

TATIA INTIMATE EXPORTS LIMITED

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ANNUAL REPORT
2004 - 2005

TATIA INTIMATE EXPORTS LIMITED**BOARD OF DIRECTORS**

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|---|--|
| <i>Chairman</i> | Shri S.PANNALAL TATIA |
| <i>Managing Director</i> | Shri. E. SUBBARAYAN, |
| <i>Directors</i> | Shri. ARUN KUMAR BAFNA Shri. P. KAMLESH |
| <i>Auditors</i> | M/s. K. Subramanyam & Co., Chartered Accountants No. 252 , Mugappair ERI Scheme, Third Main Road, Chennai – 37. |
| <i>Registered Office</i> | No.81 – B Second Main Road, Ambattur Industrial Estate, Chennai – 600 058. |
| <i>Bankers</i> | State Bank of Travancore D-105, Anna Nagar, Chennai-102 |
| <i>Share Transfer Agents</i> (For Demat Mode) | M/s.Cameo Corporate Service Ltd., No.1 Club House Road, Subramaniyam Building, Chennai - 2. |
| <i>Share Transfer System</i> (For Physical Mode) | Inhouse |

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TATIA INTIMATE EXPORTS LIMITED

NOTICE FOR THE ELEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of the Company will be held on Thursday the 29th day of September, 2005 (29-09-05) at S.V. KALYANA MANDAPAM, No.6, Karukku Main Road, Ambattur, Chennai – 600 053 at 09.45 A.M to transact the following business.

Ordinary Business

1. To elect, Consider and adopt the Audited Profit & Loss Account, and Balance Sheet of the Company for the period ended 31st March 2005 along with the Reports of the Board of Directors as well as the Auditors thereon.
2. To elect a Director in place of Sri Arun Kumar Bafna, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass the following resolution with or without modifications as an ordinary Resolutions.

"RESOLVED THAT pursuant to section 224 and other applicable provisions if any of the Companies Act, 1956, M/s. K. Subramanyam & Co., Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of the Eleventh Annual General Meeting till the conclusion of the next Annual General Meeting upon such remuneration, terms and conditions as may be mutually agreed to between the Board of Directors and M/s. K. Subramanyam & Co."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

TATIA INTIMATE EXPORTS LIMITED

"RESOLVED that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreements, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Delisting of Securities) guidelines, 2003, (including any statutory modification(s) or reenactment(s) thereof for the time being in force and as may be enacted hereafter) and all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions, exemptions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions, exemptions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), approval be and is hereby accorded to the Board to voluntarily delist the Equity Shares of the Company from the Madras Stock Exchange Limited at Chennai and the Board be and is hereby authorised to decide upon the timing of Voluntary delisting from Madras Stock Exchange Limited and do all acts, deeds and things as it may in its absolute discretion deem necessary, desirable and appropriate in connection therewith and incidental thereto."

5. To consider and if thought fit to pass with or without modifications, the following resolution as an ordinary resolution.

"RESOLVED that pursuant to the provision of Section 293 (1) (d) of the Companies Act, 1956, Article No.127 (d) of the Articles of Association of the Company and other applicable provisions if any of the Company Act 1956, the Consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum or sums of money (s) to be borrowed together With the money (s) already borrowed, apart from temporary loans obtained from the company's banker in ordinary course of business may exceed the aggregate of paid up capital and free reserves, that is to say reserves not set apart for any specific purpose provided that the total amount to be so borrowed by the Board of Directors shall not exceed the sum of Rs.25 crores at any one time".

By order of the Board
For TATIA INTIMATE EXPORTS LIMITED

Date : 30th June 2005
Place : Chennai

sd/-
S. PANNALAL TATIA
Chairman

TATIA INTIMATE EXPORTS LIMITED

NOTES

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for himself/herself and the proxy need not be a member.
- 2) Proxy Form, in order to be valid, should be lodged at the Company's Registered office at least 48 Hours prior to the time of holding the meeting.
- 3) The Register of Members and Share Transfer Books shall remain closed from 15.09.2005 (Thursday) to 29.09.2005 (both days inclusive).
- 4) Members are requested to notify immediately any change in the address :
 - i) To the Depository participants (DPs) in respect of their electronic share accounts.
 - ii) To the Registered Office at No.81 B, 2nd Main Road, Ambattur Industrial Estate, Chennai - 58 in respect of their physical share folios.
- 5) For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Members are requested to bring the attendance slips duly filled in along with their copies of Annual reports to the meeting. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
- 6) Members having any specific query on the financial statement of the Company are requested to mail their queries directly to the Company.

TATIA INTIMATE EXPORTS LIMITED**EXPLANATORY STATEMENT****(Pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 4 : Voluntary Delisting of Equity Shares**

The Equity Shares of the Company are currently listed at Madras and Mumbai Stock Exchanges. Consequent to rapid changes in the capital market and with the availability of nationwide trading facility on the Stock Exchange of Mumbai (BSE), the investors have wide accessibility for trading in the Equity Shares of the company. While transactions are reported on a daily basis in BSE, there are no transactions at the Madras Stock Exchange ever since April 2001. The regional exchanges appear to have lost their relevance in most cases.

It is accordingly proposed to voluntarily delist the Equity Shares of the company from Madras Stock Exchange Limited subject to necessary approvals as may be required in this regard. As per the Delisting of Securities Guidelines, 2003 issued by Securities and Exchange Board of India (SEBI), an exit opportunity need not be provided to the shareholders in the event of delisting, provided the Equity Shares continue to be listed at BSE.

