







**COMFORT**



**JOY**



**FUNKY**



**STYLE**



है तो ठीक है





Hare Krishna



Dr. Rikhab C. Jain,  
(Chairman & Managing Director)

## CHAIRMAN'S POLICY STATEMENT

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

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

In dealing with people we follow Vidur and Chanakya.

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

Regarding the choice of Technology to be used, we do not compromise. It is always the best of the world, "State of the Art" technology. We do quick updating and remain in tune with the latest innovations. Our source of strength in the field is renowned Textile Technologist - Dr. V. K. Kothari, 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 recipes, 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 lose it anytime, but if you tend to earn goodwill and integrity, money will never leave you.

## HIGHLIGHTS

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

*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

### T.T. LIMITED

**Dr. Rikhab C. Jain (Chairman & Managing Director)**

Shri V.R. Mehta

Shri Navratan Dugar

Shri Sanjay Kumar Jain (Jt. Managing Director)

Dr. (Prof.) V.K. Kothari

Smt. Jyoti Jain, (Executive Director)

#### BOARD OF DIRECTORS

**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:

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

Fax : 011-29961284

E-mail: beetal@beetalfinancial.com

**Registered Office**

**T.T. GARMENT PARK, 879, Master Prithvi Nath Marg**

Karol Bagh, New Delhi - 110 005

Phone : (0091-011) -45060708

Fax : (0091-11) -45060741, 23632283

E-mail : export@tttextiles.com

Web site : www.tttextiles.com

**Branches**

Kolkata, Avinashi, Gajroula, Gondal, Rajula

**Mills/Factories**

Gajroula (Uttar Pradesh), Avinashi (Tamil Nadu),

Tirupur (Tamil Nadu), Dharapuram, (Tamil Nadu)

Gondal, (Gujarat), Rajula, (Pipavav Port, Gujarat)

www.tttextiles.com.

**Share Holders' information visit**



**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 31st (Thirty First) Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2010.

**FINANCIAL RESULT**

Sales  
Profit before interest, Depreciation, and Tax  
Financial Charges  
Depreciation  
Provision for Income Tax/FBT/Deferred Tax  
Profit after Tax  
Balance brought forward from previous year  
**TOTAL**

**Appropriation**

Transferred to General Reserve  
Balance Carried forward  
**TOTAL**

2009-2010 (Rs. In lakh)	2008-2009 (Rs. In lakh)
35360.33	24410.65
3467.72	(-)1060.16
1908.97	1786.77
955.58	777.37
(-) 444.09	(-)826.50
1047.25	(-)2797.81
(-) 1301.84	487.83
<b>(-) 254.59</b>	<b>(-)2310.03</b>
<b>NIL</b>	<b>(1008.19)</b>
<b>(-) 254.59</b>	<b>(-)1301.84</b>
<b>(-) 254.59</b>	<b>(-)2310.03</b>

**DIVIDENDS**

Your Board could not recommend dividend for the year 2009-10 in view of carried forward setback pertaining to recession year 2008-09.

**REVIEW OF OPERATIONS**

The year 2009-10 has shown the strength of the Indian economy. Despite severe economic crisis globally, the Indian economy was able to shrug off the same and has been able to come out of woods. Rise in domestic demand in emerging economies like Chinese and Indian and other BRIC economies has pulled the world out of recession. Global uncertainty is still very high, and is expected to stay so for the next year or so. However, your Company has been able to adjust itself and come out of the recession with flying colours. During the financial year ending 31.03.2010 Company has diversified its business operation and focused on high margin products.

In order to derisk our business and reduce its vulnerability to the global turmoil in developed economies, your Company has taken the following steps over the last 15 months:

- Greater emphasis on domestic sales both in absolute terms and as a percentage of total turnover.
- More focus on value added products like innerwear and casual wear.
- Brand building through electronic and print media to give boost to domestic sales.
- Reduced exposure to commodity business like raw cotton fibre
- Increasing internal capacity of fabric and other backward integrated segments to realize higher added value.
- Setting up exclusive "TT" shops to come closer to the final consumer and establish presence in the growing retailing business.
- Introduction of new, value added products by entering the premium segment of garments under brand name "COCO TREE" and organic products viz. "Green range".
- Tying up with all the major organized retail chains to establish presence in the fastest growing distribution channel.
- Introduced value added yarn like Organic and Recycled products. Your company is also in the process of getting Fair Trade Registration.

The results of all these measures has lead to a sharp turn around and made the Company achieve highest ever profitability in both absolute and percentage terms.

The slow but steady recovery across the globe has lead to an increase in demand of textile products globally. Your Company has been able to get a premium on its products and manage its costs prudently leading to this excellent results despite very difficult times, especially in the first half of the year. Your Company managed to increase its turnover by about 50% and record its highest ever net profit.

**FUTURE OUTLOOK**

The Company is very confident for the coming year. The beginning months of the current year have been the best ever months for your Company. Barring unforeseen external factors the Company expects to achieve about 40% growth in turnover and substantially higher profits. In terms of its various products, maximum growth of about 100% is expected on the domestic garments business. Other business segments are expected to grow by about 20%.





All the growth in this year would be without any major fixed capital requirement. The main requirement would be for working capital due to increased volumes and high price increases caused by inflationary upsurge. Apart from its existing business, the Company is planning to increase its presence in the "Clean Energy" segment. The Company is already operating 3 wind mills aggregating 3.75MW. It plans to make a major foray in clean power generation in the coming years.

We are confident that with the resurgence of India, your Company is set to achieve new heights and targets. We are glad that the management's policy of dynamic adaptability has paid dividends and set the path of strong and fast growth. Our emphasis on high margin business and focus on stable business portfolio would show positive results for the Company and its stake holders. Your Board is confident of wiping out completely carried forward setback within the first half of the current year.

## DIRECTORS

Shri Navratn Dugar and Shri 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

A separate report on Corporate Governance alongwith 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.

## PUBLIC DEPOSITS

The company has not accepted deposits from public. The information as per directions of Reserve Bank of India is given below:

- i) Total number of depositors whose deposits have not been claimed or paid by the company after the date on which the deposit become due Nil
- ii) Total amount due to the depositors and remaining unclaimed or unpaid Nil

## PERSONNEL

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given in the statement which from a part of this report. However as per the provisions of section 219(1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining a copy of the particulars may write to the Company's Registered Office.



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

The information required to be furnished under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is annexed herewith and forming part of this report.

**ACKNOWLEDGEMENT**

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

Appreciation

Transmitted to General Manager

Balance carried forward

TOTAL

Place: New Delhi

Date: 29.05.2010

For and on behalf of the Board

Sd/-

(Dr. RIKHAB C. JAIN)

CHAIRMAN & MANAGING DIRECTOR

**Fresh Nature Jaisa**

Introducing in India, a vest that's nature friendly! Green. A revolutionary product manufactured from organic cotton. Guaranteeing zero usage of chemicals while cultivation and hence maximum comfort for your skin. Now feel the touch of nature on your body. And freshness in your mind.

**GREEN VEST**

Go Green

Worldwide acceptance  
Graded organic cotton standards  
Tested for harmful substances  
Made from certified quality organic cotton yarn



## 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 :
  - 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 three nos 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 would result in reduction in energy consumption in future years to come.
- d) Total energy consumptions, energy consumption per unit of production:

		2009 - 2010	2008 - 2009
<b>A</b>	<b>Power and fuel consumption</b>		
1)	Electricity (KWH)		
a)	Purchased (Units)	26691740	23869464
	Total Amount (Rs)	109134399	90717761
	Rate per unit (Rs)	4.09	3.80
b)	Own Generation		
	Through Diesel Generator		
	Units	1337570	2138232
	Units per Ltr. Of Diesel Oil	3.60	3.60
	Cost/Unit	10.01	10.11
2)	Coal	Not Used	Not used
3)	Furnace Oil	Not Used	Not used
<b>B.</b>	<b>Consumption per unit (Yarn in Kg) of production/Electricity</b>	<b>3.81</b>	<b>3.90</b>

**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 product.
- 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.22990.92 lakh. The details of foreign exchange earnings and outgo are given in the Notes to the accounts which forms a part of the Annual Report.

