



.... Go Green

**T T LIMITED**

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



I believe that where there is pure and active love for the poor there is God also. I see God in every thread that I draw on the spinning wheel.

World's most reverend spinner  
- Mahatma Gandhi

WORLD CLASS YARN



## Board of Directors





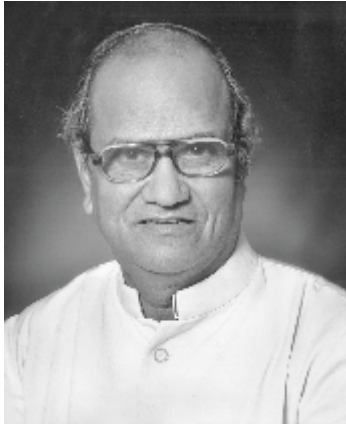
कैजुअल एंड इतरवियर



टी.टी. गार्मेन्ट्स की इच्छा से अच्छा क्या ?



*Jhare 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.

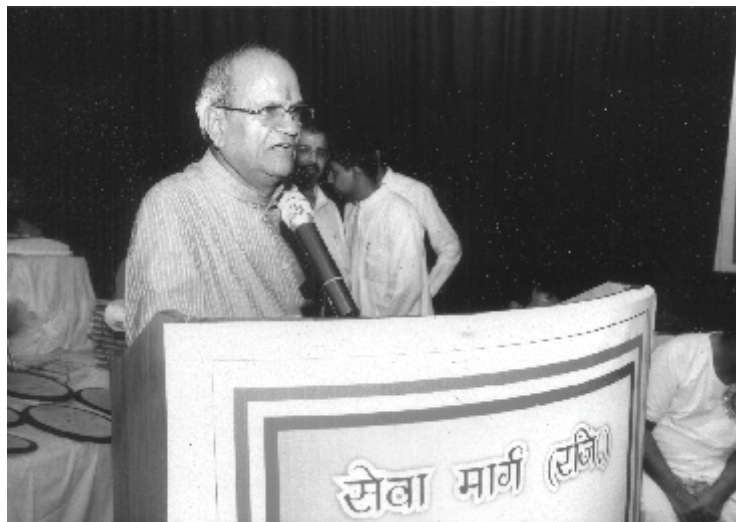
Today Textile Industry is a "Focus Industry" in India. It is once again a Sun Rise Industry. Textile Manufacturing is shifting from America & Europe to Asia – China, India, Bangladesh, Pakistan, Turkey etc. Timely cotton revolution in India has made India's position unique in competitive edge in world 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.



*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 ≡ ↔





## Company Information

BOARD OF DIRECTORS	<b>T.T. LIMITED</b> 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
Vice President (Finance) & Company Secretary	Shri Sunil Mahnot
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
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 : +91-11 - 45060708 E-mail : export@tttextiles.com Web site : www.tttextiles.com
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.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 33rd (Thirty Third) Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2012.

### FINANCIAL RESULTS

	2011-12 (Rs. In lakh)	2010-11 (Rs. In lakh)
Sales / Income from operations	39575.37	48793.83
Profit before interest, Depreciation and Tax	2708.67	5865.93
Financial Charges	2692.78	2340.76
Depreciation	1113.40	1128.14
Provision for Income Tax / Deferred Tax	(880.44)	817.58
Profit / Loss after Tax	(-) 217.07	1579.45
Balance brought forward from previous year	374.18	(-) 254.59
TOTAL	157.11	1324.86
Appropriation:		
Dividend & Distribution Tax	(-) 0.83	250.68
Transferred to / from General Reserve	NIL	700.00
Balance Carried forward	157.11	374.18
TOTAL	157.94	1324.86

### DIVIDENDS

Your Board could not recommend dividend due to loss during the year.

### REVIEW OF OPERATIONS

The year 2011-12 was one of the most difficult year not only for the Company but worldwide textile industry and in many ways even worse than 2008-09. Cotton and yarn prices after touching an all time high in March 2011, suddenly crashed worldwide by over 35% in a short period of two months leaving the whole industry dazed.

This followed by uncertainty in the global market due to European crisis and the imposition of excise duty on garments lead to exceptionally difficult year for all segments of the textile business.

The extreme volatility in the currency in the second half of the year further worsened matters. Last but not the least Policies changes regarding exports of raw cotton and yarn, and reduction of export incentives remained the biggest culprit for the extreme volatility in global textile market.

The year saw the turnover of the Company plunge from Rs. 485 Crores to Rs. 382 Crores i.e. a 21% fall due to poor demand and basic selling prices coming down. Due to the reasons mentioned above, the Company booked a loss of Rs. 2.17 crores after taxes.

Over the last 2 years, your company has been paying more emphasis on its branded knitwear business. The contribution of this segment increased to 20% of turnover compared to 17% last year. This was despite the fact that due to excise, we lost almost 3 months sales. The turnover of all other divisions reduced due to both lower volumes and prices..

As a part of its strategy to slowly exit the cotton fibre business, the Company sold its ginning factory at Gondal, Gujarat for Rs. 18.75 crores. The Company also plans to sell its ginning factory at Rajula, Gujarat and exit the volatile cotton commodity business fully and focus on the stable value added business. This crop year, Rajula Ginning Factory was not operated, otherwise it would have further worsened the scenario.

The Company has almost completed its Rs 20 crore garment expansion project in Avinashi. Further it has introduced many new products in its casual wear segment.

This year has broadly been a year of caution and fire fighting. It was difficult to implement new initiatives and push for growth.

Losses during the year has occurred mainly due to worldwide fall in cotton value chain since April, 2011, currency volatilities, increase in interest rates, Power rates and withdrawal of export subsidies and increase in taxes.





#### FUTURE OUTLOOK

The worst is almost over and the company is expected to cover up the set back in the first half of the current year itself. The depreciating rupee, falling cotton prices with low production of yarn across the country due to labour & power issues has created a favourable situation for cotton yarn. However with the global uncertainty so high, non clarity of Government policies – its difficult to predict precisely. We hope for the best.

The Government TUF scheme for textiles has expired in March 2012, and all are waiting for the new policy announcement. However the Company has no major expansion plans for this year, though the Rs 100 crore spinning expansion project at Rajula (Gujarat) is going on and is expected to be completed by March 2013. TUF sanctions for this project had already been confirmed in time.

The Company during the preceding year, due to slow demand and excise issues, had to go slow on its knitwear business. However this year once again the Company is looking for 50% growth in this segment. It is planning to go for a totally new ad campaign and put extra thrust on electronic and press media. The Company is also planning to focus on setting up exclusive shops in a big way, e-commerce and digital marketing through social media.

The Company plans to leverage its strong brand equity and expand over markets and products with strong designing, advertisement and merchandising.

The yarn and fabric segments are expected to grow at 20% per annum, however margins are expected to be much better than last year.

We are confident that your Company will be back on the growth path after a watershed year. Our emphasis on high margin business and focus on stable business portfolio can be expected to show positive results for the Company and its stake holders.

Your Company intends to install Solar Power Plants offline for localized captive consumption within each Spinning Mills. We hope by 2016 all our mills and manufacturing units will be running 100% on clean Solar / Wind Power. This move is to promote eco-sustainability and will certainly be our bit of efforts to “save earth” and to “save trees”

#### AWARDS AND RECOGNITION

During the year Brand “T.T.” has been awarded with MASTER BRAND STATUS BY CMO ASIA (AFFILIATED OF CMO COUNCIL, USA).

#### DIRECTORS

Shri Sanjay Kumar Jain and Dr. (Prof.) V. K. Kothari 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 judgments 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

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.

#### 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.

Auditors observation in Clause (f) of Audit Report is explained in note no-33 to Financial Statements.



**PUBLIC DEPOSITS**

Fixed Deposits received from Shareholders, Employees and Public in general as at the close of the Financial Year amounted to Rs.666.38 Lacs. Deposits of Rs.2.40 Lacs which fell due for repayment before the close of the financial year, remain unclaimed by the depositors at the close of the Financial Year. There were no overdue deposits other than those unclaimed at the year end.

**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, bankers, depositors, customers and vendors of the Company for their continued valued support. The Directors look forward to a bright future with confidence.

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

Place: New Delhi  
Date: 31.05.2012





## 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 that have been taken are:
- i) Due to abnormal increase in HSD prices, company has decided to utilise maximum extent electricity supplied by Grid instead of own generation.
- ii) Company has installed 3 Wind Mill in Tamil Nadu for meeting power requirement of its spinning unit at Avinashi, Dist: Coimbatore.
- iii) 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 is that the same would result in reduction in energy consumption in future years to come.
- d) Total energy consumptions, energy consumption per unit of production:

	2011 - 2012	2010- 2011
A Power and fuel consumption		
1) Electricity (KWH)		
a) Purchased (Units)	34907308	33370002
Total Amount (Rs)	178024210	149749298
Rate per unit (Rs)	5.10	4.49
b) Own Generation		
Through Diesel Generator		
Units	1800476	3792483
Units per Ltr. Of Diesel Oil	3.55	3.59
Cost/Unit	10.64	11.24
2) Coal	Not used	Not used
3) Furnace Oil	Not used	Not used
B. Consumption per unit (Yarn in Kg) of production / Electricity	3.99	4.03

## A. 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 products.
- c) Future plan of action: Continuous efforts are being made for quality improvement.
- d) Expenditure on R&D: The Company is not maintaining separate account 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.225.26 Crores. The details of foreign exchange earnings and outgo are given in the Notes to the accounts which form a part of the Annual Report.

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

Place: New Delhi  
Date: 31.05.2012

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-2012**

(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:**

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations.

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 Executive Chairman, Managing Director, Jt. Managing 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	5/5	YES	1	1	—
2 SHRI V. R. MEHTA	NON-EXECUTIVE	5/5	YES	2	2	—
3 SHRI NAVRATAN DUGAR	NON-EXECUTIVE	5/5	YES	NIL	1	1
4 SHRI SANJAY KR JAIN	M/DIRECTOR	4/5	NO	1	2	—
5 SMT. JYOTI JAIN	JT.M/DIRECTOR	4/5	YES	NIL	—	—
6 DR. (PROF.) V. K. KOTHARI	NON-EXECUTIVE	5/5	YES	NIL	1	2

**3. AUDIT COMMITTEE :**

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 Navratan Dugar, Committee Chairman | B. Dr. (Prof.) V. K. Kothari |
| C. Shri V.R. Mehta                         | D. Shri Sanjay Kumar Jain    |

The Primary function of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports and other financial information provided by the Company to any Govt. body or to the investors or the public; the Company's system of risk management and internal controls regarding finance, accounting and legal compliances that Management and the Board have established.

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 2011-12 four Audit Committee Meetings were held on 25.05.2011, 12.08.2011, 09.11.2011, 03.02.2012

**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 1.04.2011 to 31.03.2012..



Name of Directors	Business relationship with the Company	Remuneration paid / payable from 1.4.2011 to 31.3.2012		
		Sitting Fees	Salary & Perks	Total
Dr. RIKHAB C. JAIN	CHAIRMAN	—	39.08	39.08
SHRI V.R. MEHTA	NONE	1.00	—	1.00
SHRI NAVRATAN DUGAR	NONE	1.00	—	1.00
SHRI SANJAY KR. JAIN	MANAGING DIRECTOR	—	51.60	51.60
SMT. JYOTI JAIN	Jt. MANAGING DIRECTOR	—	51.60	51.60
DR. (PROF.) V.K. KOTHARI	NONE	1.00	—	1.00

A sum of Rs.72.00 Lac being excess remuneration paid to Directors consequent upon losses reported during preceding financial year is being recovered from concerned Directors in terms of Section 198, 309 & Schedule XIII of the Companies Act, 1956.