The proposed delisting will not affect the investors, as the Company's Equity Shares will continue to be listed at BSE having 'widest market' accessibility. None of the Directors of the Company is concerned or interested in the said resolution save and except to the extent of their shareholding, if any, in the company.

Item No. 5

The Borrowings (except temporary loan from the Bankers in the ordinary course of Business) by the Directors of the Company should be within the limit of aggregate of paid up capital and free reserves. In case the money to be borrowed together with the money already borrowed exceeds the limit as specified above, Consent of the Shareholders by means of an ordinary resolution has to be obtained for such borrowings. During the current year the Company has proposal to accelerate its business activities for which the company has to borrow loan over and above the aggregate of paid up capital and free reserves and specifies the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of Rs.25 crores at any one time.

By order of the Board
For TATIA INTIMATE EXPORTS LIMITED

Date : 30th June 2005
Place : Chennai

sd/-
S. PANNALAL TATIA
Chairman

TATIA INTIMATE EXPORTS LIMITED

**REPORT OF THE BOARD OF DIRECTORS TO
THE MEMBERS OF TATIA INTIMATE EXPORTS LIMITED
FOR THE YEAR ENDED 31ST MARCH 2005.**

Esteemed Shareholders,

Your Directors have great pleasure in presenting the 11th Annual Report together with the Audited Financial Accounts of the Company for the year ended 31st March 2005.

**A REVIEW OF THE COMPANY'S PERFORMANCE DURING THE YEAR
ENDED 31.03.2005**

During the year, the Company had incurred a net loss of Rs.-0.27 lakhs from its business activities, as compared to last year's net loss of Rs.-27.25 lakhs.

| FINANCIAL PERFORMANCE | 31.03.2005 (Rs.in Lacs) | 31.03.2004 (Rs.in Lacs) |
|---------------------------------|------------------------------------|------------------------------------|
| Income | 71.66 | 0.01 |
| Total Expenditure | 62.16 | 15.36 |
| Interest | --- | --- |
| Depreciation | 9.77 | 11.90 |
| Profit / - Loss before Taxation | -0.27 | -27.25 |
| Provision for Taxation | --- | --- |
| Profit After Taxation | -0.27 | -27.25 |
| Net Profit / -Loss | -0.27 | -27.25 |
| Reserves | 15.66 | 15.93 |

Income during the year was due to waiver of interest on OTS by Bank and expenditures includes the loss due to deterioration of quality of raw material stock.

TATIA INTIMATE EXPORTS LIMITED

LISTING

The equity shares of the Company is listed at Mumbai Stock Exchange.
We Proposed to delist at the Madras Stock Exchange, subject to your approval

DELISTING

It is proposed to delist the company shares from Madras Stock Exchange considering the fact that no trading of your Company shares has been done during the last 4 years. Sanction of members for the same is being sought by way of special resolution. Listing will however continue with the Stock Exchange of Mumbai having Nation wide terminals with online connectivity for trading

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing agreement of the Stock Exchange are complied with.

A separate report on Corporate Governance is attached as Annexure - I to this report, along with the Auditor's Certificate on the compliance as Annexure -II and also regarding Audit Committee.

DIVIDEND

In view of losses sustained by the Company your Directors express their inability to recommend any dividends for the financial year.

FUTURE PROSPECTS

Having settled the entire Bank liabilities in total on OTS basis, now the Company is gearing up to revive its production facilities by structuring itself in and around Tirupur to take advantage of boom in knitwear industry at Tirupur .

TATIA INTIMATE EXPORTS LIMITED

DIRECTOR

Sri. Arun Kumar Bafna, Director retires at the ensuing Annual General Meeting and he had expressed his willingness to offer himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub – section (2AA) of Section 217 of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed :

- i. That in the preparation of Annual Accounts for the financial year ended 31st March 2005, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii. That the Directors had 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 statement of affairs of the Company at the end of the financial year as on 31st March 2005 and 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 Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/S. K. Subramanyam & Co, Chartered Accountants retire at the conclusion of the forth coming Annual General Meeting, being eligible, offer themselves for re – appointment.

TATIA INTIMATE EXPORTS LIMITED

PUBLIC DEPOSIT

The Company has not accepted any Deposit from the public during the year under review.

PARTICULARS OF EMPLOYEES

During the year under review, no employee was in receipt of remuneration in excess of limits laid down in Section 217 (2A) of the Companies Act, 1956. Hence information required to be given under the said section read with Companies (Particular of Employees) Rule 1975 as amended has not been provided in this report.

STATUTORY INFORMATION

Prescribed information regarding compliance of rules relating to conservation of energy and technology absorption are not applicable as there was no production during the year under review. There were no foreign exchange earnings and outgo during the year.

EXPLANATION TO AUDIT OBSERVATIONS

The explanations of the board with regard to the audit observations are given below :

The Company has agreed to pay the Income Tax arrears in instalments.

ACKNOWLEDGEMENTS.

We would like to express our gratitude to the various Statutory Authorities, Banker, Business Associates and shareholders for their continued Support and assistance during the period.

For and on behalf of the Board,
For TATIA INTIMATE EXPORTS LIMITED

sd/-

S. PANNALAL TATIA
Chairman

Date : 30th June 2005
Place : Chennai