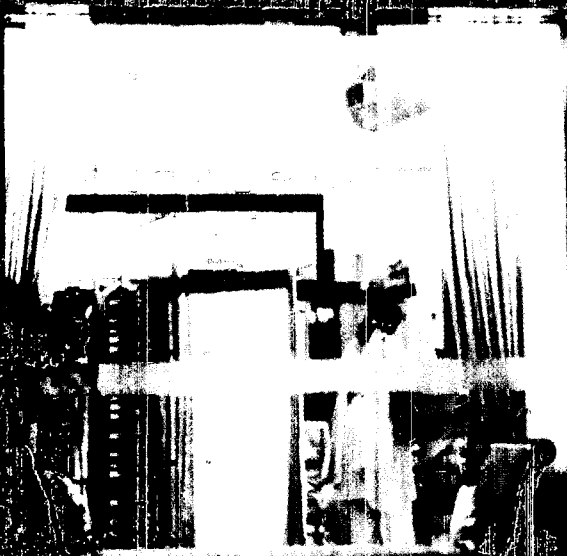


# 18th Annual Report 2006



## SEASONS

Club Class



## SEASONS<sup>®</sup>

FURNISHINGS LIMITED

**BOARD OF DIRECTORS****Inderjeet S. Wadhwa**

Chairman

**Mandeep S. Wadhwa**

Managing Director

**R.K. Gupta****G.S. Harnal****L.N. Gupta****18<sup>TH</sup> ANNUAL REPORT – 2007-08****CONTENTS****PAGE NO.**

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**CORPORATE INFORMATION****Registered Office:**

Ground Floor,  
Eros Corporate Tower,  
Opp. Hotel Intercontinental,  
Nehru Place, New Delhi-110 019.

**Corporate Office:**

Seasons House  
B-16, Sector-58, Noida-201301 (U.P.)  
Tel. Nos. 95120 – 4255990, 4690000  
Fax : 95120 – 4255994  
Email : cs@seasonsworld.com

**Auditors:**

K.L. Datta & Company  
Chartered Accountants  
C-121, Greater Kailash-I, New Delhi-110 048.

**Internal Auditors:**

Ashok Kantoor & Co.  
Chartered Accountants  
2659/2, Gurudwara Road,  
Karol Bagh, New Delhi-110 005.

**Bankers:**

Yes Bank Ltd.  
South Extension-II, New Delhi-110 049

**Company's Exclusive Showrooms****Club Class**

Ground Floor, Eros Corporate Tower,  
Opp. Hotel Intercontinental,  
Nehru Place, New Delhi-110019.

**Club Class**

3293, PID No. 72 – 1 – 3293,  
1<sup>st</sup> floor, 12<sup>th</sup> Main, HAL II Stage,  
Indiranagar, Bangalore.

Shop No. 1-2, Ground Floor,  
MGF Plaza, Mehrauli Gurgaon Road,  
Gurgaon (Haryana).

Abhishek, Bldg., C-5 & C-6,  
Dalia Industrial Estate,  
Off. Link road, Village Oshiwara,  
Andheri (West), Mumbai – 400 053.

**Stock Exchange Listing:**

Delhi Stock Exchange Ltd.  
Bombay Stock Exchange Ltd.  
The Stock Exchange, Ahmedabad  
The Madras Stock Exchange Ltd.

**Registrar and Share Transfer Agents:**

Skyline Financial Services Pvt. Ltd.  
246, 1st Floor, Sant Nagar, East of Kailash  
New Delhi-110 024  
Tel. : 011-26292680-82  
Fax : 011-26292683  
E-mail : admin@skylinerta.com

Regd. Office : Ground Floor, Eros Corporate Tower, Opp. Hotel Intercontinental, Nehru Place, New Delhi - 110 019.