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

The Shareholder's/Investor's Grievance Committee consists of three Directors. Dr (Prof.) V. K. Kothari, Director heads this Committee. The Committee meets at frequent intervals to consider, inter alia, 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
2008-2009	30.09.2009	11 A.M.	Siri Fort Auditorium, New Delhi.
2009-2010	01.09.2010	11 A.M.	Siri Fort Auditorium, New Delhi.
2010-2011	28.09.2011	11 A.M.	Talkatora Indoor Stadium, New Delh

#### 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.38 of Notes 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. LEGAL COMPLIANCE & REPORTING:

As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

#### 10. GENERAL SHAREHOLDER INFORMATION

##### A ANNUAL GENERAL MEETING

Date and Time : 26th September, 2012 at 11 A.M.  
Venue : Talkatora Indoor Stadium, New Delhi.

##### B FINANCIAL CALENDAR

The Company follows April-March as its financial year. The results for every quarter beginning from April is declared within 45 days from end of the quarter except for the last quarter for which the results were declared in May as permitted under the listing agreement.

##### C DATE OF BOOK CLOSURE

20th September, 2012 to 26th September, 2012 (both days inclusive)

##### D LISTING ON STOCK EXCHANGES

The Company's shares are listed on The National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE).

Stock code at the NSE is TTL and BSE 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 2011	38.50	28.95	19811.14	18976.19
May 2011	36.00	30.85	19253.87	17786.13
June 2011	33.45	25.95	18873.39	17314.38
July 2011	30.00	27.05	19131.70	18131.86
August 2011	30.00	23.25	18440.07	15765.53
September 2011	27.80	22.80	17211.80	15801.01
October 2011	26.85	22.00	17908.13	15745.43
November 2011	26.70	18.30	17702.26	15478.69
December 2011	21.50	17.55	17003.71	15135.86
January 2012	22.80	18.40	17258.97	15358.02
February 2012	24.00	18.60	18523.78	17061.55
March 2012	22.00	18.25	18040.69	16920.61

## F REGISTRAR AND SHARE TRANSFER AGENTS

M/S BEETAL FINANCIAL & COMPUTER SERVICES PVT LIMITED  
99, MADANGIR, BEHIND LOCAL SHOPPING CENTRE, NEW DELHI 110062.  
Telephone no(s) 011-29961281, Fax : 011-29961284  
E-mail [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

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, 2012)

Numbers of Equity Shares Held	Shareholders		Share amount	
	Numbers	% age to Total	Rs.	% age
1 to 500	22407	89.60	36568620	17.01
501 to 1000	1449	5.79	11682380	5.43
1001 to 2000	559	2.37	9043960	4.21
2001 to 3000	189	0.76	4861490	2.26
3001 to 4000	92	0.37	3305130	1.54
4001 to 5000	68	0.27	3277560	1.53
5001 to 10000	128	0.51	9721240	4.52
10000 & Above	82	0.33	136520120	63.50
<b>TOTAL</b>	<b>25007</b>	<b>100</b>	<b>214980500</b>	<b>100</b>

## H DEMATERIALISATION OF SHARES AND LIQUIDITY

About 88.46% of the shares have been dematerialized as on 31st March 2012 representing 19018286 shares and balance shares are held in physical form.

## I SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out a Secretarial Audit on quarterly basis to reconcile the total Share Capital with National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL & CDSL.

## J PLANT LOCATIONS:

Company's Plants are located at Gajroula (U.P.), Avinashi Distt. Tirupur (T.N.), Dharampura Dist. Tirupur (T.N.), and Rajula (Gujarat).

**K 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.: 45060708/E mail: [investors@tttextiles.com](mailto:investors@tttextiles.com)

OR

M/S Beetal Financial & Computer Services Pvt Limited, 99, Madangir, Behind Local Shopping Centre, New Delhi 110062., Telephone No(S) 011-29961281, Fax : 011-29961284, E-Mail : [Beetal@Beetalfinancial.Com](mailto:Beetal@Beetalfinancial.Com)

**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 31st March, 2012, 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 31st March, 2012 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: 31.05.2012

For DOOGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000561N

(MUKESH GOYAL)  
Managing Partner  
M. No. : 081810





## Management Discussions and Analysis

### OVERVIEW OF INDIAN TEXTILE INDUSTRY

The Indian Textile Industry is proud to be the second biggest in the world. It was predominantly unorganized industry until a few decades back. However, the scenario started changing on after the economic liberation of Indian economy since 1991. The opening up of the economy gave the much-needed thrust to the Indian Textile industry. It has now successfully become modern, high technology run and has the potential of becoming the largest one overtaking the presently number one Chinese Textiles.

Indian textile industry largely depends upon the textile manufacturing and export. It also plays a major role in the economy of the country. India earns about 12 per cent of its total foreign exchange through textile exports. Further, the textile industry of India also contributes nearly 14% of the total industrial production of the country. It also contributes around 4% to the GDP of the Country. Indian textile industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scope for the other ancillary sectors. Indian textile industry currently generates employment to more than 35 million people.

### EMERGING TRADE PATTERN

The last few years have seen a period of considerable change in the global trading pattern. The economic activity across the world is increasingly shifting towards the emerging economies in Asia, Far East and parts of South America. In the textiles sector, this is being manifested in a convergence between production and consumption centres as they shift tectonically from the Western countries to the Far East and China. Traditional markets in Europe and USA are expected to adjust these changing trends.

Inflation concerns are likely to intensify as capacity constraints accentuate supply side pressures in the wake of high growth rates and rising demand.

### TRENDS IN WORLD TRADE

World Trade recorded its largest ever annual increase in 2010 as merchandise exports surged 14.5 per cent, buoyed by a 3.6 per cent recovery in global output as measured by gross domestic product (GDP). Both trade and output grew faster in developing economies than in developed ones.

Exports in volume terms were up 13 per cent in developed economies while the increase for developing economies was nearly 17 per cent.

### TRADE SCENARIO IN INDIA

Indian domestic consumption of textiles is growing at a fast pace of 15-20% annually. Hence the importance of this segment is growing and there is great potential for Companies with a good domestic distribution network and brand equity. Hence in future companies need to have more balanced presence in both exports and domestic market to reduce uncertainties and have balanced growth.

From Raw material to finished goods, vertically and horizontally an integrated textile value chain exists. Indian textile sector holds a unique blend of tradition and technology with flexible production system and strong entrepreneurial skills.

As we all know, Asia in the recent past witnessed a recovery that has matured as both exports and domestic demand have fuelled rapid economic growth, which reached 8.3 per cent in 2010. Growth is expected to be led by China and India, whose economies are projected to expand by 8.2 per cent and 7.2 per cent, respectively, in the next two years.

### GLOBAL TRADE IN TEXTILES AND CLOTHING

The World trade in Textiles & Clothing is estimated to grow by 10.82 per cent for the year 2010, playing a significant role in total merchandise trade with a share of around 4 per cent. The trade is estimated at a level of USD 584 billion in the year 2010 marking growth of 10.82% over the previous year's level of USD 527 billion.

In EU (27), the combined imports of Textiles and Clothing grew by 6.62 per cent. While Textile trade grew by 19.53 per cents, Clothing grew by 2.64, per cent during 2010.

### COTTON YARN EXPORTS

Within the textile basket, exports of cotton yarn reached a level of 720 Million Kgs. as compared to 586.76 Million Kgs. in 2009-10. In volume terms the growth increased by 22 per cent and in dollar terms the growth was 62 per cent rising from USD 1614.76 Million (Rs.75912.88 Million) in 2009-10 to USD 2619.16 Million (Rs.118936.06 Million) in 2010-11. It is to be noted that in spite of quantitative restrictions cotton yarn exports recorded the highest growth in the garment of textiles products.

Yarn export has since been brought under OGL with from April, 2011. Prices in the world market have started to moderate and the down stream industry in various textile economies is looking forward to stability in policies & prices.

As the largest supplier of Cotton Yarn to the world in value terms as well as quantity terms, India needs to be cautious of its external obligations as Policy interventions imposing supply side restrictions have a significant bearing on international trade. This fact was repeatedly brought to the notice of the Council by many Overseas Textile Associations and Federations during interactions at various Fairs/Exhibitions and meets.





#### COTTON FABRICS EXPORTS

Exports of Cotton Fabrics increased marginally by 1.64 per cent from USD 1221 Million in 2009-2010 to USD 1241 Million in 2010-11. The share of Cotton Fabric in the overall cotton textile exports was 18 per cent.

#### COTTON MADEUPS

Exports of Cotton madeups reached a level of USD 2980 Million in 2010-11 as compared to the previous year's exports of USD 2808 Million marking a growth of 6 per cent the cotton textile trade. Considerable opportunities exist to increase our exports in this segment as we streamline our efforts to augment our processing capabilities.

#### POLICY INITIATIVES

Once for all India like China should decide to create cotton fibre reserve of 10 million bales. "Reserve first, export next" needs to be the policy line. Once in June /July such cotton reserve is replenished, surplus cotton if any should be allowed to be exported. This would stabilize prices of cotton year round and reduce the speculative risk it poses to all in cotton trade as well as in the manufacturing value chain.

Currency stabilization is a must for reducing risks faced by the export-import trading activities. Rupee has during the past twelve months has travelled from Rs.54 a US\$ to Rs.44 a US\$ and once again back to Rs.56 a US\$. This steep fall-rise-fall sequence has taken heavy toll of foreign trading enterprises.

Prices of all textile products need to be allowed to rise in tandem with the inflationary rise particularly price movement of fibres. Unhealthy competition needs to be checked to allow reasonable profits level to prevail profits needs to be elevated if investment is to be attracted and if subsidies are to be phased out. The industry cannot remain precisely ticking only on the strength of subsidies.

#### CURRENT SCENARIO

The Textile and clothing Sector is the backbone of the Indian Economy.

Fabric production rose to 60,996 million sq. meters in FY 2011 from 52,665 million sq. meters in FY 2007.

Production of raw cotton grew to 32.5 million bales in FY 2011 from 28 million bales in FY 2007, while production of manmade fibre rose to 1281 million kgs. in FY 2011 from 1139 million Kgs. in FY 2007. Production of yarn grew to 6,233 million Kgs. in FY 2011 from 5,183 million kgs. in FY 2007.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach USD 80 billion by 2020.

Exports of textile grew to USD 26.8 billion in FY 2010 from USD 17.6 billion in FY 2006. India's textile trade is dominated by exports with CAGR of 6.3 per cent during the same period.

#### GOVERNMENT POLICY

The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. This also includes the various incentives under Focus Market Scheme and Focus Product Scheme; broad basing the coverage of Market Linked Focus Products Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase the Indian shares in the global trade of textiles and clothing. Budget for the year 2012-13 did not induct any new relief measures or incentives as was expected by the Textile Ministry and the Industry. The industry continues to wait for the much needed package of relief measures to prompt up revival.

It has allowed 100 per cent Foreign Direct Investment (FDI) in textiles under the automatic route.

Over years the Textile Upgradation Fund (TUF) scheme of the Government where it provides interest subsidy of upto 5% and capital subsidy of upto 10% has lead to big investments in the industry. In particular the spinning industry has become world class and is the largest exporter in the world. The Government had suspended the scheme from May, 2010 suddenly however the same has been reinstated in April 2011 till the end of March 2012. Its not clear in what form and how the scheme would be re-introduced after the end of the current scheme and hence industry is trying to plan investments within this period.