Place: New Delhi  
Date: 29.05.2010

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





## Management Discussions and Analysis

### OVERVIEW OF TEXTILE INDUSTRY

The textile and clothing sector is the backbone of the Indian Economy. It contributes about 14 percent to industrial production, 4 percent to GDP and about 16 percent to exports. It is the 2nd largest employment provider after agriculture. The textile ministry has projected an export target of USD 50 billion by 2012.

India holds a place of pre-eminence in cotton textiles and it is:-

- 2nd largest producer of Raw Cotton Fibre.
- 2nd Largest exporter of Raw Cotton Fibre
- 2nd Largest Producer of Cotton Yarn
- Largest exporter of Cotton Yarn
- 2nd Largest producer of Silk
- 4th Largest producer of synthetic fibre / yarn
- Largest producer of Jute.

However, the core strength of Indian raw cotton fibre until recently was vanishing due to uncontrolled export of cotton fibre leading to unprecedented shortage in the country. Now Government of India has restricted Cotton Fibre exports to a safe level from the point of smooth year long continuous supplies to domestic textile industry.

Indian domestic consumption of textiles is growing at a fast phase 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.

### FUTURE OUTLOOK

In an article Dr. Christian Schindler, Director General, International Textile Manufacturer Federation (ITMF) published in Cotton International Magazine of March 2010 mentioned that during the past three years, the global textile industry had undergone one of its most dramatic period in history. While the global economy was still booming into 2007, it almost collapsed in 2008 and 2009 as a result of the worst global financial and economic crisis since the Great Depression. This had, of course, severe negative consequences for the textile and its allied industries around the world.

According to ITMF's State of Trade (STR) date, global yarn and fabric production fell during the crises continuously between the second quarter of 2008 and the first quarter of 2009. But yarn and fabric production experienced a strong rebound in the second quarter of 2009 to pre-crisis levels, a development which was confirmed in the third quarter of 2009. While one was expecting some sort of stabilization and was hoping for an increase in production, such a strong surge came as a surprise.

Chinese and Indians seems to have weathered the global financial and economic crisis best.

Now, the Spinning capacity needs to be created to counter the global yarn shortage. Profitability in the spinning sector has improved significantly.

Cotton Yarn prices have risen steeply in India and the overseas market in the recent past. There is a huge shortage of yarn globally, with shrinking capacities, and acute power and labour shortages in areas where there is good quality spinning capacity. Why is this happening.

Due to shortage of Cotton Yarn globally and sudden increase in consumption of Cotton Fabric and problem presently faced by Pakistan and Chinese Spinning Industry has also presently created unprecedented huge market for Indian Spinning Industry. Order books are full, Sales, production and profits are at a all time high level.

India is now the biggest exporter of Cotton Yarn in the globe. India will now ensuring buffer stock of cotton first and export of cotton next.

Government of India is in the process of finalizing National Fibre Policy for the year 2010-11 shortly. The Key elements of the National Fibre Policy thus include the following:-

**Cotton production** is envisaged to rise at a growth rate of 4.7 percent from 319 Lakh Bales in 2010-11 to 483 lakh bales in 2019-20; Cotton Consumption is envisaged to increase to 413 lakh bales by 2019-20 with 70 lakh bales being surplus.

The Indian Textiles and Garments sector is envisaging a long term growth trajectory, which entails huge requirements of fibres (natural as well as manmade). In order to augment the value-added segments of the textiles value chain, it is extremely important to boost the fibre availability in the country and resolve all inherent issues associated with different fibres. There is a growing concern that the fibre sector



requires special attention, especially in view of the fact that presently the fibre consumption in India is in the ratio of 59:41 between cotton and man made fibres as against 40:60 ratio world wide.

**The National Fibre Policy has the following aims and objectives:**

- Augmenting investment and providing support on both fiscal and non-fiscal front to increase fibre availability in the country and facilitate high growth and competitiveness of the textile sector;
- Focusing on improving quality of the fibre produced in India;
- Devising means to augmenting remuneration of all the stakeholders within the fibre eco-system;
- Correcting fiscal anomalies and policy limitations that are currently present in the fibre eco-system in order to ensure balanced growth of the textile industry;
- Providing assistance for building capacity in both industry segment and human capital required for processing the expected surge in the fibre production;
- Supporting modernisation and technological up-gradation of various segments of the industry, to increase its competitiveness;
- Addressing the problem of infrastructure bottlenecks.

In view of the above projection the long term as well as short term of Cotton Yarn Spinning and cotton yarn export from India, Garment Marketing domestically as well as export have great potential and these are the streams in which TT Limited is focusing.

**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.

**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 and judicious mix of youth, imaginations, risk-taking ability and seasoned experience.

**COMMUNITY, 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.

One of your Company's Director Shri V. R. Mehta is actively involved in Bhagwan Mahavir Viklang Sahayata Samiti and is fully devoted to help disabled persons in team with his brother Padmashri D. R. Mehta. During the year he had personally administered Jaipur Foot Camps in Iraq under hostile environment.

Your company has also sponsored rural plan in Rajula Taluk. 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.



**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010**

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

**OVERVIEW OF TEXTILE INDUSTRY****1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The company firmly believes in good Corporate Governance. The Company, while conducting its business has been upholding the core values of T.T.'s i.e. transparency, integrity, honesty, accountability and compliance of laws. The company continuously endeavour to improve on these aspects on an ongoing basis.

**2. BOARD OF DIRECTORS:**

The Board of Directors comprises Chairman & Managing Director, 2 Executive Director and 3 non-Executive Directors. During the year 5 Board Meetings were held. The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting as also number of other Directorships/Memberships of Committees are as follows:

Name of Director	Category of Directorships	No. of Board meetings attended	Attendance last AGM	No. of other Directorship	Committee Membership	
					Member	Chairman
1 Dr. RIKHAB C. JAIN	CHAIRMAN & MG. DIRECTOR	5	YES	1	1	—
2 SHRI V. R. MEHTA	NON-EXECUTIVE	4	YES	1	2	—
3 SHRI NAVRATAN DUGAR	NON-EXECUTIVE	5	YES	NIL	1	1
4 SHRI SANJAY KR JAIN	EXECUTIVE	5	YES	NIL	1	—
5 SMT. JYOTI JAIN	EXECUTIVE	3	YES	NIL	—	—
6 DR. (PROF.) V. K. KOTHARI	NON-EXECUTIVE	5	YES	NIL	3	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 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 2009-10 four Audit Committee Meetings were held on 30.06.09, 31.07.09, 30.10.09 & 29.01.10

**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 1.04.2009 to 31.03.2010.





Name of Directors	Business relationship with the Company	Remuneration paid / payable from 1.4.2009 to 31.3.2010		
		Sitting Fees	Salary & Perks	Total
Dr. RIKHAB C. JAIN	CHAIRMAN & MANAGING DIRECTOR	—	3166431	3166431
SHRI V.R. MEHTA	NONE	30000	—	30000
SHRI NAVRATAN DUGAR	NONE	35000	—	35000
SHRI SANJAY KR. JAIN	JT. MANAGING DIRECTOR	—	4185000	4185000
SMT. JYOTI JAIN	EXECUTIVE DIRECTOR	—	2511000	2511000
DR. (PROF.) V.K. KOTHARI	NONE	35000	—	35000

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

The Shareholder's/Investor's Grievance Committee consists of three Directors, Dr (Prof.) V. K. Kothari, Shri Rikhab C. Jain and Shri V. R. Mehta. 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
2006-2007	26.09.2007	11 A.M.	Siri Fort Auditorium, New Delhi.
2007-2008	24.09.2008	11 A.M.	Siri Fort Auditorium, New Delhi.
2008-2009	30.09.2009	11 A.M.	Siri Fort Auditorium, New Delhi.