## NOTICE

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of **SEASONS FURNISHINGS LIMITED** will be held at 10.30 AM on Tuesday, the 30<sup>th</sup> day of September, 2008 at Multi Purpose Community Centre, Khera Khurd, Alipur Block, Delhi – 110 082, to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri G.S. Harnal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Inderjeet S. Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration. M/s. K.L. Datta & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

By Order of the Board

(Mandeep S. Wadhwa)  
Managing Director

Place : New Delhi  
Dated : 31<sup>st</sup> July, 2008

### NOTES :

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company. Proxies in order to be effective, must be lodged at the Registered Office of the Company not less than 48 hours before the commencement time of the meeting.
- 2) The Register of Members and Share Transfer Register of the Company will remain closed from 19<sup>th</sup> September, 2008 to 30<sup>th</sup> September, 2008 (both days inclusive).
- 3) Members desirous of getting any information on the accounts or operations of the Company, are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- 4) At the ensuing Annual General Meeting, Shri G.S. Harnal and Shri Inderjeet S. Wadhwa, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment. The details in respect of these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, are furnished in the statement on Corporate Governance published in this Annual Report.
- 5) Members holding shares in physical form, are requested to notify immediately any change in their address to the Company or its Share Transfer Agents. In case the shares are held in dematerialized form, this information should be furnished directly, without any delay, to their respective Depository Participants.
- 6) Members are requested to bring their copies of the Annual Report along with the Attendance Slip duly filled-in and signed as per the specimen signature recorded with the Company / Depository Participant for attending the meeting.
- 7) Members who hold shares in dematerialized Form, are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Number in all correspondence with the Company / the attendance slip for attending the meeting.
- 8) **Members holding shares in physical form may please note that it has been observed that in a number of cases, received for transfer of shares, the signature on the share transfer form do not tally with the signature that are available with us on record. Hence in order to facilitate transfer of shares without delay, the members who hold shares in physical form may please send their signature in the proforma given at the end of this Annual Report duly attested by their Bank and / or a Gazetted Officer and / or Notary Public.**

By Order of the Board

(Mandeep S. Wadhwa)  
Managing Director

Place : New Delhi  
Dated : 31<sup>st</sup> July, 2008



## MANAGEMENT DISCUSSION & ANALYSIS

### COMPANY OVERVIEW

Seasons Furnishings Limited (SFL) has been promoted by Late Shri Nanak Singh Wadhwa, Shri Inderjeet Singh Wadhwa, Shri Mandeep Singh Wadhwa and Seasons Textiles Limited in the year 1990. The Company came with its Initial Public Offer in the year 1994. The Employees strength of the Company is around 150 and the affairs of the Company are managed professionally. The Company is progressing well under the able leadership of Shri Inderjeet Singh Wadhwa, Chairman and Shri Mandeep Singh Wadhwa, Managing Director of the Company. During the fiscal 2007-08 the net turnover of the Company was Rs.3,302 lacs. SFL is a widely held Public Limited Company of Seasons Group. As on 31<sup>st</sup> March, 2008 the number of shareholders of the Company was 4,033 and its shares are listed on Stock Exchanges at Delhi, Mumbai, Ahmedabad, and Chennai.

### BUSINESS OVERVIEW

SFL is one of the pioneer company in organized sector which market exclusively designed furnishing fabric, furnishing, made-ups and life style products to institutional as well as retail customers. The Company not only sell products but 'sell concepts to sell its products'. Seasons Stores also display and sell products which are complementary on furnishing fabric like wall papers, carpets and furniture etc. Every care is made to provide quality products, service and excellent ambience at our outlets. The Company has been regularly participating in fairs and exhibitions to keep itself abreast with the latest trends and customers' taste as also to show case its products. Besides, the Company has its own Design Studio, continuously engaged in creating new and innovative designs. The In House Design Studio help the company to market its exclusive designed products.

During the year the Registered Office of the company has been shifted to Ground Floor, Eros Corporate Tower, Opp. Hotel Intercontinental, Nehru Place, New Delhi - 110 019. Also the Corporate Office of the company has been shifted to B-16, Sector - 58, NOIDA, where the Company has taken a space of around 42,000 sq. ft. on lease basis and it is proposed to shift the Design Studio and start a Showroom to exhibit and portray the products of the Company at this location.

The Company has exclusive showrooms under the name of Club Class at New Delhi and Bangalore besides its showrooms at Gurgaon (Haryana) and Mumbai. Also the products of the company are available across the country through 47 Retail Shop-in-Shop outlets.

The Company has streamlined its reach to grab business from selected furniture vendors, spread across its business network.