The Government had reduced export incentives on cotton yarn from 7% to 3%. This has impacted the offered prices in international market making yarn to that extent more expensive. This incentive was just a refund of taxes which has been removed by the Government.

Excise duty was imposed on branded garments in the Union Budget 2011. This gave a severe setback to the domestic industry which was already reeling under very high yarn prices and other input cost rise. This has squeezed profits and has also burdened the consumer and has had a short term impact on consumption as well.

Government is very keen to increase textile exports. Its target of USD 50 billion by 2012 has fallen short significantly due to recession and many bottlenecks which could not be effectively be removed. The Government has planned a major skill upgradation program to improve availability of skilled labour for the industry. National Skill Development Corporation has been formed under whose aegis many projects shall be undertaken.

#### COTTON PRICES

Biggest Factor Driving Cotton prices are government decisions. Not even the fundamental law of economics – that of supply and demand – has a bigger impact on prices than the actions of the Chinese and Indian Governments – Cotton International News – 25th May, 2012. Stable Government policy and faster decision on the trade issues can only help stabilize prices and consequently reduce risks.



Despite reopening of cotton exports, cotton prices have once again slumped in May-June, 2012 largely because of Chinese Cotton import reversal and US better crop estimates.

The cotton year 2012-13 is apprehended with reduction in worldwide crop acreage by 10% in favour of Guar, Soya, Maize and Oil seeds. This may once again in four to six month now has a true scope for a steep jump in cotton prices

#### FUTURE OUTLOOK

By 2017, officially it has been estimated that yarn production will reach 9 billion kg., Fabric 100 billion sq.mts., Garment 15 billion pcs. Against 5 billion kg., 62 billion sq. mts. and 9 billion pcs. presently in 2011. This means approximately 15% to 20% growth.

The above growth is mainly driven by factors such as growing young population, rising household income levels and growth of organized retail and changes in costume and shopping habits. Exports will be driven by Overseas retail giants outsourcing from India at increasing level, capacity building for high volume low cost production, transition from convertor type exporters to vendor partnership of global buyers.

Investments in all segments for a balanced growth and optimal domestic production. Of all segments, spinning and processing segments are highly capital intensive as well as power intensive.

Textile Industry value chain can be secured in future by adopting efficient and modern technology at all levels, consolidation of weaving and processing operations. Large scale on roof garment volume production will be desirable to improve competitive strength. Textile Machinery sector needs upgradation and diversification.

Increase in cost of production in China will allow world purchase to shift to India, Bangladesh, Vietnam. Hence exports has great potential.

Technical textiles have huge potential. It needs to be incentivized and promoted. Demand for hygiene products, medical textiles, fire retardant and geo textiles will increase tremendously.

#### RISK MANAGEMENT

Your company has set up a risk management committee of senior executives to lay down procedure to mitigate various business risks.

#### INTERNAL CONTROL SYSTEM

The Company maintains a system of internal control including suitable monitoring procedures. Comprehensive internal Audit is also carried out by independent internal auditors to ensure compliance and identify weaknesses in the system. Findings of the Internal Auditors are regularly reviewed by the Audit Committee. Further the Company has in place an ERP system designed by Microsoft, USA.

Your Company is trying to achieve progressively "paperless" and "cash less" status inducting in online systems. It is already using "Online Shopping", "Cash & Carry" and online trading system.

#### HUMAN RESOURCES DEVELOPMENT

"An organization is only as good as the people within" is an axiom, which the company understands and appreciates deeply. The Company continues to emphasize on its commitment to acquiring, developing and enhancing its human potential. Recruitment and retention of intellectual capital is a key management exercise. The Company's human capital constitutes a diverse pool of knowledge a judicious mix of youth, imaginations, risk – taking ability and seasoned experience

#### CORPORATE SOCIAL RESPONSIBILITY

TT LIMITED is well aware about its community and social responsibilities.

In addition to various Employees benefit and schemes like Merit Scholarship for employees children, Education grants etc., your Company is operating various social welfare schemes such as dispensaries, maternity hospital, preventive health care by organizing medical camps from time to time.

In the field of sports your company is sponsoring Table Tennis, Veteran Cricket, Lal Bahadur Shastri Hockey Tournament and Basket Ball tournament. Your company is regular donor to Sri Venkateswara Nithya Annadanam Trust, Tirupathi. Further regular donation from your company as well as from T.T. Charitable Trust keeps flowing to various NGO's. Recently suitable donations have been released by the Trust to an upcoming Dharamshala at Vrindavan.

Your Company is also spearheading Eco friendly initiatives and campaigning for green clean fuel. Wind Mills are being continuously added to reduce carbon emission based power by clean and green power. Your mill in Tirupur is 100% on clean and green power generated by Company's Wind Mills.

Your Company intends to install Solar Power Plants offline for localized captive consumption within each Spinning Mills. We hope by 2016 all our mills and manufacturing units will be running 100% on clean Solar / Wind Power. This move is to promote eco-sustainability and will certainly be our bit of efforts to "save earth" and to "save trees"



## AUDITORS' REPORT

To The members of T.T. Ltd.

We have audited the attached Balance Sheet of T.T. Ltd. as at 31st March, 2012 and also the statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as modified by 2004 Amendment order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

a)	We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes for our audit;
b)	In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of these books.
c)	The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
d)	In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
e)	On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
f)	The Company has continued to consider Plant & Machinery at Spinning Units as continuous process plant with in the meaning of footnote No. 7 to the schedule xiv, as amended, of the Companies Act, 1956 and has accordingly provided depreciation. This being a technical matter, we have not formed an independent opinion on such classification and are therefore unable to comment thereon (Refer Note no. 33 to Notes to Financial Statements);
g)	Subject to para (f) above and its consequent impact on the loss for the year, in our opinion and to the best of our information and explanation given to us, the said accounts, read with the Accounting Policies and notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
	i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
	ii) In the case of Statement Profit & Loss, of the Loss for the year ended on that date.
	iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: New Delhi  
Date: 31.05.2012

For DOOGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000561N

(MUKESH GOYAL)  
Managing Partner  
M. No. : 081810



## ANNEXURE TO AUDITORS' REPORT

(Annexure referred to in our report of even date)

i.	(a)	The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
	(b)	The Company has a programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Management has physically verified fixed assets during the year no discrepancies have been noticed on such verification as compared to book records.
	(c)	Fixed assets disposed off during the year were not significant and therefore do not affect the going concern assumption.
ii.	(a)	The inventory, except material lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
	(b)	The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
	(c)	In our opinion, the Company is maintaining proper records of inventory. The discrepancies, noticed on physical verification of inventory as compared to books records were not material and have been properly dealt with the books of accounts.
iii.	(a)	The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly para 4 clause iii (b) to (d) of the Companies (Auditor's Report) (Amendment) Order, 2004. are not applicable.
	(e)	As explained, the Company has taken unsecured loan from two parties covered in the register to be maintained under section 301 of the Companies Act, 1956, The maximum amount involved during the year in this respect was Rs.1306.31Lakhs and the year-end balance of loan from such entities was Rs1306.31 Lakhs.
	(f)	In our opinion, the rate of interest and other terms and conditions of unsecured loan taken by the company, are prima-facie not prejudicial to the interest of the company.
	(g)	Payments of principal amount are also regular where required.
iv.		In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We did not observe any major weakness in internal control during the course of our audit.
v.	(a)	Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered therein.
	(b)	In our opinion, and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements in the register maintained under section 301 of the Act and aggregating during the year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
vi.		The Company has accepted deposits from public. In respect of outstanding deposits, in our opinion Company has complied with the provisions of section 58A and 58AA or any other relevant provisions of the Act, and the Companies (Acceptance of Deposits) Rules, 1975.
vii.		In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
viii.		We have broadly reviewed the Cost Accounting records, including the books of account maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209(1) (d) the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We are however, not required to make a detailed examination of such books and records.
ix.	(a)	According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues which have been generally regularly deposited during the year with the appropriate Authorities. According to the information and explanations given to us and as per the books of accounts and records examined by us, there are no arrears of undisputed statutory dues outstanding as on date of balance sheet for a period exceeding six months from the date they became payable.
	(b)	According to the information and explanations given to us and as per the books and records examined by us there are no dues of Income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of any dispute except the following dues of Income tax along with the forum where dispute is pending:



Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount Rates	Forum where Dispute is Pending
Income Tax , 1961	Income Tax	11,85,758	Assessment Year 03-04	CIT Appeal

x.	The company is not having accumulated losses as at 31st March 2012. The company has not incurred cash loss during the current year and the immediately preceding financial year.
xi.	According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
xii.	According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
xiii.	The Company does not fall within the category of chit fund/ Nidhi/ Mutual Benefit/ Society and hence the related reporting requirements are not applicable.
xiv.	According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements are not applicable.
xv.	The Company has provided 'default guarantee' to the banks in respect of loans sanctioned by them. The terms and conditions are not, prima facie, prejudicial to the interest of the Company.
xvi.	In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.
xvii.	According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the company on short term basis have not been applied for long term investment.
xviii.	The Company has not made any preferential allotment of shares to parties and Companies to be covered in the registered maintained under section 301 of the Companies Act, 1956.
xix.	The Company did not have any outstanding debenture during the year.
xx.	The company has not raised any money by public issue during the year.
xxi.	Based on our examination of the books and records of the Company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: New Delhi  
Date: 31.05.2012

For DOOGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn No: 000561N

(MUKESH GOYAL)  
Managing Partner  
M. No. : 081810

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As At 31.03.2012	Amount in Rs As At 31.03.2011
<b>I) Equity and Liabilities</b>			
1	Shareholders' funds		
a)	Share Capital	21,49,80,500	214,980,500
b)	Reserves and Surplus	73,26,46,724	613,872,358
		<u>94,76,27,224</u>	<u>828,852,858</u>
2	Non-current liabilities		
a)	Long term borrowings	1,33,18,06,722	1,000,171,548
b)	Deferred tax liabilities (Net)	—	37,348,748
c)	Other long term liabilities	—	—
d)	Long term provisions	—	—
		<u>1,33,18,06,722</u>	<u>1,037,520,296</u>
3	Current liabilities		
a)	Short term borrowings	1,078,852,768	1,117,988,889
b)	Trade payables	3,57,50,433	14,137,685
c)	Other current liabilities	29,28,17,620	301,599,239
d)	Short term provisions	40,20,685	27,844,783
		<u>1,41,14,41,506</u>	<u>1,461,570,596</u>
	<b>Total</b>	<u>3,69,08,75,452</u>	<u>3,327,943,750</u>
<b>II) Assets</b>			
1	Non Current Assets		
a)	Fixed Assets		
	Tangible Assets	2,23,50,26,830	1,983,767,723
	Intangible Assets	29,59,188	3,528,459
	Capital work-in-progress	2,72,54,631	19,595,645
b)	Deferred tax Assets (Net)	5,12,48,684	—
c)	Long-term loans and advances	14,51,63,595	96,617,439
d)	Other non-current assets	1,04,54,864	15,863,545
		<u>2,47,21,07,792</u>	<u>2,119,372,811</u>
2	Current Assets		
a)	Current investments	23,500	47,400
b)	Inventories	64,18,07,550	678,195,420
c)	Trade receivables	33,80,72,654	301,348,776
d)	Cash and bank balances	1,87,14,794	33,182,608
e)	Short term loans and advances	2,34,24,485	29,805,663
f)	Other current assets	19,67,24,677	165,991,072
		<u>1,21,87,67,660</u>	<u>1,208,570,939</u>
		<u>3,69,08,75,452</u>	<u>3,327,943,750</u>

