

17th
Annual Report
2002-2003



SEASONS[®]
TEXTILES LIMITED

Board of Directors

• **Inderjeet S. Wadhwa**
Chairman & Managing Director

• **Mandeep S. Wadhwa**
Director

• **R. K. Gupta**
Director

• **C. K. Tikku**
Director

• **Neelam Wadhwa**
Director

• **K. C. Mehra**
Director

• **P. K. Hari**
Director

Group Company Secretary
Rakesh Arora

Registered Office
25, Feroze Gandhi Road
Lajpat Nagar - III
New Delhi - 110 024

Corporate Office
Seasons House
B-18, Sector - 5, Noida (U.P.)

Manufacturing Plants
• A-29, Sector-5 Noida (U.P.)
• B-18, Sector-5, Noida (U.P.)
• A-27, Sector-5, Noida (U.P.)

E-mail
secretarial@seasonsworld.com

Bankers
Canara Bank
Parliament Street
New Delhi - 110 001

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 - 110 015

Share Transfer Agent
Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar - II
New Delhi - 110 024
Ph. : 26833777, 26847136

Stock Exchange Listing
• The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002

• The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

• The Stock Exchange, Ahmedabad
Kamdhenu Complex Rajendra Pole,
Ahmedabad - 380 015

• The Calcutta Stock Exchange Association Ltd.
7, Lyons Range,
Calcutta - 700 001

Notice

NOTICE is hereby given that the 17th Annual General Meeting of the Members of SEASONS TEXTILES LIMITED will be held on Tuesday, the 30th day of September, 2003 at Multi Purpose Community Centre, Khara Khurd, Alipur Block, Delhi - 110 082 at 1130 hrs. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt. Neelam Wadhwa who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Kailash Chandra Mehra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT M/s. K.L. Datta & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period.

SPECIAL BUSINESS

5. To consider and, if thought, to pass the following Resolution, with or without modification, as a **SPECIAL RESOLUTION**:

RESOLVED THAT subject to the provisions of the Securities Contract (Regulation) Act, 1956, Listing Agreements with the Stock Exchanges and the Guidelines/Rules of Securities and Exchange Board of India and all other applicable laws, rules, regulations and guidelines and subject to such approvals and sanctions as may be required, the Board of Directors (hereinafter referred to as the "Board" which term shall include a Committee of Directors) be and is hereby authorised to de-list the Equity Shares of the Company from the Stock Exchanges of Delhi, Ahmedabad and Calcutta at one time or from time to time.

FURTHER THAT for the purpose of giving effect to any of the foregoing, the Board be and is hereby authorised to do all such acts, deeds and things as it may consider necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.

6. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **ORDINARY RESOLUTION**:

RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 293 (1) (e) and other applicable provisions, if any, of the Companies Act, 1956 to charging by the Board of Directors of the Company of all the movable properties of the Company (except for equipment purchased under hire purchase) wheresoever situated, present and future, and the whole of the undertaking of the Company and/or to giving the power to takeover the management of the business and concern of the Company in certain events (whether such power is contained in the documents creating the charge or otherwise) to or in favour of Industrial Development Bank of India (IDBI) to secure its line of credit not exceeding of Rs. 250 lakh (Rupees two hundred fifty lakh only) lent and advanced/agreed to be lent and advanced by Industrial Development Bank of India (IDBI) to the Company together with interest thereon, compound interest, additional interest, liquidated damages, premia on pre-payment or on redemption, costs, charges, expenses, and other monies payable by the Company in respect of the aforesaid term loan.

FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with Industrial Development Bank of India (IDBI) the documents for creating the aforesaid charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

By order of Board

RAKESH ARORA

Group Company Secretary

Place : New Delhi
Dated : 30th July, 2003

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 Books of the Company will remain closed from Saturday, the 27th September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive).