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

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

#### 7. DISCLOSURES:

There are no materially significant related party transactions which may have potential conflict with the interest of the company at large. However, attention is drawn to point No. 15 of schedule 14B to the accounts.

#### 8. MEANS OF COMMUNICATION:

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

#### 9. 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	: 1st September, 2010 at 11 A.M.
Venue	: Siri Fort Auditorium, New Delhi

##### B FINANCIAL CALENDAR

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

##### C DATE OF BOOK CLOSURE

25th August 2010 to 1st September, 2010 (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 T T L 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	2009	8.95	5.82	11492.10	9546.29
May	2009	12.65	7.39	14930.54	11621.30
June	2009	13.00	9.80	15600.30	14016.95
July	2009	11.35	8.25	15732.81	13219.99
August	2009	13.45	9.35	16002.46	14684.45
September	2009	14.60	11.00	17142.52	15356.72
October	2009	12.50	9.35	17493.17	15805.20
November	2009	11.90	8.81	17290.48	15330.56
December	2009	14.80	10.62	17530.94	16577.78
January	2010	17.90	13.55	17790.33	15982.08
February	2010	16.75	13.15	16669.25	15651.99
March	2010	16.00	13.15	17793.01	16438.45

**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

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, 2010)**

Numbers of Equity Shares Held	Shareholders		Share amount	
	Numbers	% age to Total	Rs.	% age
1 to 500	21989	89.32	36654510	17.0502
501 to 1000	1483	6.02	11815900	5.4963
1001 to 2000	593	2.41	8938970	4.1580
2001 to 3000	204	0.83	5175950	2.4076
3001 to 4000	85	0.35	3046740	1.4172
4001 to 5000	72	0.29	3410150	1.5863
5001 to 10000	112	0.45	8084040	3.7604
10000 & above	79	0.32	137854240	64.1241
<b>TOTAL</b>	<b>24617</b>	<b>100</b>	<b>214980500</b>	<b>100</b>

**H DEMATERIALISATION OF SHARES AND LIQUIDITY**

About 86.57% of the shares have been dematerialized as on 31<sup>st</sup> March 2010 representing 18610409 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.), Dharapuram Dist. Tirupur (T.N.), Gondal (Gujarat) 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/Fax: 45060741/E mail: investors@tttextiles.co 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, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Company have maintained the records of investor grievances and certify that as at 31<sup>st</sup> March, 2010 there were no investor grievances remaining unattended/pending for more than 30 days.

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

Place: New Delhi  
Date: 29.05.2010

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

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







## AUDITORS' REPORT

To The members of T.T. Ltd.

We have audited the attached Balance Sheet of T.T. Ltd. as at 31<sup>st</sup> March, 2010 and also the Profit & Loss account 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit & Loss Account 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 31<sup>st</sup> March, 2009 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. B-7 to Schedule 14- Notes on Accounts);*
- g) *Subject to para (f) above and it's consequent impact on the profit 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 31<sup>st</sup> March, 2010;
  - ii) In the case of Profit & Loss Account, of the Profit 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: 29.05.2010

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, if any, 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 explain by the Company has taken unsecured loan from 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.1006.32 and the year-end balance of loan from such entities was Rs.1006.32 Lakhs.
- (f) In our opinion, the rate of interest (interest free) and other terms and conditions of loan taken by the company, secured or unsecured, 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 informations 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 U.P. Trade Tax and 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
Uttar Pradesh Trade Tax, 2003	Against C-Form	15,709	Assessment Year 06-07	Dy. Commissioner
Income Tax, 1961	Income Tax	4,16,503	Assessment Year 06-07	CIT Appeal
Income Tax, 1961	Income Tax	15,85,758	Assessment Year 03-04	CIT Appeal

- x. The company has accumulated losses as at 31<sup>st</sup> March 2010. The company has not incurred cash loss during the current year, however in the immediately preceding financial year there was cash loss.
- 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 financial institutions and 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 investments.
- 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 fund 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: 29.05.2010

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

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





## BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	Current Year Rs.	Previous Year Rs.
<b>I. SOURCES OF FUNDS</b>			
Share Capital	1	214980500.00	214980500.00
Reserve & Surplus	2	518314536.95	530507994.97
<b>LOAN FUNDS</b>			
Secured Loans	3	2234242920.03	1972118714.40
Unsecured Loans	4	169876373.59	72724861.00
		<b>3137414330.57</b>	<b>2790332070.37</b>
<b>II APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	2565230056.62	2062766048.22
Less: Depreciation		501335352.80	394516481.36
Net Block		2063894703.81	1668249566.86
Capital work in progress/Advances		17695406.16	360685923.97
		<b>2081590109.97</b>	<b>2028935490.83</b>
<b>Investments</b>	6	1570713.00	2488313.00
Deferred Tax Assets		44408717.80	0.00
i. Current Assets, Loans & Advances		1227997445.60	888705088.18
ii. Less: Current Liabilities & Provisions		243611307.90	259980051.53
<b>Net Current Assets (i-ii)</b>	7	984386137.70	628725036.65
<b>Profit &amp; Loss Account</b>		25458652.10	130183229.89
		<b>3137414330.57</b>	<b>2790332070.37</b>

Notes to accounts &amp; Accounting Policies : 14

As per our report of even date attached.

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

For and on behalf of the Board

(Mukesh Goyal)  
Managing Partner  
M. No. 081810

(Dr. Rikhab C. Jain)  
Chairman & Managing Director

(Sanjay kr. Jain)  
Jt. Managing Director

Place: New Delhi  
Date: 29.05.2010

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

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## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	Current Year Rs.	Previous Year Rs.
<b>INCOME</b>			
Sales		3562310043.72	2466748788.44
Less : Inter divisional Sales		26276704.00	25683508.53
Net Sales	8	3536033339.72	2441065279.91
Other Income	9	6606777.41	37108673.12
Increase (Decrease) in Stock	10	105964580.33	22771340.19
		<u>3648604697.46</u>	<u>2500945293.22</u>
<b>EXPENDITURE</b>			
Material	11	2668231396.66	1958668711.14
Manufacturing, Personnel,			
Administrative & Selling Expenses etc.	12	633601726.79	648293039.76
Financial Expenses	13	190897462.10	178677417.62
Depreciation on Fixed Assets		107751709.94	81444307.29
Less : Transferred from Revaluation Reserve		<u>12193458.02</u>	<u>3707178.05</u>
		<u>95558251.92</u>	<u>77737129.24</u>
<b>PROFIT/LOSS</b>		<u>358828837.47</u>	<u>2863376297.76</u>
Profit/(Loss) Before Tax		60315859.99	(362431004.54)
Provision for Tax			
- Income Tax for the Year (MAT)		1337456.57	0.00
- MAT Credit Entitlement		(1337456.57)	0.00
- Fringe Benefit Tax		0.00	684522.00
- Deferred Tax Assets/(Liability)		44408717.80	-(83104327.26)
- Income Tax for the earlier year		0.00	(230445.00)
Profit /Loss After Taxation		104724577.79	(279780754.28)
Add: Balance B/F from Previous Year		<u>-130183229.89</u>	<u>48778354.52</u>
		<u>-25458652.10</u>	<u>-231002399.76</u>
<b>APPROPRIATION</b>			
Trf to General Reserve		0.00	-100819169.87
Balance Carried Forward		<u>-25458652.10</u>	<u>-130183229.89</u>
		<u>-25458652.10</u>	<u>-231002399.76</u>
Earning per Share (equity shares, par value Rs. 10 each) Basic & Diluted		4.87	-13.01

## Notes to accounts &amp; accounting Policies : 14

As per our report of even date attached.