Summary of significant accounting policies  
for Doogar & Associates  
Chartered Accountants  
Firm Regn. No. 000561N

(Dr. Rikhab C. Jain)  
Chairman

(Sanjay kr. Jain)  
Managing Director

(Mukesh Goyal)  
Managing Partner  
M. No. 081810

(Sunil Mahnot)  
Vice President (Finance) &  
Company Secretary

Place: New Delhi  
Date: 31.05.2012



## STATEMENT OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes	Amount in Rs	
		For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
I) Revenue from operations	19		
Sale of products		3,823,824,604	4,849,468,218
Sale of services		31,291	50,298
Other operating revenues		152,723,587	30,580,966
		<u>3,976,579,482</u>	<u>4,880,099,482</u>
Less: Excise duty		(19,042,903)	(716,156)
Net revenue		<u>3,957,536,579</u>	<u>4,879,383,326</u>
II) Other income	20	82,846.463	14,984,794
III) Total revenue (I+II)		<u>4,040,383,042</u>	<u>4,894,368,120</u>
IV) Expenses:			
Cost of materials consumed	21	2,983,861,269	3,664,763,106
Purchase of stock-in-trade		—	—
Changes in inventories of finished goods, work-in-progress and stock-in- trade	22	41,893,452	(120,652,144)
Employee benefits expense	23	143,728,795	125,186,122
Finance cost	24	269,278,462	234,076,096
Depreciation and amortization expense	25	111,340,331	112,814,327
Other expenses	26	600,031,329	638,478,156
Total expenses		<u>4,150,133,638</u>	<u>4,654,665,663</u>
V) Profit / (Loss) before tax		(109,750,596)	239,702,457
VI) Tax expense:			
-Current tax		—	—
-Deferred tax liabilities / (assets)	6	(88,597,432)	81,757,466
-Adjustment of tax for earlier Years		553,738	—
VII) Profit / (Loss) for year		<u>(21,706,902)</u>	<u>157,944,991</u>
Earnings per equity share ( <i>par value Rs. 10 each</i> )	27		
Basic		(1.01)	7.35
Diluted		(1.01)	7.35

Summary of significant accounting policies

for Doogar & Associates  
Chartered Accountants  
Firm Regn. No. 000561N

(Dr. Rikhab C. Jain)  
Chairman

(Sanjay kr. Jain)  
Managing Director

(Mukesh Goyal)  
Managing Partner  
M. No. 081810

(Sunil Mahnot)  
Vice President (Finance) &  
Company Secretary

Place: New Delhi  
Date: 31.05.2012



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

## 1 Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

## 2 Summary of significant accounting policies

## a Change in Accounting Policy

## Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

## b Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

## c Revenue Recognition

- i. Sales are recognised upon dispatch of goods from factory/depot against the firm orders.
- ii. Income from conversion charges is recognised as and when the products are ready for despatch in packed condition.
- iii. Income from investment is accounted when right to receive of such income is established.
- iv. For other incomes, the company follows the accrual basis of accounting except:
  - (a) Interest on late payment from customers.
  - (b) Where there is no reasonable certainty regarding the amount and / or its collectivity.
- v. Power generated by windmills in Tamilnadu is consumed by spinning mill located at Avinashi and is accounted at TNEB rates after deduction of units for wheeling power as per the Power Purchase Agreement signed with TNEB.
- vi. Insurance and other claims are recognized in accounts on lodgement to the extent these are measurable with reasonable certainty of acceptance. Excess/Short fall is adjusted in the year of receipt.

## d Inventories

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs in bringing the inventories to their present location and condition.

## e Investments

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost or quoted / fair value computed category wise.

## f Fixed, Intangible assets &amp; Borrowing Cost

- a) Fixed Assets are stated at their original cost, adjusted by revaluation of certain land and building less provision for impairment losses, if any, depreciation, amortisation and adjustments on account of foreign exchange fluctuations in respect of changes in rupee liability of foreign currency loans used for acquisition of fixed assets.
- b) Intangible assets are recognized on the basis of reorganization criteria as set out in the AS- 26- "Intangible Assets"
- c) Pre - operative, trail run and incidental expenses relating to the projects are carried forward to be capitalised and apportioned to various assets on commissioning of the project.
- d) Borrowing costs eligible for capitalisation, incurred in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are capitalised as part of the cost of that asset.

## g Depreciation &amp; Amortisation

Depreciation for the period has been accounted at the rate specified in schedule XIV of the Companies Act, 1956, on the following basis:

- a) On Plant and Machinery acquired on or after 02.04.1987 on straight line method.
- b) On other assets of spinning units at Gajroula, Avinashi and Rajula and on windmill in Tamilnadu on straight line method & at other units on written down value method value as on 31.12.1987, under written down method.
- c) Assets costing up to Rs 5,000 are fully depreciated in the year of purchase.
- d) An Intangible asset is amortised over a period of five years.





#### h Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognised impairment losses are reversed where the recoverable amount increases because of a favourable change in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization), had no impairment loss been recognised in prior years.

#### l Foreign Currency Transactions

- a) Foreign currency assets and liabilities are translated at exchange rates prevailing on the last working day of accounting year.
- b) Gain or loss on the restatement of foreign currency transactions or on cancellation of forward contract if any, is reflected in the statement of profit & loss.
- c) Exchange differences in respect of liabilities incurred to acquire fixed assets are recognised in profit & loss account.

#### j Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### k Interim Financial Reporting

Quarterly financial results are published in accordance with the requirement of listing agreement with stock exchanges. The recognition and measurement principle as laid down in the Accounting Standard (AS)-25 "Interim Financial Reporting" have been followed in the preparation of these results.

#### l Employee Benefits

The company's employee benefits primarily cover provident fund and gratuity. Provident fund is defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to statement of profit and loss in the year in which they accrue.

Contribution to Gratuity Fund is accounted on accrual basis. Liability for gratuity is funded through the LIC and charged against revenue. Liabilities for leave encashment are accounted for on accrual basis and are not carried forward.

#### m Tax on Income

- a) *Minimum Alternative Tax:* - Provision for Taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1951. However, where the tax is computed in accordance with the provision of Section 115 JAA of the Income Tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the statement of Profit & Loss in the relevant year. Further in accordance with the Guidance Note on Accounting for Credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax, issued by the Council of the Institute of Chartered Accountants of India, MAT credit is recognised as an asset under the head "Loans & Advances" based on the convincing evidence that the company will pay normal Income tax during the specified period.
- b) *Deferred Tax:* - Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rate for continuing operations. Adjustment of deferred tax liability attributable to change in tax rate is shown in the statement of profit and loss as a part of the deferred tax adjustment for the year.

#### n Provisions and Contingent liabilities

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.

#### o Earnings Per Share

Basic earning per share calculated by divided in the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.



## 3. Share Capital

	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
Authorised 3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10/- each	30,00,00,000	30,00,00,000
Issued, subscribed & fully paid-up		
2,14,98,050 (Previous year 2,14,98,050) Equity Shares of Rs. 10/- each fully paid up in cash	21,49,80,500	21,49,80,500
	21,49,80,500	21,49,80,500

## a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year

	2011-2012		2010-2011	
	No of Shares	Rs	No of Shares	Rs
Equity Shares				
At the beginning of the Year	2,14,98,050	21,49,80,500	2,14,98,050	21,49,80,500
Issued during the Year	-	-	-	-
Bought back during the Year	-	-	-	-
Outstanding at the end of the Year	2,14,98,050	21,49,80,500	2,14,98,050	21,49,80,500

## b) Terms/rights attached to Equity Shares

Company has only one class of equity shares having a par value of Rs.10/- . Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## c) Details of shareholders holding more than 5% shares in the company

	As at 31.03.2012		As at 31.03.2011	
	No of Shares Held	% holding	No of Shares Held	% holding
Equity Shares				
Rikhab Chand Jain	81,14,368	37.74	86,68,741	40.32
Jyoti Jain	16,89,447	7.86	16,59,960	7.72
H M Foundation(Trust)	14,16,715	6.59	-	-

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

## d) The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash nor has allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.



## 4 Reserves and Surplus

	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
Capital Reserve		
Balance as per the last financial statements	1,74,94,200	1,74,94,200
Add: Additions during the Year	—	—
Closing balance	1,74,94,200	1,74,94,200
Revaluation Reserve		
Opening balance	32,87,15,476	34,05,75,387
Add: Increase during the Year	23,27,68,679	—
Less: Transferred to statement of Profit & Loss as reduction from Depreciation	98,49,473	1,18,59,911
Less: Reversal on sold out assets	8,25,20,974	—
Closing balance	46,91,13,708	32,87,15,476
Securities Premium Account		
Balance as per the last financial statements	16,02,44,950	16,02,44,950
Add: Additions during the Year	—	—
Closing balance	16,02,44,950	16,02,44,950
General Reserve		
Balance as per the last financial statements	7,00,00,000	—
Add: Transfer from statement of Profit and Loss	—	7,00,00,000
Closing balance	7,00,00,000	7,00,00,000
Surplus / (deficit) balance in statement of profit and loss		
Balance as per the last financial statements	3,74,17,732	-2,54,58,652
Add: Amount transferred from statement of profit and loss	-2,17,06,902	15,79,44,991
Add: Reversal of excess Dividend distribution tax	83,036	—
Appropriations:		
Proposed dividend on Equity shares	—	2,14,98,050
Tax on dividend	—	35,70,557
Amount transferred to General Reserve	—	7,00,00,000
Closing balance	1,57,93,866	3,74,17,732
	73,26,46,724	61,38,72,358

## 5 Long Term Borrowings

	Amount in Rs.			
	Non-current portion		Current maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Secured				
Term loans				
From Banks	1,07,23,96,349	86,11,44,436	17,89,10,000	21,96,18,536
Unsecured				
Other Borrowings				
Fixed Deposits	5,06,11,637	58,44,970	1,60,26,363	4,01,893
From Directors	13,06,31,465	4,04,06,229	—	—
From Others	7,81,67,271	9,27,75,913	—	—
			19,49,36,363	22,00,20,429
Amount disclosed under the head "other current liabilities" (note no-9)	—	—	-19,49,36,363	-22,00,20,429
	1,33,18,06,722	1,00,01,71,548	—	—



a) Terms of repayment / details of security are as follows:

i) From Banks – Term loans

Lending institution	Outstanding as at 31.3.2012	Annual repayment schedule		
		2012-13	2013-14	2014-15 & Beyond
Oriental Bank of Commerce	85,09,52,798	12,62,20,000	24,49,70,000	47,97,62,798
State Bank of Mysore	21,59,76,859	4,52,08,000	4,52,06,000	12,55,62,859
Punjab National Bank	5,30,54,515	74,82,000	74,82,000	3,80,90,515
Indian Bank	13,13,22,177	-	1,62,50,000	11,50,72,177
	1,25,13,06,349	17,89,10,000	31,39,08,000	75,84,88,348

ii) Rupees Term Loan from Oriental Bank of Commerce (OBC), Punjab National Bank(PNB), State Bank of Mysore (SBM) and Indian Bank are secured by parri-passu charge on company's immoveable & moveable assets located at Gajroula, Avinashi, Rajula units and Wind Mills located at Govindhapuram & Kundadam Villages, Tirupur District of the company. Loans are further secured by personal guarantee of Shri Rikhab C. Jain, Chairman of the company. Term Loan carry ROI ranging from 12.75% to 13.50% p.a. The aforesaid interest rate is subject to benefit under TUF scheme of Government of India.

iii) Fixed Deposits carry interest @11.5%-13% and repayable within one to three Years from the date of Deposits.

iv) Borrowings from Directors and others is the amount inducted by the promoters as per the terms and conditions stipulated in sanctions of the loans by the bankers, are not repayable in next 12 Months therefore all such borrowings have been classified as "Long Term in nature"

6 Deferred tax (net)

	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
Deferred tax liabilities		
Depreciation	15,29,36,133	18,02,66,905
Deferred tax assets		
Employee benefits	12,42,392	8,57,838
Unabsorbed Losses	20,15,28,239	14,13,09,088
Others	14,14,186	7,51,231
Net deferred tax (Assets)/Liability	(5,12,48,684)	3,73,48,748

7. Short term borrowings

Secured		
Loans repayable on demand		
From banks	1,07,88,52,768	1,11,79,88,889
	1,07,88,52,768	1,11,79,88,889

The working capital loans from consortium of banks i.e OBC & PNB are secured by hypothecation of Raw Material, Work in Process, Packing Material, Finished Goods and Book Debt and second charge over Fixed Assets located at Gajroula, Avinashi and Rajula

8. Trade payables

Trade payables	3,57,50,433	1,41,37,685
	3,57,50,433	1,41,37,685



The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors. Disclosure as required under section 22 of the Act, is as under. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers.