3. The Company has transferred the unclaimed dividends to the General Revenue Account/Investor Education and Protection Fund of the Central Government as required under section 205A and 205C of the Companies Act, 1956.
4. The Company has appointed M/s Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar - II, New Delhi - 110 024 as its Registrars and Share Transfer Agent for physical shares as well as depository interface with NSDL and CDSL.
5. Members are requested to intimate to the Company queries, if any, regarding these Accounts/Notice at least 7 days before the meeting to enable the management to keep the information ready at the meeting.
6. Members are requested to bring their copies of the Annual Report to the meeting and the Attendance Slip duly filled-in for attending the meeting.
7. Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form 2B in their own interest. Members holding shares in dematerialised form may contact their respective depository for recording the nomination.
8. The relative explanatory statement pursuant to section 173 of the Companies Act, 1956 is given below and forms part of the Notice.
9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office on all working days except Saturdays, Sundays, Mondays and holidays between 11 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
10. Members who hold shares in Dematerialised form are requested to bring their client ID and DP ID Nos. for easy identification of attendance at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 5

Equity shares of your Company are presently listed with The Delhi Stock Exchange Association Limited (the Regional Stock Exchange), The Stock Exchange, Mumbai, The Stock Exchange Ahmedabad and Calcutta Stock Exchange Association Limited. It has been observed that there is no trading of shares of your Company on Stock Exchanges at Delhi, Ahmedabad and Calcutta for quite some time.

With the extensive networking of The Stock Exchange, Mumbai (BSE) to other cities as well, investors have access to online dealings in the Company's securities across the country. The shares of the Company are mainly traded on The Stock Exchange, Mumbai (BSE).

In view of poor trading and to control the costs, the Company has proposed this resolution, which will enable it to de-list its Equity shares from The Stock Exchange, Delhi, Ahmedabad, Calcutta Stock Exchange Association Limited at an appropriate time in the future.

The Company will separately give Special notice of the proposed enabling resolution for the said delisting in one Regional Newspaper and one English Newspaper at Delhi, Ahmedabad and Calcutta, as and when the same takes place, and the delisting will not adversely affect the investors. The Company's securities will continue to be listed on The Stock Exchange Mumbai (BSE). The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the Special Resolution for the approval of the members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

Item 6

As per provision of section 293 (1) (a) of the Companies Act, 1956 the Board of Directors of the Company shall not except with the consent of the members in general meeting shall, lease or otherwise expose off the whole or substantially the whole of the undertaking(s) of the Company.

The Company has passed the resolutions under section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956 in the earlier Annual General Meeting. However as per the requirement of Industrial Development Bank of India these resolutions are required to be approved by the members for the additional term loan of Rs. 250 lacs sanctioned.

Your Directors recommend the Ordinary Resolution for the approval of the members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

By order of Board

RAKESH ARORA

Group Company Secretary

Place : New Delhi
Dated : 30th July, 2003

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 17th Annual Report of your Company together with the audited accounts for the year ended on 31st March, 2003.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	2002-2003	2001-2002
Gross Profit for the year	336.45	277.96
Less : Depreciation	99.62	90.10
Financial Overheads	149.95	111.95
Provision for Current Tax	6.84	5.81
Income tax for earlier year	—	0.15
		208.01
Net Profit	80.04	69.95
Provision for Deferred tax	43.11	24.68
Net Profit after Tax	36.93	45.27
Add : Surplus brought forward	529.55	509.28
Amount available for appropriation	566.48	554.55
General Reserve	25.00	25.00
Surplus carried forward	541.48	529.55
	566.48	554.55

REVIEW OF OPERATIONS

During the year under review, the Company achieved sales of Rs. 2826.74 lacs with an increase of Rs. 413.46 lacs as compared to the previous year and recording a growth of 17%. The profit-before-tax also increased to Rs. 86.88 lacs from Rs. 75.91 lacs.

EXPORTS

The Company recorded an impressive growth of 66% in export turnover as compared an increase from Rs. 909.26 lacs to Rs 1510.25 lacs This was possible mainly due to the concerted efforts in strategy for sales and marketing.

BUSINESS STRATEGY AND FUTURE PLANS

The Company will continue to consolidate the export market by offering new designs /colours / co-ordinates as per the international trends. The Company also plans to participate in the international exhibitions to promote the products. The Company will also expand /modernize its plant & machinery so as to offer value added products to its Customers.