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

for and on behalf of the Board

(Mukesh Goyal)  
Managing Partner  
M. No. 081810

(Dr. Rikhab C. Jain)  
Chairman & Managing Director

(Sanjay kr. Jain)  
Jt. Managing Director

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

Place: New Delhi  
Date: 29.05.2010



**SCHEDULE-1****SHARE CAPITAL  
EQUITY SHARE CAPITAL  
AUTHORISED**

3,00,00,000 Equity Shares of Rs. 10/-each

**ISSUED, SUBSCRIBED & PAID UP**

21498050 Equity Shares of Rs. 10/- each

	Current Year Rs.	Previous Year Rs.
	<u>300000000.00</u>	<u>300000000.00</u>
	<u>214980500.00</u>	<u>214980500.00</u>

Note :

1) Of the above equity shares 1,24,000 have been issued as fully paid up bonus shares by capitalisation of reserves.

**SCHEDULE - 2****RESERVES & SURPLUS**

(A) Capital Reserve

(B) Shares Premium Account

(C) Revaluation Reserve :

Opening Balance

Add : During the year

Less : Transferred to Profit &amp; Loss Account

(D) General Reserve :

Opening Balance

Add: Transfer from Profit &amp; Loss Account

Less: Transfer to Profit &amp; Loss Account

(E) Profit &amp; Loss Account

Opening balance

Less: Transfer to Profit &amp; Loss Account

	Current Year Rs.	Previous Year Rs.
	<u>17494200.00</u>	<u>17494200.00</u>
	<u>160244950.00</u>	<u>160244950.00</u>
	<u>352768844.97</u>	<u>72307735.62</u>
	<u>0.00</u>	<u>284168287.40</u>
	<u>12193458.02</u>	<u>3707178.05</u>
	<u>340575386.95</u>	<u>352768844.97</u>
	<u>0.00</u>	<u>100819169.87</u>
	<u>0.00</u>	<u>0.00</u>
	<u>(0.00)</u>	<u>(100819169.87)</u>
	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>48778354.52</u>
	<u>(0.00)</u>	<u>(48778354.52)</u>
	<u>518314536.95</u>	<u>530507994.97</u>



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### SCHEDULE-3

#### SECURED LOAN

##### A. TERM LOAN :

Rupee Loan from

: OBC

: IDBI

: PNB

: STATE BANK OF MYSORE

##### B. WORKING CAPITAL LOAN :

From Banks

##### C. OTHER LOANS :

From Banks

Corporate Loan from BOR

From others

	Current Year Rs.	Previous Year Rs.
1012431988.35		1030875321.12
3169508.00		15840388.00
64221366.00		69288273.00
338492635.00	1418315497.35	294615701.00
		1410619683.12
	815896923.06	480350312.97
0.00		80000000.00
30499.62	30499.62	1148718.31
		81148718.31
	2234242920.03	1972118714.40

#### Note : Term loans

1. Rupees Term Loan from Oriental Bank of Commerce (OBC), IDBI, Punjab National Bank (PNB), State Bank of Mysore (SBM) are secured by pari-passu charge on Company's immovable & moveable assets located at Gajroula, Avinashi, Gondal and Rajula units of company.

##### 2. Working capital loans :

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 at Gajroula, Avinashi, Gondal and Rajula.

All aforesaid Loans at Serial No. 1 and 2 are further secured by personal guarantee of Shri Rikhab C. Jain, Chairman & Managing Director of the company.

##### 3. Other Loans

Other loans from banks are secured against hypothecation of specific assets taken on lease/hire purchase basis from such Banks.

4. The Project loans repayable with in next 12 months are Rs.914.13 Lacs (Previous year RS. 294.74 Lacs)

### SCHEDULE - 4

#### UNSECURED LOANS

Fixed Deposits

Others Loans

-From Director

-From Others

	Current Year Rs.	Previous Year Rs.
	3493162.00	5423166.00
	100632206.59	13500000.00
	65751005.00	53801695.00
	169876373.59	72724861.00



SCHEDULE : 5 : FIXED ASSETS										(AMOUNT RS.)		
PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	COST AS ON 01.04.2009	ADDITION DURING THE YEAR	REVALUATION/ ADJD.	SALE/ADJD. DURING THE YEAR	COST AS AT 31.03.2010	DEPRECIATION UP TO 31.3.09	DEPRECIATION FOR THE YEAR	AMORTIZATION	DEPRECIATION WRITTEN BACK	DEPRECIATION UPTO 31.03.2010	W.D.V. AS ON 31.03.2010	W.D.V. AS ON 31.03.2009
TANGIBLE ASSETS												
FREEHOLD LAND	172,912,778.91	20,074,323.00		-	192,987,101.91				-	0.00	192,987,101.91	172,912,778.91
LEASEHOLD LAND	4,400,000.00	5,000.00		-	4,395,000.00				-	0.00	4,395,000.00	4,400,000.00
BUILDING	529,186,439.07	199,851,348.06		125,763.00	729,912,022.83	60,018,301.22	25,070,668.83	-	22,292.78	85,089,468.05	643,822,554.88	469,167,537.85
PLANT & MACHINERY	1,052,362,433.20	256,028,347.21			1,308,390,780.41	251,855,582.74	61,267,249.57	-		313,122,832.31	995,267,938.10	890,506,870.46
FURNITURE & FIXTURE	12,910,525.02	702,308.63			13,612,833.65	10,060,610.28	1,715,147.01	-		11,775,757.29	1,837,076.36	2,849,914.74
ELECTRIC INSTALLATION	63,547,317.41	12,027,579.81			75,574,897.02	26,797,754.84	4,177,718.04	-		30,975,463.88	44,599,433.14	36,749,571.57
OFFICE EQUIPMENT	13,535,141.04	1,291,330.69			14,826,471.73	7,744,004.58	1,831,758.34	-		9,375,762.92	5,450,708.81	5,791,136.46
VEHICLES	22,234,924.57	2,828,726.00		1,357,885.00	23,705,795.57	14,617,329.82	4,761,680.34	-	910,545.72	18,468,474.44	5,237,291.13	7,817,594.75
WIND MILL	186,884,748.00				186,884,748.00	22,463,978.77	7,899,710.21	-		30,363,688.98	156,521,059.02	164,420,789.23
SUB TOTAL	2,057,974,307.22	492,798,962.00	0.00	1,483,848.00	2,549,269,621.22	383,558,133.25	106,523,840.34	-	932,838.50	499,171,427.88	2,050,118,193.34	1,684,416,173.97
INTANGIBLE ASSETS												
SOFTWARE	4,791,741.00	1,347,807.00	0.00	0.00	6,139,548.00	958,348.11		1,227,669.80	0.00	2,186,217.71	3,953,130.29	3,833,392.89
SUB TOTAL	4,791,741.00	1,347,807.00	0.00	0.00	6,139,548.00	958,348.11		1,227,669.80	0.00	2,186,217.71	3,953,130.29	3,833,392.89
TOTAL	2,062,766,048.22	494,146,669.00	0.00	1,483,848.00	2,555,420,969.22	384,516,481.36	106,523,840.34	1,227,669.80	932,838.50	501,335,352.80	2,054,071,323.63	1,688,249,566.86
CWIP	-	-	-	-	-	-	-	-	-	-	29,058.00	309,778,779.19
PREVIOUS YEAR	1,583,436,799.63	250,962,158.27	264,168,287.40	55,801,197.00	2,062,766,048.22	333,923,362.75	80,485,959.18	958,348.11	26,851,188.75	394,516,481.36	1,666,249,567.01	1,243,513,436.68