The Company has fine tuned 'Seasons on Call' (SOC) and has also launched SOC in Mumbai. This novel concept, first of its own kind, where the Company's fully equipped vehicle provide concepts & samples of all kinds of products at the customer's destination which facilitates the customer to decide the concept and to place order.

The key financial data of the Company for the year 2007-08 vis-à-vis 2006-07 is as under :

### FINANCIALS

| S.No. | Particulars                              | Rs. / Lacs       |                  |
|-------|--|------------------|------------------|
|       |  | As on 31.03.2008 | As on 31.03.2007 |
| 1.    | Authorised Equity Share Capital          | 1,200.00         | 800.00           |
| 2.    | Paid Up Share Capital                    | 639.39           | 639.39           |
| 3.    | Warrants convertible into equity shares* | 78.48            | -                |
| 4.    | Reserves & Surplus                       | 386.27           | 351.15           |
| 5.    | Secured and Unsecured Loans              | 990.32           | 631.86           |
| 6.    | Deferred Tax Liability                   | 142.66           | 149.50           |
| 7.    | Fixed Assets                             | 608.00           | 756.47           |
| 8.    | Sundry debtors                           | 852.41           | 446.80           |
| 9.    | Inventories                              | 679.78           | 663.39           |
| 10.   | Net Current Assets                       | 1,309.42         | 697.45           |

\*On 7<sup>th</sup> March, 2008, the Company issued 56,06,100 warrants of Rs.14/- each aggregating to Rs.7,84,85,400/- on preferential basis, convertible into equal number of equity shares of Rs.10/- at a premium of Rs.4/- each, within 18 months of the issue. The Company has received Rs.78,48,540/- on account of Application money against these warrants.

### OPERATIONAL RESULTS

| S.No. | Particulars  | Rs. / Lacs    |               |
|-------|--|---------------|---------------|
|       |  | FY -- 2007-08 | FY -- 2006-07 |
| 1.    | Income from Operations                               | 3,301.72      | 2,933.79      |
| 2.    | Other Income   | 55.29         | 21.69         |
| 3.    | Expenditure excluding Interest, Depreciation and Tax | 3,115.63      | 2,745.86      |
| 4.    | Earning Before Interest, Depreciation & Tax          | 241.38        | 209.62        |
| 5.    | Interest   | 114.69        | 78.00         |
| 6.    | Depreciation   | 61.20         | 68.72         |
| 7.    | Profit before Tax                                    | 65.49         | 62.90         |
| 8.    | Provision for tax                                    | 30.37         | 50.42         |
| 9.    | Net Profit   | 35.12         | 12.48         |



**COMPARISON CHART - EXPENDITURE DURING THE YEAR 2007-08 VIS-À-VIS 2006-07.**

| S.No. | Particulars                        | FY 2007-08<br>Rs./lacs | FY 2006-07<br>Rs./lacs | Rs. / Lacs<br>Increase/<br>Decrease |
|-------|------------------------------------|------------------------|------------------------|-------------------------------------|
| 1.    | Purchases                          | 1,985.48               | 1,680.24               | 305.24                              |
| 3.    | Administrative and other overheads | 946.48                 | 678.90                 | 267.58                              |
| 4.    | Selling and distribution overheads | 200.07                 | 203.76                 | (3.69)                              |
| 5.    | Financial Overheads                | 114.69                 | 78.00                  | 36.69                               |
| 6.    | Depreciation                       | 61.20                  | 68.72                  | (7.52)                              |

Factors which have affected the operational results for FY 2007-08, are :

- The increase in Administrative & other Overheads is mainly due to increase in - Freight and Cartage, Recruitment Expenses, Rent Rates & Taxes, Salaries & Perquisites of Employees & Directors, Traveling & Conveyance Expenses, Legal & Professional Expenses, Internal Audit Fees, Vehicles Running & Maintenance, Directors Sitting Fees, Job Work Charges and Repair & Maintenance of Building & Design Studio.
- Finance costs have increased on account of Increase in Working Capital Limits and increase in Financial Charges / Interest, because of additional Vehicle Loans & Unsecured Loans taken by the Company.