S. No. Partuculars	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
(I) Principal amount remaining unpaid as at end of the year	20,25,120	35,07,332
(ii) Interest due on above	—	—
1 Total of (i) & (ii)	20,25,120	35,07,332
2 Interest paid on delayed payment of principal, paid along with such interest during the year		
3 Interest due on delayed payment of principal, paid without such interest during the year	—	—
4 Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	—	—
5 Total interest due and payable together with that from prior year(s)	—	—

#### 9. Other current liabilities

Current maturities of long-term borrowings (note no-5)	19,49,36,363	22,00,20,429
Interest accrued but not due on borrowings	17,56,527	5,10,140
Other payables		
Employee related liabilities	91,63,426	78,66,332
Statutory dues payable	43,33,598	91,80,393
Others	7,78,70,977	6,08,63,243
Unclaimed Dividend account	47,56,729	31,58,701
	<u>29,28,17,620</u>	<u>30,15,99,239</u>

#### 10. Provisions

	Amount in Rs.			
	Long-term		Short-term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Provision for employee benefits				
Gratuity (note no-37)	—	—	40,20,685	27,76,176
Others				
Proposed dividend on Equity shares	—	—	—	2,14,98,050
For tax on proposed dividend	—	—	—	35,70,557
			<u>40,20,685</u>	<u>2,78,44,783</u>



### 11. Tangible Assets

	Land		Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Wind Mill	Electrical Installation	Total
	Freehold	Leasehold								
<b>Gross Block</b>										
At 1 April 2010	192,987,102	4,395,000	728,912,023	1,318,191,868	14,826,472	13,612,834	23,705,765	186,884,748	75,574,897	2,559,090,709
Additions	3,246,545	500,000	20,635,846	16,228,411	1,093,578	1,196,607	11,091,804	—	1,287,546	55,280,337
Disposals	—	—	—	9,439,252	—	10,500	6,867,027	—	91,500	16,408,279
At 31 March 2011	196,233,647	4,895,000	749,547,869	1,324,981,027	15,920,050	14,798,941	27,930,542	186,884,748	76,770,943	2,597,962,767
Additions	233,768,679	3,500,000	129,904,160	186,517,861	1,238,251	1,709,856	1,031,979	—	1,658,807	559,329,593
Disposals	60,000,000	—	107,209,793	67,513,753	831,474	1,265,651	4,928,726	—	13,672,861	255,422,258
Adjustment*										
At 31 March 2012	370,002,326	8,395,000	772,242,236	1,443,985,135	16,326,827	15,243,146	24,033,795	186,884,748	64,756,889	2,901,870,102
<b>Depreciation</b>										
At 1 April 2010	—	—	85,067,175	313,122,812	9,375,763	11,775,757	18,468,474	30,363,689	30,975,464	499,149,134
Charge for the year	—	—	25,906,638	80,600,912	616,630	578,901	3,195,104	8,409,814	4,057,874	123,365,873
Disposals	—	—	—	4,286,252	—	—	4,033,711	—	—	8,319,963
At 31 March 2011	—	—	110,973,813	389,437,472	9,992,393	12,354,658	17,629,867	38,773,503	35,033,338	614,195,044
Charge for the year	—	—	24,802,353	72,164,574	796,288	714,708	2,810,869	14,651,764	3,682,649	119,623,205
Disposals	—	—	39,882,767	16,626,131	301,485	715,534	5,858,846	—	3,590,213	66,974,977
Adjustment*										
At 31 March 2012	—	—	95,893,398	444,975,915	10,487,195	12,353,832	14,581,889	53,425,267	35,125,774	666,843,272
<b>Net Block</b>										
At 31 March 2011	196,233,647	4,895,000	638,574,056	935,543,555	5,927,657	2,444,283	10,300,675	148,111,245	41,737,605	1,983,767,723
At 31 March 2012	370,002,326	8,395,000	676,348,838	999,009,220	5,839,632	2,889,314	9,451,905	133,459,481	29,631,115	2,235,026,830

#### Revaluation Details:

Particulars	Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Asset Details:</b>					
Balance as at 1 April	328715476	340575387	352768845.6	72307735.62	76014913.67
Revaluation Addition			0	0	0
land	232,768,679		0	96398058	0
Building	0		0	187770230	0
Transfer to P & L A/c	9849473	11859911	12193458.57	3707178.05	3707178.05
Reversal	82520974				
Balance as at 31 March, 12	469,113,708	328,715,476	340,575,387	352,768,846	72307735.62

### 12. Intangible Assets

	Computer Software	Total		Computer Software	Total
<b>Gross Block</b>					
At 1 April 2010	6,139,348	6,139,348	At 1 April 2010	2,186,218	2,186,218
Additions	883,694	883,694	Charge for the year	1,308,366	1,308,366
Disposals	—	—	Disposals	—	—
At 31 March 2011	7,023,042	7,023,042	At 31 March 2011	3,494,584	3,494,584
Additions	997,329	997,329	Charge for the year	1,566,599	1,566,599
Disposals	—	—	Disposals	—	—
At 31 March 2012	8,020,371	8,020,371	At 31 March 2012	5,061,183	5,061,183
<b>Net Block</b>					
At 31 March 2011			At 31 March 2011	3,528,458	3,528,458
At 31 March 2012			At 31 March 2012	2,959,188	2,959,188



## 13. Loans &amp; advances

	Amount in Rs.			
	long-term		Short-term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Unsecured, considered good unless stated otherwise				
Capital advances	4,58,16,072	92,84,894	—	—
Security deposits	2,47,43,714	2,65,41,663	—	25,000
Total (A)	7,05,59,786	3,58,26,557	—	25,000
Other loans and advances				
Balances with statutory authorities	20,99,725	21,05,239	1,82,43,163	2,29,64,268
Loans and advances to employees	69,12,612	60,18,381	4,23,603	5,27,153
Prepaid expenses	—	—	47,57,719	62,89,242
MAT Credit Entitlement	5,88,13,983	5,88,13,983	—	—
Direct taxes refundable (net of provisions)	67,77,490	(61,46,721)	—	—
Total (B)	7,46,03,809	6,07,90,882	2,34,24,485	2,97,80,663
Total (A+B)	14,51,63,595	9,66,17,439	2,34,24,485	2,98,05,663

Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment years. In respect of disputed demands, company has filed appeals which are pending at various levels and for assessment years where the issues have been decided in favour of the company, the company is in the process of reconciling / adjusting the same with the department. Necessary value adjustments shall be made on final settlement by the department.

## 14. Other assets

Others	Amount in Rs.			
	Non-Current		Current	
Export benefits receivable	—	—	10,68,04,246	8,19,61,644
Subsidies receivable (TUFS)	—	—	2,51,97,380	4,17,20,345
Other receivables	86,15,736	86,15,736	6,47,23,051	4,23,09,083
Non-current bank balances (note no-18)	18,39,128	72,47,809		
	1,04,54,864	1,58,63,545	19,67,24,677	16,59,91,072

In respect of subsidies receivable under the Technology Up-gradation Fund Scheme (TUFS) for Textiles established by Government of India, the lending institutions have yet to provide confirmation as to action taken by them towards claiming reimbursement of subsidies. Accordingly, subsidy receivable is subject to final adjustments that may arise on settlement of issues and actions taken by the lenders.

## 15. Current investments

	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
(valued at lower of cost and fair value, unless stated otherwise)		
Quoted Equity Instruments		
100(PY 100) Equity Shares of P.G. Foils Ltd. (Fully paid up)	2,900	2,900
Unquoted Equity Instruments (Valued at cost)		
300(PY 200) Equity Shares of West Bengal Hosiery Park Ltd.	3,000	2,000
In Convertible Debentures Quoted, Fully paid up		
10 (PY 10)Gujarat Ambuja Protiens Ltd. (Fully Convertible)	2,500	2,500
15(PY 15) Seamless Steels & Alloyd Ltd. (Partly Convertible)	3,000	3,000
Other Investements		
1(PY 1) Bond ICICI Deep Discount Bond of Rs 1000	1,000	1,000
National Saving Certificates (Pledged with Govt Authority)	11,100	36,000
	23,500	47,400



16. Inventories

	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
At lower of cost and net realizable value		
Raw materials	28,14,83,715	29,12,99,962
Finished goods (refer note no-22)	28,54,95,880	32,72,21,287
Work-in-progress (refer note no-22)	4,29,39,632	4,31,07,677
Stores and spares	3,18,88,323	1,65,66,494
	64,18,07,550	67,81,95,420

17. Trade Receivables

Unsecured, considered good unless stated otherwise  
Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	2,33,99,095	2,14,66,258
Doubtful	45,76,655	24,31,168
	2,79,75,750	2,38,97,426
Provision for doubtful receivables	45,76,655	24,31,168
(A)	2,33,99,095	2,14,66,258
Other Trade receivables		
Unsecured, considered good	31,46,73,559	27,98,82,518
Doubtful	—	—
	31,46,73,559	27,98,82,518
Provision for doubtful receivables	—	—
(B)	31,46,73,559	27,98,82,518
Total (A + B)	33,80,72,654	30,13,48,776.

18. Cash and bank balances

	Amount in Rs.			
	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Cash and cash equivalents				
Balances with banks				
- Current Accounts	—	—	1,29,82,927	2,78,06,963
- Export Earners Foreign Currency Account	—	—	1,82,149	8,65,079
- Dividend account	—	—	47,56,729	31,58,701
Cash in hand	—	—	7,92,989	13,51,864
	—	—	1,87,14,794	3,31,82,608
Other bank balances				
Margin money Accounts	18,39,128	72,47,809	—	—
	18,39,128	72,47,809	—	—
Amount disclosed under the head "other non current assets" (note no-14.)	-18,39,128	-72,47,809	—	—
	—	—	1,87,14,794	3,31,82,608





## 19. Revenue from operations

Amount in Rs.

	Year Ended 31.03.2012	Year Ended 31.03.2011	
Sale of products			
Manufactured goods			
Yarn	2,20,35,99,891	2,85,47,78,744	
Fabric	33,09,64,023	37,22,66,687	
Garments / Made-ups	74,49,82,278	80,84,94,979	
Cotton / other waste	25,86,88,194	42,34,04,121	
Others	26,34,67,190	36,31,88,439	
Sale of Power	2,21,23,028	2,73,35,248	4,84,94,68,218
Sale of services			
Job charges	31,291	50,298	50,298
Other operating revenues			
Export incentives	15,27,23,587	3,05,80,966	
			3,05,80,966
Less: Excise duty		-1,90,42,903	-7,16,156
		3,95,75,36,579	4,87,93,83,326

## 20. Other Income

Amount in Rs.