## PARTICULARS

**SCHEDULE - 6**
**INVESTMENTS**
**Short Term in nature, Non Trade**
**Quoted Shares (Valued at cost)**

100 Equity Shares of P.G. Foils Ltd (Fully paid up)

2000 Equity Shares of Jai Prakash Hydropower Ltd.

1000 Equity Shares of NTPC Ltd.

100 Equity Shares of GMR Infrastructure Ltd

1000 Equity Shares of Jai Prakash Associates

(Deposited with govt. authority)

**In Convertible Debentures Quoted, Fully Paid up**

10 Gujarat Ambuja Protiens Ltd. (Fully Convertible)

15 Seamless Steels &amp; Alloyd Ltd. (Partly Convertible)

**In others**

1 Bond ICICI Deep Discount Bond of Rs. 1000/-

National Saving Certificate

Mutual Fund (Franklin Templeton)

**Total**

Less: Provision for fall in value of Investment

Key Men Insurance Policy

	Current Year Rs.	Previous Year Rs.
2900.00	2900.00	
0.00	110680.00	
0.00	199850.00	
0.00	149900.00	
0.00	230710.00	
2500.00	2500.00	
3000.00	3000.00	
1000.00	1000.00	
36000.00	36000.00	
0.00	500000.00	
45400.00	1236540.00	
0.00	273540.00	
45400.00	963000.00	
1525313.00	1525313.00	
1570713.00	2488313.00	

**Movement in Investments**

	Opening Stock		Purchase		Sold		Closing Stock	
	No.	Value	No.	Value	No.	Value	No.	Value
2000 Equity Shares of Jai Prakash Hydropower Ltd.	2000	110680	—	—	2000	110680	—	—
1000 Equity Shares of NTPC Ltd.	1000	199850	—	—	1000	199850	—	—
1000 Equity Shares of GMR Infrastructure Ltd.	1000	149900	—	—	1000	149900	—	—
1000 Equity Shares of Jai Prakash Associates Ltd.	1000	230710	—	—	1000	230710	—	—
Mutual Fund (Franklin Templeton)	48899.76	500000	—	—	48899.76	500000	—	—





PARTICULARS	Current Year Rs.	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE - 7</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>CURRENT ASSETS:</b>			
Inventories (As per inventories taken, valued and certified by the management)			
Finished Goods (at Cost)	219887344.77		113922764.44
Raw Material (at Cost)	231506446.11		94973730.50
Work in Progress	29789475.00		8173647.60
Stores & Spares	9824077.60	491007343.48	6858435.19
			223928577.73
<b>SUNDRY DEBTORS</b>			
Due for a period exceeding six month	22707684.00		16954365.00
Others (Considered Good)	266933853.76		181974448.75
Less : Provision for doubtful debts	2431168.00	287210369.76	2431168.00
			196497645.75
<b>CASH &amp; BANK BALANCES</b>			
-Cash in hand	787918.77		1390919.27
-Balance with Scheduled Banks in:			
-Current Accounts	8270196.75		7580288.74
-Export Earners Foreign Currency Account	184421.00		36303.00
-Fixed Deposit/Margin Money Account	734224.00	16584760.52	1564119.00
			10571630.01
<b>LOANS &amp; ADVANCES</b>			
(Unsecured Considered Good Unless otherwise stated)			
Recoverable in Cash or in kind or for value to be received			
Advanced to Creditors	46920874.00		96438749.00
Other Advances	329017958.25	375938832.25	294764996.06
MAT Credit Entitlement	16245498.57		14908042.00
Advance Income Tax	10866440.44		10760926.02
Security Deposits	30144200.58	57256139.59	40834521.61
		1227997445.60	888705088.18
<b>CURRENT LIABILITIES</b>			
<b>Sundry Creditors:</b>			
<b>For Goods</b>			
Total outstanding due of Micro & Small Enterprises (Refer Note NO. 9 to Notes to Account)	0.00		0.00
Total outstanding due of creditors other than Micro & Small Enterprises	85697854.02		106365789.18
<b>For Expenses</b>			
Advanced from Customers	69654567.90		76812114.25
For other	5753319.00		38117424.48
L/C with Bank	3833262.53		3700385.26
Book Overdraft	38927047.48		0.00
	28722532.40		27155726.36
		232588583.33	252151439.53
<b>Provisions</b>			
For Taxation	3826163.57		3173229.00
For Gratuity	7196561.00	11022724.57	4655383.00
		243611307.90	7828612.00
			259980051.53




**PARTICULARS**
**SCHEDULE - 8 : SALES**

Export Sales
Interdivisional Sale (Electricity wind / power)
Domestic Sales
Export Incentives

Less: Deferred Trade Discount

**NET SALES**
**SCHEDULE - 9 : OTHER INCOME**

Rent Received
Bale Pressing Charges
Interest Received
Profit on Sale of Investments
Provision no longer required
Claim Received
Profit on sales of Assets
Knitting Charges
Misc. Receipts

**SCHEDULE - 10 :  
INCREASE/DECREASE IN STOCKS**

Opening Stock
-Finished Goods
-Waste Material
Less : Closing Stock
-Finished Goods
-Waste Material
Increase / (Decrease) in Stock

**SCHEDULE - 11 : MATERIAL**

Consumption of Raw Material:

Opening Stock
Add : Purchases

Less : Closing Stock

**SCHEDULE - 12 :**
**MANUFACTURING, PERSONNEL, ADMINISTRATIVE  
AND SELLING EXPENSES ETC.**
**A MANUFACTURING EXPENSES**

Testing Charges
Processing, Knitting, Bleaching & Dyeing
Consumable Stores
Ginning Charges
Power & Electricity Charges
Repairs & Maintenance :
— Building
— Plant & Machinery
— Others
Total A

	Current Year Rs.	Previous Year Rs.
2299091697.38	1384683540.44	
26276704.00	25683508.53	
1019846929.59	930734459.55	
194648546.50	101312892.70	
3539863877.47	2442414401.22	
3830537.75	1349121.31	
3536033339.72	2441065279.91	
249049.00	145493.00	
0.00	760830.02	
792343.70	9902859.01	
61277.65	76447.48	
273540.00	0.00	
4238991.05	1990663.55	
682901.00	21414675.00	
38984.00	0.00	
269691.01	2817705.06	
6606777.41	37108673.12	
110217699.44	88385511.45	
3705065.00	2765912.80	91151424.25
210100882.27	110217699.44	
9786462.50	3705065.00	113922764.44
105964580.33	22771340.19	
103147378.10	333468837.69	
2826379939.67	1728347251.55	
2929527317.77	2061816089.24	
261295921.11	103147378.10	
2668231396.66	1958668711.14	
59069.00	245326.00	
83817318.22	50794031.75	
17856505.15	27075768.65	
0.00	3408396.30	
150540532.54	125622409.08	
434746.10	1049588.94	
5030491.75	4972877.90	
982031.08	1876528.24	7898995.08
258720693.84	215044926.86	