**OUTLOOK: ISSUES AND RISKS**

The Management is of the view that there is tremendous scope for growth in the retail operations as the Retail in Organized Sector is gaining momentum. Further, per capita income growth will definitely result into increase in spending power and due to economic growth, income levels of masses are also increasing. These factors consequently result into increase in demand for fashion and life style products.

The Company expects that ongoing growth in infrastructure, hospitality and housing sectors coupled with the forthcoming Commonwealth Games to be held in India will contribute to increased turnover of the Company. The Company is continuously endeavoring to tap customers like Railways, Hotels, Embassies etc.

Adequate Supply Chain Management, Manpower Management and to provide the customers with high level of services will be the key factors to be successful in retail sector. Presence of outlets in departmental stores, hypermarkets and malls etc. is also very important factors in the present scenario to be successful in retail business.

The Company is endeavoring to have its emphatic presence in metro and all major cities of the Country. Keeping this in mind, the Company's Management has planned some significant measures to rationalize its existing retail network across the country, which includes –

- Upgrading its existing show rooms at Gurgaon (Haryana) and Mumbai to 'Club Class Showrooms' to cater to the requirements of its high end customers.
- Opening a showroom at an upcoming Mall namely – Promenande, DLF Place at Vasant Kunj, New Delhi.
- Opening a showroom at Chandigarh.
- Rationalizing and adding dealerships on meritorious grounds, and to selectively convert performing dealerships into state of art "Standardized Floor Plan".

The Company considers the employees as its greatest asset. The Company's philosophy is to provide a healthy working environment conducive to all round development of the employees to inculcate amongst them the spirit of teamwork, commitment and their potential involvement to be the partners to achieve the objects of the Organization.

With a view to achieve high turnover, to catch up with the ongoing retail boom and to manage the franchise arrangements in an efficient manner, the Company is in the process of building up and strengthening a Corporate Retail Team to handle its business plans.

In the present business environment the present cost structure of the Company is becoming unviable and unsustainable. The Company needs to monitor its inventory, overheads, rationalize manpower, identify and manage the supply chain effectively to enable it to price its products competitively.

**COMPETITION**

As far as domestic market is concerned the entrepreneurs in unorganized sector in furnishing business have always posed a challenge to the Company. However, the Company has never compromised on quality and as the customer is becoming quality conscious the demand for products of the company is likely to increase. The in house Design Studio of the company is also contributing its might and gives an edge to our products to compete in the market.

**MANAGEMENT RISK**

The Company has sustained moderate growth in recent periods and has plans for rapid growth in the future. This will place significant demand on its managerial and other resources. Continued growth in a competitive environment increase the challenges involved in recruiting and retaining skilled personnel. Failure to manage this vital resource effectively could have an adverse effect on the company's business prospects. The Company is constantly reviewing its HR practices and incentives to maintain its talent pool for keeping their performance at optimum levels.

**CAUTIONARY STATEMENT**

Investors are cautioned that this discussion contains forward looking reasonable statements that involves risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, government policies, taxation laws, market conditions, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis must be read in conjunction with the Company's financial statements and notes on accounts.

## DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure to present the 18<sup>th</sup> Annual Report of the Company together with the audited accounts for the year ended on 31<sup>st</sup> March, 2008.

### FINANCIAL PERFORMANCE

|  | (Rs. in Lacs)                  |                                |
|--|--------------------------------|--------------------------------|
|  | Year ended<br>31st March, 2008 | Year ended<br>31st March, 2007 |
| Sales & Other Income                                   | 3,357.01                       | 2,955.48                       |
| Total Expenditure other than Interest and Depreciation | 3,115.63                       | 2,745.86                       |
| Interest & Finance Charges                             | 114.69                         | 78.00                          |
| Depreciation   | 61.20                          | 68.72                          |
| Profit Before Tax                                      | 65.49                          | 62.90                          |
| Provision for Tax                                      | 30.37                          | 50.42                          |
| Profit after Tax                                       | 35.12                          | 12.48                          |
| Add: Balance of Profit Brought Forward                 | 340.62                         | 312.38                         |
| Balance available for appropriation                    | 375.74                         | 324.86                         |
| Balance carried to Balance Sheet                       | 375.74                         | 324.86                         |

### DIVIDEND

In view of the need to conserve the resources and plough back the accruals to the Company's working, your Directors do not recommend dividend for the year 2007-08.