	Year Ended 31.03.2012	Year Ended 31.03.2011
Interest income	4,30,610	4,55,631
Dividend on current investments	225	100
Other non-operating income	—	—
Exchange gain, net	—	1,28,80,249
Profit on sale of fixed assets	*8,17,23,693	10,53,363
Miscellaneous income	6,91,935	5,95,452
	8,28,46,463	1,49,84,794

\* Includes Rs 7,96,96,226 being profit on sale of Ginning Factory and Oil Mill Located at Gondal, Gujrat

## 21. Cost of Material Consumed

Amount in Rs.

	Year Ended 31.03.2012	Year Ended 31.03.2011
Raw Material consumed		
Opening Inventory	29,12,99,962	23,15,06,446
Add: Purchases (net)	2,92,34,34,750	3,66,49,33,303
Less: Inventory at the end of the year	28,14,83,716	29,12,99,962
Cost of raw material consumed during the year	2,93,32,50,996	3,60,51,39,787
Packing material consumed	5,06,10,273	5,96,23,319
	2,98,38,61,269	3,66,47,63,106

The Raw material consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.



## 22. Changes in inventories of finished goods, work-in-progress and Waste Material

Amount in Rs.

	Year Ended 31.03.2012	Year Ended 31.03.2011
Inventories (At close)		
Finished Goods	28,54,95,880	32,72,21,287
Work-in-progress	<u>4,29,39,632</u>	<u>4,31,07,677</u>
(A)	<u>32,84,35,512</u>	<u>37,03,28,964</u>
Inventories (At opening)		
Finished Goods	32,72,21,287	21,98,87,345
Work-in-progress	<u>4,31,07,677</u>	<u>2,97,89,475</u>
(B)	<u>37,03,28,964</u>	<u>24,96,76,820</u>
(Increase) / Decrease	<u>4,18,93,452</u>	<u>(12,06,52,144)</u>
Breakup of finished goods is as under		
Finished Goods		
Yarn	4,46,22,071	12,94,62,015
Fabric	6,07,07,725	6,01,05,017
Garment /made-ups	16,48,69,986	10,67,67,355
Waste Material	<u>1,52,96,098</u>	<u>3,08,86,900</u>
	<u>28,54,95,880</u>	<u>32,72,21,287</u>
Breakup of work in progress is as under		
Work-in-progress		
Spinning & Yarn dyeing	2,54,71,683	3,18,56,340
Garment /made-ups	<u>1,74,67,949</u>	<u>1,12,51,337</u>
	<u>4,29,39,632</u>	<u>4,31,07,677</u>
23. Employee Benefit Expense		
Salaries and wages	12,76,07,724	11,16,23,871
Contribution to provident and other funds	1,20,16,866	1,01,63,632
Staff welfare	<u>41,04,205</u>	<u>33,98,619</u>
	<u>14,37,28,795</u>	<u>12,51,86,122</u>
24. Finance Costs		
Interest expense	26,34,65,522	23,11,85,718
Other borrowing costs	30,02,250	28,90,378
Exchange difference to the extent considered as an adjustment to borrowing costs	28,10,690	—
	<u>26,92,78,462</u>	<u>23,40,76,096</u>
25. Depreciation and amortisation		
Depreciation of tangible assets	10,97,73,732	11,15,05,961
Amortization of intangible assets	<u>15,66,599</u>	<u>13,08,366</u>
	<u>11,13,40,331</u>	<u>11,28,14,327</u>



## 26. Other expenses

	Amount in Rs.	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Consumption of stores and spare parts	1,97,79,139	2,17,97,185
Job work charges	9,49,47,983	9,31,11,554
Power & Fuel	19,77,46,923	20,65,97,393
Repairs		
Machinery	50,42,306	52,16,716
Buildings	79,06,805	33,06,029
Exchange Loss-Net	1,77,04,470	—
Insurance	47,66,270	71,56,049
Rent	3,68,135	5,00,124
Rates and taxes, excluding taxes on income	7,56,609	5,25,744
Prior period adjustments	—	97,499
Freight & forwarding	7,38,78,868	7,92,19,339
Royalty, Brokerage & Commission on sales	7,39,75,368	9,09,89,331
Advertisement & publicity	3,68,48,372	4,75,62,773
Cash Discount	1,15,71,725	1,23,00,579
Other selling expenses	1,73,81,617	2,13,05,617
Provision for doubtful debts and advances	21,45,487	—
Directors Sitting Fees	1,20,000	70,000
Loss on sale of fixed assets	—	19,17,641
Legal & Professional Charges	55,47,593	61,63,240
Audit Fees & Expenses	10,63,265	8,09,700
Donation	39,70,459	47,97,553
Bad Debts Written off	28,18,637	37,28,222
Telephone & Postage	19,20,196	21,00,685
Electricity & Water Charges	19,08,362	19,73,269
Other expenses	1,78,62,740	2,72,31,914
	<u>60,00,31,329</u>	<u>63,84,78,156</u>
Other expenses include following payments to the statutory auditors		
As auditor		
Statutory audit	8,42,700	6,61,800
Limited review/Certification	1,32,360	1,28,060
Reimbursement of Expenses	88,205	19,840
Total	<u>10,63,265</u>	<u>8,09,700</u>

## 27. Earnings per share

Particulars	For Year Ended 31.03.2012	For Year Ended 31.03.2011
a) Weighted average number of shares at the beginning and end of the year	21,498,050	21,498,050
b) Net profit after tax available for equity shareholders (Rupees)	(2,17,06,902)	15,79,44,990
c) Basic and Diluted Earning Per Share (Rupees)	(1.01)	7.35



## 28. Contingent liabilities not provided for in respect of:

Amount in Rs.

	As at 31.03.2012	As at 31.03.2011
a) Guarantees given by Bank	1,09,00,000	Nil
b) Income tax matters in dispute	15,85,758	15,85,758

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favour in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

## 29. Obligations and commitments outstanding:

a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	7,926,00,000	12,18,49,000
b) Bills discounted with banks	30,69,65,255	40,94,83,704

## 30. The company had contracted to sale Plant &amp; Machinery of its plant location at Avinashi via Memorandum of Understanding (MOU) dated 06.12.2006. However the customer defaulted on the delivery terms and conditions and hence the company had to dispose balance machinery at a discount.

As per terms of MOU the company has filed a claim against the customer for the loss suffered amounting Rs.1,60,69,250 and interest amounting to Rs.45,60,580 in the year 2008-09. The management is confident that a sum of Rs. 96,43,327 shown as recoverable (pending settlement), will be realised in due course.

## 31. a) Income Tax Assessments have been completed up to assessment year 2009-10 except for the Assessment year 2003-04 where the department has raised demand of Rs. 15,85,758 and for Assessment Year 2009-10 where the department has disallowed expenditure of Rs 41,34,844 (with NIL Demand), which has been claimed in next assessment year. Assessment for the year 2010-11 is in progress, liability if any over and above the existing provisions will be provided only on completion of the assessments. The management foresees that existing provisions are sufficient for the same.

b) Erstwhile T.T. Finance Ltd. (Since amalgamated with the Company) has paid Income tax demand of Rs. 8,05,000, pertaining to the assessment year 1992-1993. The company has contested the same and ITAT has quashed the demand. In appeal effect, the company has found an apparent mistake of not allowing credit of tax paid and hence filed a rectification application under section 154, which is pending.

c) In accordance with the company's policy a sum of Rs.5,88,13,983 (Previous year Rs. 5,88,13,983) has been shown as MAT credit entitlement under "Long term loan & advances".

## 32. Sales Tax assessments in different states have been completed up to the assessment year 2007-08. Liability if any, arising out of remaining Sales Tax Assessments, which are in progress at various stages, will be provided only on the final assessment. However, management foresees no significant liability on this account

## 33. Consistent with its past policy, the company has on the basis of technical opinion continued to treat plant and machinery of spinning units at Gajroula, Avinashi &amp; Rajula as continuous process plant.

## 34. Trade creditors include outstanding dues of small scale industries 20,25,120 (Previous year Rs. 35,07,332). The above information regarding small scale industrial undertakings has been determined to the extent such parties have been identified by the company, on the basis of information available with them.

## 35. Derivative instruments and unhedged foreign currency exposure

As on date of Balance Sheet the company has gross exposure in the form of Plain Vanilla Forward Contracts for the purpose of hedging export sales amounting to Rs NIL (Previous Year NIL).

## 36. a) The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, adjustments on reconciliation of the balances, if any required, will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the confirmations are received and reconciliations completed.

b) Inventories, loans & advances, trade receivables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.



## 37. Employee benefit obligations

## Defined benefit plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined, using Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensation absences is recognized in same manner as gratuity.

## a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Defined Benefit Obligation at the beginning of the year	1,37,94,699	1,01,21,416
Current Service Cost	22,45,790	19,16,442
Current Interest Cost	11,72,549	8,09,713
Actuarial (gain)/loss	9,33,381	2,87,409
Less: Benefits Paid	(15,38,971)	(6,17,187)
Defined Benefit Obligation at the end of the year	1,66,07,448	1,37,94,699

## b) Reconciliation of opening and closing balances of Fair value of the plan assets

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Fair Value of Plan Assets at beginning of the year	1,10,18,523	29,24,855
Expected Return on Plan Assets	9,91,667	2,63,237
Actuarial (gain)/loss	(6,60,632)	(2,48,943)
Contributions	27,76,176	86,96,561
Less: Benefits Paid	(15,38,971)	(6,17,187)
Fair Value of Plan Assets at end of the year	1,25,86,763	1,10,18,523

## c) Reconciliation of Present Value of obligations and Fair Value of Plan Assets

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Fair Value of Plan Assets at end of the year	1,25,86,763	1,10,18,523
Present value of defined Benefit Obligation at the end of the year	1,66,07,448	1,37,94,699
Liability/(Assets) recognized in the Balance Sheet.	40,20,685	27,76,176

## d) Expense recognized during the year

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Current Service Cost	22,45,790	19,16,442
Past service cost	-	12,76,906
Current Interest Cost	11,72,549	8,09,713
Expected Return on Plan Asset	(9,91,667)	(2,63,237)
Actuarial (gain)/loss	15,94,013	5,36,352
Net cost recognized in statement of Profit & Loss	40,20,685	42,76,176



## e) Assumptions used to determine the defined benefit obligation

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Mortality table (LIC)	LIC (1994-1996)	LIC (1994-1996)
Discount Rate (p a)	8.50%	8.00%
Estimated rate of return on plan assets (p a)	9.00%	9.00%
Expected rate of increase in salary (p a)	6.00%	5.50%

The expected rate in increase in salary considered in actuarial valuation is based on consideration of inflation, seniority, promotion, accretion, and other relevant factors including supply and demand in the employment market.

## 38. Related party disclosures

The information regarding related parties has been determined on the basis of criteria specified in AS-18 "Related Party Disclosures" and to the extent such parties have been identified by the company, on the basis of information available with them. This has been relied upon by the auditors.