## PARTICULARS

**B PAYMENT TO AND PROVISIONS FOR EMPLOYEES**

Salaries, Wages & Bonus	75981661.50	55797646.26
Contribution to Provident Funds and Other Funds	8412253.00	11418776.08
Workmen & Staff Welfare Expenses	1954561.23	3111404.63
<b>Total B</b>	<b>86348475.73</b>	<b>70327826.97</b>

**C ADMINISTRATIVE & OTHER EXPENSES**

Rent (Including Lease Rent)	426982.00	5092282.00
Rates & Taxes	1189481.00	562685.31
Telephone, Fax, Postage & Telegram	3027422.69	3319523.05
Electricity Charges	1391233.00	569554.00
Insurance	9232832.14	5023540.58
Printing & Stationary	1864154.35	2383136.16
Conveyance Expenses	326021.00	877545.92
Travelling -Directors	3188896.81	3276920.00
-Others	2891170.50	2331392.50
Trade Subscription	6080067.31	5608312.50
Audit Fees & Expenses	369238.00	239835.00
Legal & Professional Charges	668070.00	610000.00
Draw back w/o	2452379.90	4027460.30
Export Expenses	0.00	5247611.78
Managerial Remuneration	1003500.00	1007194.00
Director Sitting Fees	9406431.00	10602860.00
Office Expenses	100000.00	85000.00
Misc Expenses	1459818.52	936056.50
Donation	2189228.20	2938335.34
Loss on sale of fixed assets	436401.00	68716.00
Bad Debts W/Off	3710.00	187142.00
Provision for fall of Investments	189979.40	180547.00
Provision for Doubtful Debts	0.00	273540.00
Foreign Exchange Loss	0.00	2341850.00
Wind Mill Expenses	23470874.79	117426906.10
Prior Period Expenses	2984095.89	637306.00
Preliminary Exp Written off	3355731.00	0.00
<b>TOTAL C</b>	<b>71627651.19</b>	<b>5165162.10</b>
<b>D. Selling expenses</b>		<b>175412101.65</b>
Packing Material Consumed	50286125.36	30930432.22
Freight on Sales (including freight discount)	84713510.09	41855556.09
Cash Discount	3961526.29	904128.42
Sale Promotion	4116920.44	1522547.80
Cartage	3063549.50	719673.82
Advertisement	23789357.68	19329349.76
Royalty, Brokerage & Commission on sales	44746582.67	52695415.40
Vehicle Operating Expenses	1653181.00	946118.00
Export Weightment Charges	510242.00	2371050.00
Export Weight Shortage & Quality Claims	63911.00	36233912.77
<b>Total D</b>	<b>216904906.03</b>	<b>187508184.28</b>
<b>TOTAL (A+B+C+D)</b>	<b>633601726.79</b>	<b>648293039.76</b>

**SCHEDULE - 13 FINANCIAL CHARGES**

Interest on Term Loan	94191520.00	65304887.50
Interest on working Capital Loan	68031191.91	100900400.23
Other Interest	20647646.12	5467683.33
Bank & Other Finance Charges	8027104.07	7004446.56
	<b>190897462.10</b>	<b>178677417.62</b>



**SCHEDULE - 14****A. SIGNIFICANT ACCOUNTING POLICIES:****1. ACCOUNTING CONCEPTS**

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in India ("GAAP"), under the historical cost convention, on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standard) Rules, 2006 and the provisions of the Companies Act, 1956.

**2. REVENUE RECOGNITION**

- Sales are recognised upon despatch of goods from factory/depot against the firm orders.
- Income from conversion charges is recognised as and when the products are ready for despatch in packed condition.
- Income from investment is accounted when right to receive of such income is established.
- For other incomes, the company follows the accrual basis of accounting except:
  - Interest on late payment from customers.
  - Where there is no reasonable certainty regarding the amount and / or its collectivity.
- 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.
- 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.

**3. FIXED & INTANGIBLE ASSETS**

- 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.
- 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.
- Pre-operative, trial run and incidental expenses relating to the projects are carried forward to be capitalised and apportioned to various assets on commissioning of the project.
- Intangible assets are recognized on the basis of reorganization criteria as set out in the AS- 26-"Intangible Assets"

**4. DEPRECIATION & AMORTISATION**

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

- On Plant and Machinery acquired on or after 02.04.1987 on straight line method.
- 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.
- Assets costing up to Rs 5,000 are fully depreciated in the year of purchase.
- An Intangible asset is amortised over a period of five years.

**5. INVENTORY**

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.

**6. 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 market value.





## 7. 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 profit and loss account 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.

## 8. 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 profit & loss account.

c) Exchange differences in respect of liabilities incurred to acquire fixed assets are recognised in profit & loss account.

## 9. 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 Profit & Loss Account 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 profit and loss account as a part of the deferred tax adjustment for the year.

## 10. IMPAIRMENT OF ASSETS

Assets are reviewed for impairment whenever events for 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 assets 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (i.e. cash generating units).

Previously recognised impairment losses, relating to assets other than goodwill, 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 recognized. A reversal of the asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation), had no impairment loss been recognised in prior years.

## 11. EARNING 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.

## 12. 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.

## 13. PROVISIONS AND CONTINGENT LIABILITIES

Provision are recognised for present obligations, of uncertain timing or amount, arising as a result of 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 benefit will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefit 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 probability of outflow of resources embodying economic benefit is remote.



**SCHEDULE - 14**
**B. NOTES TO THE ACCOUNTS:**

1. Contingent Liabilities not provided for in respect of
  - a) Guarantees given by Banks
  - b) Export Bills discounted with banks under Irrevocable Letter of Credit
  - c) Income Tax liability not acknowledged and contested

Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Nil	NIL
4476.17	1974.15
15.86	15.86

2. Contract remaining to be executed on capital account is Rs. 937.45 lakhs (Previous year Rs. 2674 lakhs) net of advances Rs.786.16 Lakhs (Previous year Rs. 509 Lakhs).
3. The company had contracted to sale Plant & 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.160.69 lakhs and interest amounting to Rs.45.61 lakhs in the year 2008-09. The management is confident that a sum of Rs. 96.43 lakhs, shown as recoverable (pending settlement), will be realised in due course.

4. a) Income Tax Assessments have been completed upto assessment year 2006-07 except for the Assessment year 2003-04 where the department has raised demand of Rs. 15.86 lakhs which is being contested. Assessment for the year 2007-08 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 lakhs, 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. 16245507.60 (Previous year Rs. 14908042) including Rs. 1337465.60 (Previous year Rs. Nil) for the year has been shown as MAT credit entitlement under loan & advances.
5. Sales Tax assessments in different states have been completed upto the assessment year 2006-2007. 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.
6. In the opinion of the Management, the value on realisation of current assets, loan and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.
7. 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 & Rajula as continuous process plant.
8. Trade creditors include outstanding dues of small scale industries Rs. 22.78 lakhs (Previous year Rs. 12.76 lakhs). 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. This has been relied upon by the Auditors.
9. Disclosure in accordance with section 22 of Micro, small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	As At 31.03.2010	As At 31.03.2009
a.	Principal amount remaining unpaid	Nil	Nil
b.	Interest due thereon	Nil	Nil
c.	Interest paid by the company in terms of Section 16	Nil	Nil
d.	Interest due and payable for the period of delay in payment	Nil	Nil
e.	Interest accrued and remaining unpaid	Nil	Nil
f.	Interest remaining due and payable even in succeeding years.	Nil	Nil



This information as required to be disclosed under the Micro, small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

10. During the year, the company has capitalised the borrowing cost of Rs. 98.01 lakhs, incurred on acquisition of fixed assets. The allocation of interest on borrowings, for the purpose of capitalisation, in respect of funds borrowed and used for the purpose of obtaining a qualifying asset has been done on the basis of use of funds as per the best possible estimates.
11. 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 US \$ 2.02 million.
12. a) Some of the debit and credit balances appearing under the head Fixed Deposits, Current Liabilities, Sundry Debtors and Loans & Advances are subject to confirmation / reconciliation.

b) Previous year figures have been regrouped or rearranged wherever considered necessary.