### BUSINESS OPERATIONS

Your Company's performance during the year under review has marginally improved and the sales has increased to Rs.3301.72 lacs from Rs.2933.79 lacs in the previous year i.e. by Rs. 367.93 lacs. The profit before-tax increased to Rs.65.49 lacs from Rs.62.90 Lacs in 2006-07 and Profit after Tax has increased to Rs.35.12 lacs from Rs. 12.48 lacs in the last year.

### ISSUE OF WARRANTS ON PREFERENTIAL BASIS

On 7<sup>th</sup> March, 2008, the Company issued 56,06,100 convertible warrants of Rs.14/- each aggregating to Rs.7,84,85,400/- on preferential basis against which application money @ Rs.1.40 per warrant has been received. The warrants will be converted into equal number of equity shares of Rs.10/- at premium of Rs.4/- each within 18 months from the date of issue.

### FINANCE

Interest and financing costs have increased from Rs.78.00 lacs to Rs.114.69 due to increase in Working capital Limits and Financial Charges / Interest on account of additional Vehicle Loans and Unsecured Loans taken by the Company.

### PUBLIC DEPOSITS

The Company has not accepted/ renewed any Public Deposits during the year ended 31<sup>st</sup> March, 2008.

### LISTING OF SECURITIES OF THE COMPANY

The Company's Equity Shares are listed at the Delhi, Mumbai, Ahmedabad and Madras Stock Exchanges. Listing fees for the financial year 2008-09 has been paid to the Stock Exchanges.

### DIRECTORS

Shri G.S. Harnal and Shri I.S. Wadhwa, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- ii. that the Directors 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 the year.
- iii. that proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities.
- iv. that the accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of business life and is committed to compliance with law, best management practices and adherence to ethical standards. Corporate Governance Report and Corporate Governance Compliance certificate are provided as separate Annexure to this Report.

## AUDITORS

M/s. K.L. Datta & Company, Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment at the conclusion of the forthcoming Annual general Meeting, are recommended for re-appointment. The Company has received confirmation from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1)(B) of the Companies Act, 1956.

## PARTICULARS OF EMPLOYEES

Information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is not applicable as none of the employees is in receipt of requisite amount of remuneration.

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

Information pursuant to provisions of Sub Section 1(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed to this Report.

## ACKNOWLEDGEMENTS

Your Directors place on record their thanks to customers for their continued patronage of the Company's products, support extended by the employees at all levels, suppliers, bankers and investors.

For and on behalf of the Board of Directors

Place: New Delhi  
Dated: 31<sup>st</sup> July, 2008

**INDERJEET S. WADHWA**  
Chairman

## ANNEXURE 'A' FORMING PART OF DIRECTORS' REPORT

Information as per Sec. 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2008.

### A. Conservation of energy:-

- |  |  |
|--|--|
| 1. Energy conservation measures Taken.   | The Company consumes energy for general lighting & air-conditioning at its offices, showrooms and godowns. As such there is little scope for improvement. However, efforts will be made to conserve and save energy wherever applicable. |
| 2. Additional investment and proposals, if any, being implemented for reduction of consumption of energy.                                    | Nil  |
| 3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods. | Nil  |
| 4. Total energy consumption and per unit of production.  | Since the Company is not a manufacturing company this information is not applicable.   |

### B. Technology Absorption

Efforts made in technology absorption as per Form B

### C. Foreign Exchange Earning and Outgo.

- |   |   |
|---|---|
| 1. Activities relating to market for products and services, and Export Plans. | The Company is continuing its efforts to earn foreign exchange. |
| 2. (a) Total foreign exchange used.   | Rs.158.66 lacs  |
| (b) Total foreign exchange earned.  | NIL   |

**FORM B****Disclosure of Particulars with respect to technology absorption research and Development (R&D):**

- |  |  |
|--|--|
| 1. Specific areas in which R&D Carried out by the Company. | Innovative fabrics designs and new products development.   |
| 2. Benefits derived as a result of the above R&D.          | Increase in acceptability of new designs.  |
| 3. Future Plan of action                                   | Continue to introduce latest fabrics designs and patterns based on domestic and international market feedback. |
| 4. Expenditure on R&D                                      |  |
| a. Capital   | NIL  |
| b. Recurring   | NIL  |
| c. Total   | NIL  |
| d. Total R&D expenditure as a percentage of total sales.   | NIL  |

