has also increased its advertisement budget last year and hence expects results of the same in this year. Its campaign- " acheLage , ache dikhe" has made a buzz in the market and has created a direct contact with consumer. Online sales and sales to institutional and large retail format customers is also growing.

Another big thrust area is going to be opening of exclusive T T brands shops. We have already piloted and worked on the concept and have



25 shops running well. We plan to take this figure to 200 in the coming 2 years, with main focus on NCR and UP. All these shops would be franchisee shops hence no fixed burden on the company, It would however create strong dedicated channels for the Company.

Another positive is the falling interest rate regime. This coupled with the repayment of debt would reduce the Company's interest burden and improve profitability.

We therefore start with lot of hope and optimism of achieving new heights and taking the brand and company to new levels. The much talked about consumption boom is expected to kick off very soon and we are well poised to take advantage of it. This would also reduce the dependence on exports and de-risk the company.

The Company has framed a CSR policy in line with the newly introduced Companies Act, 2013. We have a robust CSR policy and in fact spent more than the mandated amount. Also all other changes as required by the Act have been in place and we re-affirm our commitment to the highest level of Governance.

#### MAJOR IMPLICATIONS UNDER COMPANIES ACT, 2013

As required by the Companies Act, 2013, your Company has adopted new policies and constituted following committees, namely:

- Corporate Social Responsibility Policy and Committee
- Nomination and Remuneration Committee
- Reconstituted Stakeholder Relationship Committee
- Sexual Harassment of Employees at Workplace Policy and Committee
- Risk Management Policy & Committee
- Vigil Mechanism Policy.
- Insider Trading Policy.

The Company is also adopting new set of Articles of Association in line with new Company law and regulations.

All other changes as required by the Act have been put in place and we re-affirm our commitment to the highest level of Corporate Governance.

#### AWARDS AND RECOGNITIONS

It is a matter of great pride that Company's Director Shri V. R. Mehta has been awarded "PadamShri" Award by President of India for his exceptional services in the social sector.

During Financial Year 2014-15, Company has got many accolades and recognition:

- Company has been awarded "India's Small Giant" award by Hon'ble Cabinet Minister Shri Kalraj Mishra (award constituted by India SME Forum / NDTV Profit).
- Company has been awarded "TOP 100 SME" award of India out of 70000 nominations.
- In the Yarn Segment, Company has been awarded Silver Trophy Award by Hon'ble Textile Minister Shri Santosh Kumar Gangwar for the Second Highest Exports of Yarn.
- Recently "T T" Brand has also been nominated as "India's Most Promising Brand" 2015 by World Consulting & Research Corporation Ltd. (WCRC). The citation will be awarded in London on July 15th, 2015.

#### SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs.2,149.81 Lakhs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity.

#### PUBLIC DEPOSITS

Keeping in view amended provisions under the Companies Act, 2013 and rules made thereunder, Company has discontinued acceptance of Fixed Deposit w.e.f. 01.04.2014. Outstanding Fixed Deposits as on 31.03.2015 amounting to Rs.241.36 Lakhs are being repaid as and when due and the entire amount will be repaid before 31st March, 2017.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The Company has not given any loans or guarantees covered under the provisions of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) rules, 2014.



#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal Audit functions reports to the Chairman of the Audit Committee and to Chairman and Managing Director of the Company.

The Internal Audit monitors and evaluates the efficiency and adequacy of Internal control systems in the company its compliances with operating systems, accounting procedures and policies at all locations of the Company.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be furnished under section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 2014 relating to Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is annexed "A" herewith and forming part of this report.

#### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under "corporate social responsibility" (CSR), the Company has contributed funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid. The contributions in this regard have been made to the registered trusts which are undertaking these schemes.

The Annual Report on CSR activities is annexed herewith as: Annexure B.

#### INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all level.

#### DIRECTORS:

Shri Sanjay Kumar Jain (DIN:01736303), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

#### Board Evaluation

Pursuant to the provisions of the Company's Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration committees.

#### Remuneration Policy

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### Board of Directors Meetings

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3C) of the Companies Act, 2013, your Directors report as under:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgement 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.
- c) 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.





- d) That the Directors have prepared the annual accounts on a going concern basis.
- e) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### RELATED PARTIES TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Management Personnel or other designated persons which may have potential conflict with interest of the Company at large.

#### SUBSIDIARY COMPANIES

The Company does not have any Subsidiary.

#### CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviour of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.tttextiles.com](http://www.tttextiles.com)

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism Policy to deal with instances of unethical conduct, fraud and mismanagement, if any in the Company. This Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

In staying true to our values of integrity, transparency and ethical dealings and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate governance and stakeholder responsibility.

The Company has a Fraud Risk and Management (FRM) Policy to deal with instances of fraud and mismanagement, if any.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

#### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the code.

#### AUDITORS REPORTS/ SECRETARIAL AUDIT REPORTS:

M/s Doogar & Associates , Chartered Accountant, have been the Statutory Auditors of the Company and retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment .

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies ( Appointment and Remunerations of Managerial Personnel ) Rules , 2014 the Company has appointed M/S Deepak Kukerja & Associates Company Secretary in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure C".

There are no qualification, reservations or adverse remarks or disclaimers made by Statutory Auditors & Secretarial Auditors in their reports.



EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED  
ON 31st March, 2015

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure "D".

RISK MANAGEMENT

Your Company is engaged in manufacture / trading of the textiles goods many, Cotton Yarn, Knitted Fabric and Garments in domestic as well at International Market.

Your company is working in an open environment and hence faces various types of risks. The Company has analyzed all the possible types of risks and has taken steps to cover mitigate and minimize the risks as much as possible if the tools of risk management are reasonably priced and available. The Company has a clear policy and management to cover the following risks:-

- a) Operating Cost/ Raw Material Risk
- b) Operating Technical Risk
- c) Market Risk
- d) Labour Risk
- e) Foreign Currency Risk Management Risk
- f) Interest Rate Risk
- g) Debtors Management Risk
- h) Legal risk etc.

PARTICULARS OF EMPLOYEES

Information as per Section 134 of the Companies Act, 2013 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 136 of the Companies Act, 2013, 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.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the stock exchanges is presented as a separate section forming part of this report.

ACKNOWLEDGMENT

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. They are also grateful to shareholders, bankers, depositors, customers and vendors of the company for their continued valued support. The Directors look forward to a bright future for the Company with confidence.

Place: New Delhi  
Date: 13.05.2015

For and on behalf of the Board  
Sd/-  
**(Dr. RIKHAB C. JAIN)**  
**CHAIRMAN**