### 13. EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employee Benefit" the disclosure of Employee Benefit, as defined in Accounting Standard are given below:-

#### 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)	
	2009-10	2008-09
Defined Benefit Obligation at the beginning of the year	83,51,100	Not Available
Current Service Cost	15,87,452	Not Available
Current Interest Cost	6,26,333	Not Available
Actuarial (gain)/loss	1,69,821	Not Available
Less: Benefits Paid	(6,13,289)	Not Available
Defined Benefit Obligation at the end of the year	1,01,21,416	Not Available

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

Particulars	Gratuity (Funded)	
	2009-10	2008-09
Fair Value of Plan Assets at beginning of the year	16,13,691	Not Available
Expected Return on Plan Assets	1,45,232	Not Available
Actuarial (gain)/loss	2,79,221	Not Available
Contributions	15,00,000	Not Available
Less: Benefits Paid	(6,13,289)	Not Available
Fair Value of Plan Assets at end of the year	29,24,855	Not Available





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

Particulars	Gratuity(Funded)	
	2009-10	2008-09
Fair Value of Plan Assets at end of the year	29,24,855	Not Available
Present value of defined Benefit Obligation at the end of the year	1,01,21,416	Not Available
Liability/(Assets) recognized in the Balance Sheet.	71,96,561	Not Available

## (d) Expense recognized during the year

Particulars	Gratuity(Funded)	
	2009-10	2008-09
Current Service Cost (A)	15,87,452	Not Available
Current Interest Cost (B)	6,26,333	Not Available
Expected Return on Plan Asset (C)	1,45,232	Not Available
Actuarial (gain)/loss	1,09,401	Not Available
Net cost recognized in Profit & Loss A/c (A+B-C+D)	19,59,152	Not Available

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

Particulars	Gratuity(Funded)	
	2009-10	2008-09
Mortality table (LIC)	LIC (1994-96)	Not Available
Discount Rate (p a)	7.50%	Not Available
Estimated rate of return on plan assets (p a)	9.00%	Not Available
Expected rate of increase in salary (p a)	5.00%	Not Available

The expected of 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. The above information is certified by actuary.

## 14. SEGMENT INFORMATION

The Company operate under single business segment "Textiles". Company deals in four product i.e. cotton, yarn, fabric and made-ups. There above information is certified by actuary

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 lakhs)

PRODUCT SALES	TEXTILES				POWER	AGRO COMM.	TOTAL
	COTTON	YARN	FABRIC	KNITWEAR & OTHER MADE-UP	WIND POWER		
EXPORTS	370.94 (2043.99)	20765.52 (11510.39)	NIL (188.33)	NIL (1886.23)	NIL (256.84)	1827.08 (104.13)	22963.54 (13846.84)
DOMESTIC	2343.64 (2270.92)	683.28 (1609.63)	2259.26 (1466.42)	5602.21 (1886.23)	262.76 (256.84)	29.38 (1147.62)	11180.53 (8637.66)
TOTAL	2714.58 (4314.91)	21448.8 (13120.02)	2259.26 (1654.75)	5602.21 (1886.23)	262.76 (256.84)	1856.46 (1251.75)	34143.07 (222484.05)

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



**15. RELATED PARTY TRANSACTIONS**

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<br>Mr. Sanjay Jain<br>Mrs. Jyoti Jain |
| 6. Relatives of Key Management Personnel | Nil  |

**a) Transactions with Related Parties**

Key Management Personnel		
Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Remuneration Paid	58.68	66.00
Perquisites	35.38	40.03
Contribution to Provident & other funds	4.56	5.28
Rent Paid	NIL	35.96
Royalty	168.33	65.95
Advertisement	NIL	99.44
<b>Outstanding As on 31.03.2010</b>		
a) Amount Receivable	---	---
b) Amount Payable	7.85	6.20
c) Security Deposit Received	---	---
d) Corporate Guarantee issued	38086	39617

**16. EARNING PER SHARE (EPS)**

	Year Ending 31.03.2010	Year Ending 31.03.2009
a) Weighted average number of shares at the beginning and end of the year	21498050	21498050
b) Net profit after tax available for equity shareholder (rupees)	104724577.79	(279780754.28)
c) Basic and diluted earning per share (rupees)	4.87	(13.01)

**17. DEFERRED TAXES**

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, as "Timing difference". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the Company has received a tax deduction, but have not yet been recorded in the statement of income).

The principal components of the net deferred tax balance are as follows:

	As at 31-03-2010 (Rs. in Lakhs)	As at 31-03-2009 (Rs. in Lakhs)
Deferred tax liabilities		
Depreciation	1676.82	343.58
Deferred tax assets		
Loss to be carry forward	2120.90	2167.45
Net deferred tax liability / (assets)	(444.08)	(1823.87)





Recognition of deferred tax assets has been restricted to the extent of deferred tax available. Based on schedule of reversal of timing differences giving rise to deferred tax liabilities, the management believes there is requisite degree of virtual certainty that the deferred tax assets, to the extent recognised, would be realised

#### 18. AUDIT FEES AND OTHER EXPENSES

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
a) Audit Fees	5.00	5.00
b) Certification fee	0.42	0.35
c) Reimbursement of Expenses	0.75	0.75

#### 19. DETAILS OF REMUNERATION AND PERQUISITES OF MANAGERIAL PERSONNEL :

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Salary	58.68	66.00
Other perquisites	35.38	40.03
Contribution to Provident & other funds	4.56	5.28
Total	98.62	111.31

The above exclude provision for gratuity, which is determined on overall basis for the company. As no commission is payable to the managing director, the computation of net profit in accordance with section 309(5) read with section 349 of the Company Act, 1956 has not been given.

#### 20. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE VI TO THE COMPANIES ACT, 1956:

(A) Break-up of expenditure on employees who are in receipt of or were entitled to receive remuneration amounting in aggregate to Rs.24 laks or more per annum or Rs.200,000/- per month if

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Salaries & Perquisites	98.62	111.31
No. of Employees	3	3

(B) INSTALLED CAPACITY	Yarn	Fabric	Ginning	Power
Basis	Spindles*	Kilogram	Metric Tonne	Mega Watt
Capacity	55824 (46224)	20 lakhs (20 lakhs)	60,000 (60000)	3.75 (3.75)
Actual Production: Current Year	8271386 Kg. (6808876 Kg.)	722670 Kg. (817312 Kg.)	1220 M.T. (2889 M.T.)	8094672 Units (6920375 Units)

\*As certified by the Management. Since the company installation can technically be considered as multipurpose plants, their capacity is variable in line with process improvements and the product mix adopted from time to time. The figures given in relation to installed capacities are therefore, approximate and refer to an assumed product mix. Figures in Bracket \* ( ) \* represent previous year.