**Technology absorption, adoption and innovation:**

- |   |                |
|---|----------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.  | NIL            |
| 2. Benefits derived as a result of efforts e.g. product improvement, cost reduction, product development, import substitution, etc.                           | NIL            |
| 3. In case of improved technology imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished. | Not Applicable |
| a. Technology imported  | N.A.           |
| b. Year of Import   | N.A.           |
| c. Has technology been fully absorbed.  | N.A.           |
| d. If not absorbed, areas Where this has to taken Place, reasons therefore and future plans of action   | N.A.           |

For and on behalf of the Board of Directors

Place: New Delhi  
Dated: 31<sup>st</sup> July, 2008

**INDERJEET S. WADHWA**  
Chairman



## ANNEXURE 'B' FORMING PART OF DIRECTORS' REPORT

**REPORT ON CORPORATE GOVERNANCE****1. PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company is committed to high standards of Corporate Governance & ethical business practices and will constantly strive to create sustained value for its customers, employees, shareholders and other stake holders.

**2. BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2008, the Board comprised of 5 (five) Directors, out of which 1 (one) is Executive Director and 4 (four) Non Executive Directors. Out of the 4 (four) Non executive Directors, 3 (three) Directors are Independent Directors. The composition of the Board during the year ended 31<sup>st</sup> March, 2008 and other directorships and committee memberships held by them are given below :

| Name S/Shri         | Category of Directorship    | No. of Directorship in other Public Ltd. Companies | No. of Chairmanships in Public Limited Companies | No. of Chairmanships/ Board Committee Memberships | Last AGM attended Yes/No | No. of Board Meetings attended |
|---------------------|-----------------------------|--|--|---|--------------------------|--------------------------------|
| Inderjeet S. Wadhwa | Chairman, Non Executive     | 1  | 2  | 5   | Yes                      | 6                              |
| Mandeep S. Wadhwa   | Executive                   | 1  | -  | 5   | No                       | 7                              |
| R.K. Gupta          | Non Executive & Independent | 2  | -  | 4   | Yes                      | 7                              |
| G.S. Harnal         | Non Executive & Independent | -  | -  | 2   | No                       | 6                              |
| L.N. Gupta          | Non Executive & Independent | -  | -  | 1   | No                       | 4                              |

**Board Meetings**

During the Financial year ended 31.03.2008, 7 (seven) Meetings of the Board of Directors were held on 29.05.2007, 26.06.2007, 30.07.2007, 30.10.2007, 05.01.2008, 31.01.2008 and 07.03.2008.

**BRIEF RESUME OF THE DIRECTORS BEING REAPPOINTED AT THE ENSUING ANNUAL GENERAL MEETING****(1) Shri G.S. Harnal**

|  |   |
|--|---|
| Date of Birth  | 27.05.1925  |
| Date of Appointment  | 31.10.1998  |
| Expertise in Specific Functional Area  | Finance, Management and Administration.                       |
| Directorships held in other Public Companies                                     | Nil   |
| Chairman / Member of the Committee of the Board of Directors of the Company      | Chairman, Audit Committee<br>Chairman, Remuneration Committee |
| Chairman / Member of the Committee of the Board of Directors of other companies. | Nil   |

**(2) Shri Inderjeet S. Wadhwa**

|  |  |
|--|--|
| Date of Birth  | 25.07.1960   |
| Date of Appointment  | 08.11.1993   |
| Expertise in Specific Functional Area  | Production, marketing, finance, management and administration.   |
| Directorships held in other Public Companies                                     | Chairman & Managing Director,<br>Seasons Textiles Limited  |
| Chairman / Member of the Committee of the Board of Directors of the Company      | Member, Audit Committee<br>Chairman, Investors Grievance Committee<br>Member, Share Transfer Committee |
| Chairman / Member of the Committee of the Board of Directors of other companies. | Seasons Textiles Ltd. :<br>Member, Investors Grievance Committee<br>Member, Share Transfer Committee   |

### 3. AUDIT COMMITTEE

As on 31st March, 2008, the Audit Committee of the Board comprised of 3 Non Executive Directors namely Shri G.S. Harnal, Chairman and Shri I.S. Wadhwa and Shri R.K. Gupta as members of the Committee.