RESEARCH AND DEVELOPMENT

Your Company will continue its efforts in providing value added products based on the in-house design team in line with the international design and colour trends.

DIVIDEND

After considering the profit and need to conserve the resources, your Directors regret their inability to recommend payment of any dividend for the year.

DIRECTORS

Shri Nanak Singh, Wholtime Director of the Company passed-away in February, 2003. The Board deeply mourns the demise and places its sincere appreciation for the hard work in building the 'Seasons' brand.

Shri K. C. Mehra and Smt. Neelam Wadhwa retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, your directors confirm as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- that proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- that the accounts have been prepared on a going concern basis.

AUDITORS AND AUDITOR'S REPORT

M/s. K. L. Datta & Company, Chartered Accountants, the Company's Auditors will retire at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished the requisite certificate under section 224 (1B) of the Companies Act, 1956.

The observations contained in the Auditors report are self explanatory and, therefore, no comments are called for separately.

LISTING ARRANGEMENTS

The Companies securities are listed at the Delhi, Mumbai, Ahmedabad and Calcutta Stock Exchanges. Further, the listing fees for all the above Stock exchanges have been paid for financial year 2003-2004.

CORPORATE GOVERNANCE

As required by clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance forms part of the Annual Report.

COST AUDIT

The reports of M/s J. K. Kabra & Company, Cost Accountants in respect of the audit of the cost accounts of the Company for the year ended 31st March, 2003 will be submitted by them directly to the Central Government.

FIXED DEPOSITS

The Company has not accepted/renewed any Fixed Deposits during the year ended 31st March, 2003.

ADDITIONAL INFORMATION

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.

Annexure 'A' to this report gives the information in respect of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo required under section 217(1) (e) of Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of

Directors) Rules, 1988 and forms part of the Director's Report.

INDUSTRIAL RELATIONS

Your Directors gladly report that the Industrial Relations during the year under review remained cordial.

ACKNOWLEDGEMENT

Your Directors place on records their appreciation for the overwhelming co-operation and assistances received from Bankers, to the Company, Industrial Development Bank of India, Customers and members during the period under review.

By order of the Board

INDERJEET S. WADHWA
Chairman & Managing Director

Place : New Delhi

Dated : 30th July, 2003

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 31st March, 2003.

A. Conservation of energy :-

- Energy conservation measures taken. The Company has installed Energy efficient shuttleless looms imported from M/s Somet S.P.A. Italy and as such there is little scope for improvement. However, efforts will be made to conserve and save energy wherever applicable.
 - Additional investment and proposals, if any, being implemented for reduction of consumption of energy. Nil
 - 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
 - Total energy consumption and per unit of production As per Form A
- #### B. Technology Absorption
- Efforts made in technology absorption as per Form B
- #### C. Foreign Exchange Earning and Outgo.
- Activities relating to market for products and services, and export Plans. The company is continuing Exports initiatives to enter new markets in order to increase exports.
 - (a) Total foreign exchange used. Rs. 113.39 lacs on account of Revenue expenditure and Rs. 10.25 lacs on imports.
(b) Total foreign exchange earned. Rs. 1510.25 Lacs

FORM A

Disclosure of particulars with respect to conservation of energy.

A. POWER & FUEL CONSUMPTION

	Current Year	Previous Year
(a) Purchased		
Unit	1024755	898560
Total Amount (Rs. Lacs)	46.85	46.27
Rate/Unit	4.57	5.15
(b) Own Generation		
Through Diesel Generator	193437	192142
Unit	3	3
Unit per Ltr. Of diesel Oil Costs/Unit (Rs.)	6.14	5.68

FORM B

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

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

Technology absorption, adaption And innovation :

- Efforts, in brief, made Towards technology absorption, adaptation and innovation. No new technology has been imported.
- Benefits derived as a result of efforts e.g. product improvement, cost reduction, product development, import substitution, etc. NIL
- 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
 - Technology imported N.A.
 - Year of Import N.A.
 - Has technology been fully absorbed. N.A.
 - If not absorbed, areas Where this has to taken Place, reasons therefore and future plans of action N.A.