Names of related parties and description of relationship:

1. Holding Company	Nil
2. Subsidiaries Company	Nil
3. Fellow Subsidiaries	Nil
4. Associates	Nil
5. Key Management Personnel	Dr. Rikhab C. Jain, Mr. Sanjay Jain, Mrs. Jyoti Jain
6. Relatives of Key Management Personnel	Nil

## a) Transactions with Related Parties

Particulars	Key Management Personnel	
	Current Year (Rs.)	Previous Year (Rs.)
Remuneration Paid	81,00,000	72,00,000
Perquisites	5340,000	43,51,000
Contribution to Provident & other funds	12,60,000	5,76,000
Royalty (Including Service Tax)	4,21,57,051	53100,837
Interest	80,28,166	9924931
Outstanding		
a) Amount Receivable	72,00,000*	NIL
b) Amount Payable	13,09,000	9,60,000
c) Unsecured Loans	13,06,31,465	4,04,06,229
d) Corporate Guarantee issued	409,80,00,000	3,36,65,00,000

\*During the current year remuneration has been restricted to Rs 4Lacs per months as in compliance to Section 198,309 and schedule XIII of the Companies Act, 1956 in view of current year Losses. The same has been considered as amount held in trust by concerned director as per section provision of section 309 of the Companies Act, 1956.

## 39. Segment information

The Company operate under single business segment "Textiles". Company deals in four product i.e. cotton, yarn, fabric and made-ups. There is not other reportable segment.

Company sells cotton in domestic as well as in overseas market. Yarn, covers bought out yarn as well as production of basic cotton yarn over a very wide range of counts, which besides being primarily exported, is also marketed in Domestic Market. Fabric includes both bought out fabric as well as the value added activities relating to knitting, dyeing and processing. Textile Made-ups, made under licence of renowned brand "T.T".


**PRODUCT WISE SALES DETAIL:**
**(Rs. in lacs)**

PRODUCT SALES	TEXTILE				POWER	AGRO COMM.	OTHERS	TOTAL
	COTTON	YARN	FABRIC	KNITWEAR & OTHER MADE-UP	WIND POWER			
EXPORTS	1169.75 (131.03)	20,413.76 (26,800.44)	522.62 (590.00)	7.48 (NIL)	(NIL)	413.03 (518.98)	— (Nil)	22526.64 (28,040.46)
DOMESTIC	1417.13 (4,103.01)	1,622.23 (1,747.34)	2,787.02 (3,132.66)	7,442.34 (8,084.94)	221.23 (273.35)	Nil (827.09)	2221.65 (2285.84)	15711.60 (20454.23)
TOTAL	2586.88 (4,234.04)	22035.99 (28,547.78)	3309.64 (3,722.66)	7449.82 (8,084.94)	221.23 (273.35)	413.03 (1,346.07)	2221.65 (2285.84)	38238.24 (48494.68)

Figures in Bracket \*( )\* represent previous year.

40. Value of imports calculated on CIF basis in respect of :

Amount in Rs.

	As at 31.03.2012	As at 31.03.2011
Raw materials (including dyes, chemicals & embellishments)	—	—
Stores & spare parts	69444	138135
Capital goods	59710201	—
41. Expenditure in foreign currency		
Travelling	18,92,370	13,39,242
Commission	2,36,43,133	3,15,76,098
Export Claims (Quality)	17,38,732	4,97,350

42. Details of imported and indigenous raw material, stores &amp; spare parts consumed

	Year Ended 31.03.2012		Year Ended 31.03.2011	
	Rs	%	Rs	%
Raw materials (Cotton)				
Imported	—	—	—	—
Indigenous	1510463331	100	1419899401	100
	1510463331	100	1419899401	100
Stores & spare parts				
Imported	69444	0.19	138135	0.48
Indigenous	35031523	99.81	28401467	99.52
	35,100,967	100	28539602	100

43 Earnings in foreign currency

	Year Ended 31.03.2012	Year Ended 31.03.2011
FOB value of Export	2,20,73,22.599	2,73,83,59.699

44. a) Figures in brackets, wherever given, are in respect of previous Year.

b) Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

 for Doogar & Associates  
Chartered Accountants  
Firm Regn. No. 000561N

 (Dr. Rikhab C. Jain)  
Chairman

 (Sanjay kr. Jain)  
Managing Director

 (Mukesh Goyal)  
Managing Partner  
M. No. 081810

 (Sunil Mahnot)  
Vice President (Finance) &  
Company Secretary

 Place: New Delhi  
Date: 31.05.2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Rs.)

PARTICULARS

	AS AT 31-3-2012	AS AT 31-3-2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Extraordinary items and tax	-109750596	239702457
Adjustment for :		
Depreciation and amortisation	11,13,40,331	11,28,14,327
(Profit) / Loss on sale of Assets	-81723693	864278
Finance Costs	269278462.3	217845529
Interest income	-430610	0
Dividend Income	0	0
Net (gain)/loss on sale of investments	0	0
Adjustments to the carrying amount of investments	0	0
Lease Rent	-111250	
	<u>29,83,53,240</u>	<u>33,15,24,134</u>
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>18,86,02,644</b>	<b>57,12,26,591</b>
Changes in working capital:		
Adjustments for (increase/descrease in operating assets:		
Inventories	36387870	-187188077
Trade Receivables	-36723878	76036982
Long-term loans and advances	-43137475	-4280862
Other current Assests	-24328157	0
	<u>-67801640</u>	<u>-115431957</u>
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	21612748	-62704014
Other Current Liabilities	-8091217	-3700474
	<u>13521531</u>	<u>-66404488</u>
	-54280109	-181836445
	<u>13,43,22,535</u>	<u>38,93,90,146</u>
Cash flow from extraordinary items	0	
Cash generated from operations	13,43,22,535	38,93,90,146
Net income tax (paid)/refunds	0	-29381487
Net cash flow from/(used in) operating activities (A)	<u>13,43,22,535</u>	<u>36,00,08,659</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital expenditure on fixed assets, including capital advance	-335217229	-74559270
Proceeds from sale of fixed assets	187650000	7224038
Interest received	430610	0
sale of investments	0	-2000
Rental income from operation	111250	0
	<u>-147025369</u>	<u>-67337232</u>
<b>NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>-147025369</b>	<b>-67337232</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from long-term borrowings	331635174	-284587857
Net increase/decrease in working capital borrowings	-39136121	226359806
Finance cost	-269278462.3	-217845529
Dividend paid	-21498050	0
Tax on dividend	-3487521	0
-276074	-1764980	-276073580
Cash flow from extraordinary items		
<b>NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)</b>	<b>-1764980</b>	<b>-276073580</b>
Net Increase/decrease In Cash And Cash Equivalents (A+B+C)	(1,44,69,814)	1,65,97,847
Cash and cash equivalents at the beginning of the year	33182608	16584761
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR*</b>	<b>1,87,14,794</b>	<b>3,31,82,608</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### NOTES

- (i) The Cash Flow Statement reflects the combined cash flow pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

As per our report of even date attached.

FOR DOOGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn No: 000561N

(MUKESH GOYAL)  
Managing Partner  
M.No. 081810

Place: New Delhi  
Date: 31-05-2012

for and on behalf of the Board

(Dr. Rikhab C. Jain)  
Chairman

(Sanjay kr. Jain)  
Managing Director

(Sunil Mahnot)  
Vice President (Finance) &  
Company Secretary





## T T LIMITED

### NOTICE

NOTICE is hereby given that the 33<sup>rd</sup> (Thirty Third) Annual General Meeting of the Members of the Company will be held on Wednesday the 26th September 2012 at 11.00 a.m. at Talkatora Indoor Stadium, New Delhi to transact the following business:

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended on that date together with Directors and Auditors Report thereon.
2. To appoint a Director in place of Shri Sanjay Kumar Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri V. K. Kothari, who retires by rotation and being eligible, offers herself for re-appointment.
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 authorise the Board of Directors to fix their remuneration.

#### SPECIAL BUSINESS:

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

“RESOLVED that pursuant to section 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 read with Schedule XIII to the said Act, the consent of the company be and is hereby accorded to the reappointment of Shri Rikhab C. Jain as Executive Chairman of Company for a period of 5 years with effect from 1<sup>st</sup> April, 2012 at a remuneration set out in the explanatory statements to this resolution.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year, during the currency of Shri Rikhab C. Jain as Executive Chairman, of the company has no profit or its profits are inadequate, the company shall pay to him remuneration by way of salary and allowances as specified in Section II of part II of Schedule XIII to the Companies Act, 1956 or such limits as may be prescribed by Central Government from time to time, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such acts, deeds, matters and things as may be deemed necessary or expedient for giving effect to this resolution.”

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

“RESOLVED that pursuant to section 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 read with schedule XIII to the said Act, the consent of the company be and is hereby accorded to the reappointment of Shri Sanjay Kumar Jain as Managing Director of Company for a period of 5 years with effect from 1<sup>st</sup> April, 2012 at a remuneration set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year, during the currency of Shri Sanjay Kumar Jain as Managing Director, of the company has no profit or its profits are inadequate, the company shall pay to him remuneration by way of salary and allowances as specified in Section II of part II of Schedule XIII to the Companies Act, 1956 or such limits as may be prescribed by Central Government from time to time, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such acts, deeds, matters and things as may be deemed necessary or expedient for giving effect to this resolution.”

Place : New Delhi  
Date : 31.05.2012

BY ORDER OF THE BOARD  
Sd/-

Regd. Office :  
T T Garment Park  
879, Master Prithvi Nath Marg  
Opp: Ajmal Khan Park  
Karol Bagh, New Delhi 110005

(SUNIL MAHNOT)  
Vice President (finance) &  
Company Secretary

#### NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A 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) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is given below and forms part of the notice.
- iii) Brief Resume of Directors being re-appointed:-
- a) Mr. Sanjay K Jain aged 42 years is an MBA-Gold Medalist from IIM, Ahmedabad, and an Associate Member of the Institute of Company Secretaries of India (ACS) and institute of Cost Accountant of India (AICWA).  
He has an experience of over 18 years in the industry.  
He was awarded the Udyog Ratna in 2010. He is the Vice President of FOHMA & WBHA and a executive committee member of CITI, NITMA, NITRA, FICCI (Textile Committee), SIMA. He is a part of the Yarn Advisory Board and Sub Group of Textiles & Apparels for the 12th Five Year Plan. He is also a member of the West Bengal Government's Working Committee for Monitoring and Policy Formulation for Textiles.  
He holds 459102 Shares of the Company  
He is relative of Shri Rikhab C. Jain and Smt. Jyoti Jain  
Other Directorships held : 1  
Committee Membership held in other Companies : NIL
  - b) Dr. (Prof) V.K.Kothari aged 64 years has a experience of 35 years. He did Ph. D in Textile Technology from University of Leeds (U.K.). After doing his Ph. D he joined the department of Textile Technology, IIT Delhi in 1977 and he is working there since then. He is currently Professor in textile department of IIT Delhi.  
He holds 500 Shares of the Company  
Other Directorships held: NIL  
Committee Membership held in other Companies : NIL
  - iv) 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 T.T. Limited.
  - v) Members are requested to notify the change in their address and such communications be addressed to the Registered Office of the Company or the Registrars and Share Transfer Agents of the Company. Members whose shareholdings are in Demat form are requested to send the intimation for change of address to their respective depository participant
  - vi) 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.
  - vii) The Register of Member and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2012 to 26<sup>th</sup> September, 2012 (both days inclusive).

EXPLANATORY STATEMENT:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:

ITEM NO. 6

Shri Rikhab C. Jain Founder Chairman of T.T Group has been in Textile Business for more than 50 years. He had graduated from St. Xavier's college at Kolkata. He had completed his M.B.A in Marketing and Business Management from Indian Institute of Management, Kolkata. He is a Chartered Secretary from U.K and a Fellow Member of the Indian Institute of Company Secretaries. He had received an honorary Ph.D degree in Business Management from West Indies University. He had been a visiting Professor at Indian Institute of Management, Kolkata.