(C) VALUE OF IMPORTS	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Capital Goods	NIL	465.35
Store, Spares & Consumables	55.68	44.30
Raw material	1158.87	1314.70



## INFORMATION IN RESPECT OF GOODS MANUFACTURED &amp; PURCHASED

(D) COTTON	31.03.2010 Qty. in Kgs.	31.03.2009 Qty. in Kgs.	31.03.2010 Amt. Rs in lacs	31.03.2009 Amt. Rs in lacs
Opening Stock	1991423.96	2212913.08	1334.25	1468.36
Purchase	12431052.62	10346603.50	8229.25	6309.19
Production	1219666.00	4038377.00	—	—
	15642142.58	16597893.88	—	—
Sales	1243677.00	5351347.20	1211.92	3358.24
Consumed Stock	11815882.58	9255122.72	—	—
Closing Stock	2582583.00	1991423.96	2208.10	1334.25

E) YARN	31.03.2010 Qty. in Kgs.	31.3.2009 Qty. in Kgs.	31.03.2010 Amt. Rs in lacs	31.03.2009 Amt. Rs in lacs
Opening Stock	17089.85	171491.07	181.12	195.74
Purchase	9339099.68	6300173.97	12402.07	6611.24
Production	8271386.26	6808876.06	—	—
	17781355.80	13280541.11	—	—
Sales	15990112.78	11660470.33	21445.10	12948.16
Consumed Stock	1688165.59	1449200.93	—	—
Closing Stock	103077.42	170869.85	164.92	181.12

F) FABRIC	31.03.2010 Qty. in Kgs.	31.3.2009 Qty. in Kgs.	31.03.2010 Amt. Rs in lacs	31.03.2009 Amt. Rs in lacs
Opening Stock	159916.29	180626.18	223.88	246.06
Purchase	655480.54	22648.38	910.44	18.82
Production	1676798.27	1742419.625	—	—
	2492195.10	1945694.185	—	—
Sales	1228108.29	1043146.81	2259.26	1740.62
Consumed Stock	948566.13	7426310.085	—	—
Closing Stock	315520.68	159916.29	583.71	223.88

G) KNITWEAR	31.03.2010 Qty in units	31.03.2009 Qty. in units	31.03.2010 Amt. Rs. in lacs	31.03.2009 Amt. Rs. in lacs
Opening Stock	130081.82	85473.14	350.22	233.14
Purchase	1244817.95	227583.88	2257.47	260.73
Production	1227919.60	675483.70	—	—
	2602819.37	988540.72	—	—
Sales	2212997.09	858775.26	5602.21	2070.17
Closing Stock (1 unit = 10 pcs)	389822.28	130081.82	877.10	350.22

H) RAW MATERIAL CONSUMED	31.03.2010 Qty. in Kgs	31.03.2009 Qty. in Kgs
Kapas	3683138.00	9215434.00
Cotton	11815882.58	9255122.72
Yarn	1688165.59	1449200.93



I) Value of Cotton Consumed	2009-2010		2008-2009	
	Amt. Rs. in lakhs	% of Consumption	Amt. Rs. in lakhs	% of Consumption
Imported	1178.58	15.06	1291.32	18.56
Indigenous	6643.43	84.94	5667.99	81.44
<b>TOTAL</b>	<b>7822.01</b>	<b>100.00</b>	<b>6959.31</b>	<b>100.00</b>

J) EXPENDITURE IN FOREIGN CURRENCY	31.03-2010 Amount (Rs)	31.03-2009 Amount (Rs)
Agency Commission	175.72	366.84
Travelling Expenditure	15.74	16.66
<b>TOTAL</b>	<b>191.46</b>	<b>383.50</b>

K) EARNING IN FOREIGN CURRENCY (On C.I.F. basis)	31.03-2010 Amount (Rs)	31.03-2009 Amount (Rs)
Export Goods calculated on CIF basis	22990.92	13846.83
<b>TOTAL</b>	<b>22990.92</b>	<b>13846.83</b>

**SIGNED FOR IDENTIFICATION SCHEDULE 1 TO 14**

As per our report of even date attached.

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

for and on behalf of the Board

**(Mukesh Goyal)**  
Managing Partner  
M.No. 081810

**(Dr. Rikhab C. Jain)**  
Chairman & Managing Director

**(Sanjay kr. Jain)**  
Jt. Managing Director

Place: New Delhi  
Date: 29.05.2010

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





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010****PARTICULARS**

	AS AT 31-3-2010 Rs. in Thousand	AS AT 31-3-2009 Rs. in Thousand
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss Before tax & Extraordinary Items	60316	362431
Adjustment for :		
Depreciation	95558	77737
Interest Expenses	182870	170791
Profit / Loss on sale of Assets	-679	-21227
Profit / Loss on sale of Investments	-335	-2488
Provision on fall of Investment	0	273
Preliminary Expenses w/off	0	5165
Dividend Income	0	-7
	<b>277414</b>	<b>230244</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>337730</b>	<b>-132187</b>
Trade & Other Receivables	-66200	135493
Inventories	-267079	221084
Trade Payables	-16369	-23013
	<b>-349648</b>	<b>333564</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>-11918</b>	<b>201377</b>
Direct taxes Paid/Refund	0	-2834
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-11918</b>	<b>198543</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-193863	-453316
Capital Advance	33241	21236
Sale of fixed Assets	1230	52166
Purchase/Sale of Investments	918	959
	<b>-158475</b>	<b>-379914</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-158475</b>	<b>-378955</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/Decrease in Share Capital	0	0
Increase/Decrease in Deposits	97150	52703
Increase/Decrease in Term Borrowing	-73422	717674
Increase in Bank Borrowing for working capital	335547	-461942
Dividend income	0.4	0
Interest Paid	-182870	-170791
Right Issue Expenses	0	7
Dividend / Tax Paid	0	-15090
	<b>176405.4</b>	<b>122561</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>176405.4</b>	<b>122561</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>6012.4</b>	<b>-57851</b>
CASH & CASH EQUIVALENTS (Opening Balance)	10571.6	68422
CASH & CASH EQUIVALENTS (Closing Balance)	16584	10571

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: 29-05-2010

for and on behalf of the Board

**(Dr. Rikhab C. Jain)**  
 Chairman & Managing Director

**(Sanjay kr. Jain)**  
 Jt. Managing Director

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





# BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1.	<b>Registration Details</b>	State Code 55
	Registration No. 9241	31-03-2010
	Registration Sheet Date	
2.	<b>Capital Raised during the Year (Amount in Rs. Thousands)</b>	
	Public Issue	Right Issue
	NIL	NIL
	Bonus Issue	Private Placement
	NIL	NIL
3.	<b>Position of Mobilisation and Deployment of Funds</b>	
	Total Liabilities	Total Assets
	3137414	3137414
	Source of Funds	
	Paid up Capital	Reserves & Surplus
	214981	518314
	Secured Loans	Unsecured Loans
	2234243	169876
	Deferred Tax Liability	
	NIL	
	Application of Funds	
	Net Fixed Assets	Investments
	2081590	1571
	Net Current Assets	P & L A/C
	984386	25458
	Deferred Tax Assets	
	44409	
4.	<b>Performance of Company (Amount in Rs. Thousands)</b>	
	Turnover	Total Expenditure
	3536033	3588289
	Profit/Loss Before Tax	Profit/Loss After Tax
	60316	104725
	Earning Per Share (in Rs.)	Dividend Rate (%)
	4.87	NIL
5.	<b>Generic Name of Four principal products/services of the Company (as per monetary terms)</b>	
	Item Code No.	5201.00
	Product Description	Raw Cotton
	Item Code No.	5205.11
	Product Description	Cotton Yarn Grey
	Item Code No.	6002.92
	Product Description	Cotton Fabric
	Item Code No.	6101.00
	Product Description	Under Garments