The Terms of reference stipulated by the Board for the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

#### Audit Committee Meetings

| S.No. | Date of Meeting | Committee Strength | Members Present |
|-------|-----------------|--------------------|-----------------|
| 1.    | 26.06.2007      | 3                  | 3               |
| 2.    | 30.07.2007      | 3                  | 3               |
| 3.    | 30.10.2007      | 3                  | 3               |
| 4.    | 31.01.2008      | 3                  | 2               |

Statutory Auditors, Internal Auditors, Executives responsible for finance and accounts functions are permanent invitees to the Audit Committee Meetings.

### 4. INVESTORS GRIEVANCE COMMITTEE

Investors Grievance Committee comprises of Shri Inderjeet S. Wadhwa (non-executive Director) as its Chairman and Shri Mandeep S. Wadhwa, Managing Director. The Company attends to the Investor Grievances / correspondence expeditiously and usually reply is sent within 10 days of the receipt except in the cases that are constrained by dispute or legal impediment. During the year, four meetings of the Investors Grievance Committee were held on 26.06.2007, 30.07.2007, 30.10.2007 and 25.01.2008.

During the year, the Company received 6 (six) complaints which were replied to the satisfaction of the shareholders and no complaint was outstanding as on 31<sup>st</sup> March, 2008.

### 5. REMUNERATION COMMITTEE

The terms of reference of the Remuneration Committee have been set out in accordance with the requirement of the Companies Act, 1956. The remuneration policy is performance based and in consonance with the industry.

The Committee consists of 3 independent Directors namely Shri G. S. Harnal, Chairman and Shri R.K. Gupta and Shri L.N. Gupta as Members of the Committee.

During the year one meeting of the Remuneration Committee was held on 30.07.2007 which was attended by Shri G.S. Harnal, Chairman, Shri R.K. Gupta and Shri L.N. Gupta, Members of the Committee

#### Details of remuneration paid to the Directors for the financial year ended 31<sup>st</sup> March 2008 :

| Name of Director S/Shri | Salary    | Provident Fund & Other Funds | Sitting Fee paid | Figures in Rs. |
|-------------------------|-----------|------------------------------|------------------|----------------|
|                         |           |                              |                  | Total          |
| Mandeep S. Wadhwa       | 12,00,000 | 1,44,000                     | -                | 13,44,000      |
| G.S. Harnal             | -         | -                            | 40,000           | 40,000         |
| Inderjeet S. Wadhwa     | -         | -                            | 32,500           | 32,500         |
| R.K. Gupta              | -         | -                            | 45,000           | 45,000         |
| L.N. Gupta              | -         | -                            | 20,000           | 20,000         |

### 6. ANNUAL GENERAL MEETINGS

The details in respect of last three Annual General Meetings of the Company are given below :

| No. of AGM       | Date       | Venue   | Names of Directors Present S/Shri      | Details of Special Resolutions Passed   |
|------------------|------------|---|--|---|
| 17th             | 29.09.2007 | Multi Purpose Community Centre, Khera Khurd, Alipur, Delhi - 110082 | I.S. Wadhwa, R.K. Gupta                | <ul style="list-style-type: none"> <li>Reappointment of Shri M.S. Wadhwa, as M.D. of the Company.</li> <li>Alteration in Article 83 of the Articles of Association of the Company regarding remuneration/ Sitting Fee payable to Non- executive directors.</li> </ul> |
| 16 <sup>th</sup> | 29.09.2006 | Multi Purpose Community Centre, Khera Khurd, Alipur, Delhi - 110082 | I.S. Wadhwa, M.S. Wadhwa<br>R.K. Gupta | -   |
| 15 <sup>th</sup> | 30.09.2005 | Multi Purpose Community Centre, Khera Khurd, Alipur, Delhi - 110082 | I. S. Wadhwa, R.K. Gupta               | -   |