The Board of Directors has reappointed Shri Rikhab C. Jain as Executive Chairman of the Company for a period of five years with effect from 1<sup>st</sup> April, 2012 subject to approval of shareholders.

The material terms of the agreement entered into by the company with Shri Rikhab C. Jain, inter alia are as follows:-

- A. Salary:  
Rs.4.00 lakh per month with such revision as may be approved by the Board from time to time.
- B. Commission:  
Not exceeding 5% of the Net Profit in an accounting year as may be decided by the Board from time to time.



C. Perquisites And Allowances :

In addition to salary Shri Rikhab C. Jain shall be entitled to perquisites and allowances like accommodation or House Rent Allowance in lieu thereof, medical reimbursement, children education allowance, leave travel allowance for self and family, club fees, premium for medical insurance, retirement benefits etc. in accordance with the company's rules in force or as may be approved by the Board from time to time provided that aggregate value of such perquisites shall not exceed Rs.4.00 lakh per month.

In addition to the above, he will also be entitled to the following benefits as may be approved by the Board from time to time:

- i) Company maintained car with driver;
- ii) Telephone / Laptop / mobile at residence.

D. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII to the Companies Act, 1956.

The Board is of the opinion that his appointment would be in the interest of your company.

Shri Rikhab C. Jain, Executive Chairman, Mrs. Jyoti Jain, Jt. Managing Director and Shri Sanjay Kumar Jain, Managing Director may be deemed to be interested in the resolution. Other Directors are not interested in the resolution.

The Board recommends that the resolution be passed.

ITEM NO. 7

Mr. Sanjay K Jain aged 42 years, is the Managing Director of TT Limited. He is an MBA-Gold Medalist from IIM, Ahmedabad, and an Associate Member of the Institute of Company Secretaries of India (ACS) and institute of Cost Accountant of India (AICWA). He has an experience of over 18 years in the industry and is looking after marketing and finance of the company. He has been instrumental in setting up marketing network for Company's product in over 20 countries in the world.

He was awarded the Udyog Ratna in 2010. He is the Vice President of FOHMA & WBHA and a executive committee member of CITI, NITMA, NITRA, FICCI (Textile Committee), SIMA. He is a part of the Yarn Advisory Board and Sub Group of Textiles & Apparels for the 12th Five Year Plan. He is also a member of the West Bengal Government's Working Committee for Monitoring and Policy Formulation for Textiles.

The Board of Directors has reappointed Shri Sanjay Kumar Jain as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> April, 2012 subject to approval of shareholders.

The material terms of the agreement entered into by the company with Shri Sanjay Kumar Jain, inter alia are as follows:-

- A. Salary: Rs.8.00 lakh per month with such revision as may be approved by the Board from time to time.
- B. Commission: Not exceeding 5% of the Net Profit in an accounting year as may be decided by the Board from time to time.

C. Perquisites And Allowances :

In addition to salary Shri Sanjay Kumar Jain shall be entitled to perquisites and allowances like accommodation or House Rent Allowance in lieu thereof, medical reimbursement, children education allowance, leave travel allowance for self and family, club fees, premium for medical insurance, retirement benefits etc. in accordance with the company's rules in force or as may be approved by the Board from time to time provided that aggregate value of such perquisites shall not exceed Rs.4.00 lakh per month.

In addition to the above, he will also be entitled to the following benefits as may be approved by the Board from time to time:

- i) Company maintained car with driver;
- ii) Telephone / mobile at residence.
- iii) Company's contribution to Provident Fund and Superannuation Fund;
- iv) Payment of Gratuity and retiral benefits and
- v) Encashment of Leave

D. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII to the Companies Act, 1956.

The Board is of the opinion that his appointment would be in the interest of your company.

Shri Rikhab C. Jain, Executive Chairman, Mrs. Jyoti Jain, Jt. Managing Director and Shri Sanjay Kumar Jain, Managing Director may be deemed to be interested in the resolution. Other Directors are not interested in the resolution.

The Board recommends that the resolution be passed.



## TT LIMITED ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)  
Regd. Office: 879, Master Prithvi Nath Marg, Opp. Ajmal Khan Park, Karol Bagh, New Delhi - 110005.

Folio No..... DP ID Client ID No..... No. of Shares held.....

### 33rd Annual General Meeting of the Company held on Wed. 26th Sep. 2012 at 11.00 a.m. at Talkatora Indoor Stadium, New Delhi - 1.

I hereby record my presence at the Thirty Third Annual General Meeting of the Company held at Wednesday 26th Sep. 2012 at 11.00 a.m. at Talkatora Indoor Stadium New Delhi - 110 001.

Name of the shareholder/proxy (in block letters) \_\_\_\_\_

Mobile No.: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Signature of the Shareholder/Proxy \_\_\_\_\_

**NOTE:** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over to the Company officials at the entrance of the meeting hall.

**REGRET : NO GIFT/SNACKS COUPON**

कृपया अपना मोबाईल न. और ईमेल पता लिखें जल्दी संवाद के लिये।

## TT LIMITED FORM OF PROXY

Folio No..... DP ID Client ID No..... No. of Shares held.....

I/We ..... of ..... being a member/members of the above named Company, hereby appoint ..... of ..... or failing him ..... of ..... as my/our proxy to vote for me/us on my/our behalf at the Thirty Third Annual General Meeting of the Company held on Wednesday 26th Sep. 2012 at 11.00 a.m. at Talkatora Indoor Stadium New Delhi - 110 001 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012 \_\_\_\_\_

Mobile No. \_\_\_\_\_ E-mail \_\_\_\_\_

Rs. 1/-  
Revenue  
Stamp

**NOTE:** This proxy form, in order to be effective and valid, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

### IMPORTANT

Shareholders/Proxyholders attending the Annual General Meeting of the Company may please note that for various legal and other restrictions neither gift coupon nor any snacks coupon would be distributed. This being advised to avoid inconvenience.



## TT LIMITED

All Shareholders of

TT Limited

Dear Shareholder,

The ministry of Corporate Affairs has taken "Green Initiative in the corporate Governance" by allowing paperless Compliances by the companies through electronic mode.

In accordance with the recent Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 of MCA, Companies can now send various notices / documents (including notice calling AGM, Audited Financial Results, Directors Report, Auditor's Report etc.) to their shareholders through electronic mode to the registered email address of the shareholders.

You are therefore requested to send us your email id and mobile number in below format to enable us to serve you better.

You can also visit our website [www.tttextiles.com](http://www.tttextiles.com) and download Annual Report, Notices, Proxy Form etc.

Lets's be part of "Green Initiative" of Government of India

Thanking You

Cordially Yours  
For TT Limited

Sunil Mahnot  
Vice President (Finance ) & Company Secretary



Company Secretary  
TT Limited  
New Delhi

Reg.:- Electronic Communication between Company and Shareholder .

I am glad to note the option given by the "Ministry of Corporate affairs" (MCA) regarding E-communication and hereby opt to receive all notice / documents (including notice calling AGM, Audited Financial Results, Directors Report, Auditor's Report etc.) through Electronics mode. Please note my particulars as under:-

Name :

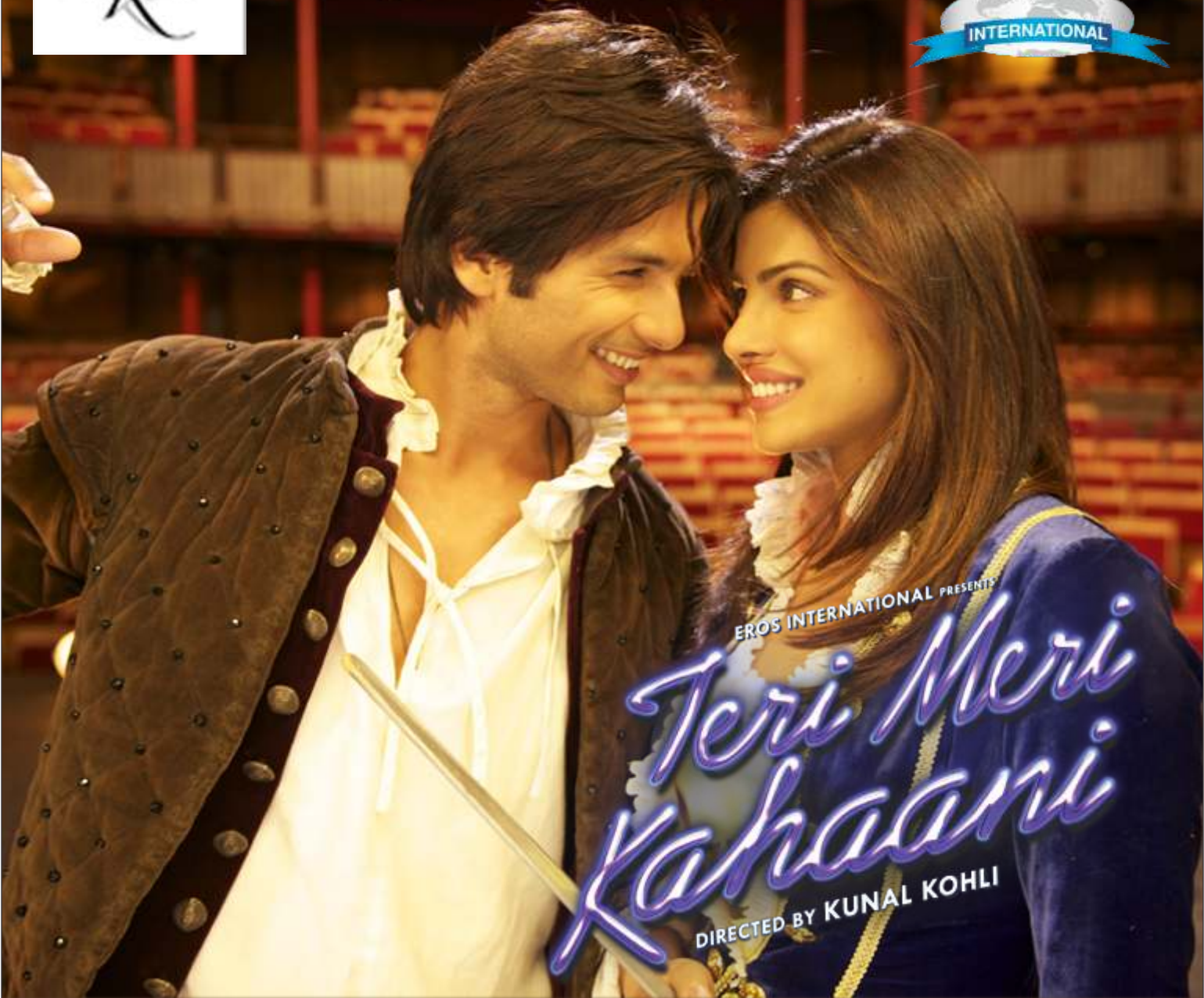
Folio No./ DPID & Client ID :

Email ID :

Mobile No. :

Signature:

Name of Shareholder



EROS INTERNATIONAL PRESENTS

# Teri Meri Kahani

DIRECTED BY KUNAL KOHLI

टी.टी. से बनेगी सुहानी

*Lindagi is Good*



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Website: [www.ttttextiles.com](http://www.ttttextiles.com)



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MAX





BOOK POST



कैजुअल एंड इन्डरवियर

Design Unit : 22411874

टी-शर्ट्स ◆ बरमूडा ◆ ब्रा-पैन्टीज ◆ कैमिसोल्स ◆ बनियान ◆ अन्डरवियर

If Undelivered, Please return to T T LIMITED, 879, Master Prithvi Nath Marg, Karol Bagh, New Delhi - 110 005

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