

18th  
Annual Report  
2003-2004



**SEASONS<sup>®</sup>**  
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**  
26, 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. : 29833777, 29847136

**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 18th Annual General Meeting of **SEASONS TEXTILES LIMITED** will be held on Thursday, the 30th day of September, 2004 at Multi Purpose Community Centre, Khera 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, 2004 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 Shri R K Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Mandeep S. Wadhwa, 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 applicable provisions of the Companies Act, 1956, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India (SEBI) Act, 1992 and the Rules framed thereunder, the Listing Agreements and all the other applicable laws, rules, regulations, notifications, clarifications and guidelines including the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and any amendments, modifications thereto as may in force from time to time, and subject to such other statutory and/or contractual approvals, permissions, consents and sanctions as may be required from any relevant authority, including the Stock Exchange where the Equity Shares of the Company are listed, and subject to any conditions and/or modifications as may be imposed and/or suggested by the relevant authorities while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee constituted / to be constituted by the Board for exercising the power conferred on the Board by this resolution), in the best interest of the Company, the consent of the Company be and is hereby accorded to the Board to seek voluntary delisting of equity shares from all or any of the following stock exchanges (s), where the equity shares of the Company are presently listed, considering the facts that the fees payable to these stock exchanges are disproportionate to the trading volumes thereat and exit opportunity is not required to be given in the terms of Clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 as the equity shares would continue to remain listed on The Stock Exchange, Mumbai which is having nation-wide trading terminal:

- (i) The Delhi Stock Exchange Association Limited ("DSE");
- (ii) The Stock Exchange, Ahmedabad ("ASE");
- (iii) The Calcutta Stock Exchange Association Limited ("CSE");

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all the necessary steps in regard to voluntary delisting of equity shares of the Company and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate in the best interest of the Company, to settle any question, query, doubt or difficulty that may arise in regard to voluntary delisting, and to execute/publish all such notice(s), applications, deeds, agreements, documents, papers, undertakings / bonds and writings as may be necessary or required for giving effect to this resolution.

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) (a) 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. 650 lakh (Rupees six hundred fifty lakh only) and Canara Bank for its working capital facilities amounting to Rs.926 lakhs (Rupees nine hundred twenty six lakhs only) lent and advanced/agreed to be lent and advanced by Industrial Development Bank of India (IDBI) and Canara Bank 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 RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to finalise with Industrial Development Bank of India (IDBI) and Canara Bank 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, 2004

### 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 Monday, the 27th September, 2004 to Thursday, the 30th September, 2004 (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. M/s Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar - II, New Delhi - 110 024 is the Registrar and Share Transfer Agent of the Company 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 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

The equity shares of the Company are presently listed on (i) The Delhi Stock Exchange Association Limited ("DSE"); (ii) The Stock Exchange, Mumbai ("BSE"); (iii) The Stock Exchange, Ahmedabad ("ASE") (iv) The Calcutta Stock Exchange ("CSE");

The shares of the Company are being regularly traded on the Mumbai Stock Exchange. The trading volumes in the other stock exchanges as listed above has been negligible as there has been a perceptible shift in trading from these stock exchanges to the Mumbai Stock Exchange, consequent to the electronic trading terminals introduced across the country by this stock exchange. Hence the shareholders in the region of the three stock exchanges, where the delisting is proposed, will not suffer due to the proposed delisting.

SEBI has issued guidelines on Delisting of Securities viz. The SEBI (Delisting of Securities) Guidelines, 2003 and in compliance with these guidelines, the Company proposes to pass a revised resolution.

It is, therefore, proposed to seek voluntary delisting of equity shares from all or any of the three stock exchanges, namely DSE, ASE, and CSE. The shares of the Company will continue to be listed on the Mumbai Stock Exchange.

Members approval is being accordingly sought by this resolution to enable voluntary delisting of the Company's Shares from the said Stock Exchanges as per the provisions of the SEBI Delisting Guidelines.

Your Directors, therefore, recommend resolution in Item No. 5 of the accompanying notice for approval.

The Directors holding equity shares of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholding in the Company.

#### 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 resolution under section 293 (1) (a) of the Companies Act in the Annual General Meeting. However as per the requirement of Industrial Development Bank of India this resolution is required to be approved by the members as per their format.

Your directors recommended the Ordinary Resolution for the approval of the members.

None of the Directors in 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, 2004

## DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of your Company together with the audited accounts for the year ended on 31<sup>st</sup> March, 2004.

### FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	2003-2004	2002-2003
Gross Profit for the year	339.66	336.45
Less : Depreciation	103.78	99.62
Financial Overheads	132.22	149.95
Provision for Current Tax	7.68	6.84
Income tax for earlier year	3.84	0
Net Profit	92.14	80.04
Provision for Deferred tax	22.26	43.11
Net Profit after Tax	73.36	36.93
Add : Surplus brought forward	541.48	529.55
Amount available for appropriation	614.84	566.48
General Reserve	25.00	25.00
Surplus carried forward	589.84	541.48
	614.84	566.48

cost accounts of the Company for the year ended 31<sup>st</sup> March, 2004 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 31<sup>st</sup> March, 2004.

### 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 assistance 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, 2004

### MANAGEMENT DISCUSSION AND ANALYSIS

The year under review witnessed improved exports and also implementation of project for installation of an additional capacity of 2,40,000 meters p.a. with the financial assistance of IDBI. The project is expected to go on stream in July, 2004. The sales remained at the same level as that of last year, primarily due to non-availability of production capacities. However, with improved operations, the Net Profit after tax increased to Rs. 73.63 Lacs from Rs. 36.93 Lacs. The Company has once again during the year end 31<sup>st</sup> March, 2004 increased its Exports to Rs. 1888 Lacs as against Rs. 1510 Lacs in the previous year representing an increase of 25%. Further, the export of furnishing fabrics accounted for 67% of the sales and this will be further increased in the coming years.

Quality and Designing is built into the furnishing fabrics on the latest automatic shuttleless looms. There is a continuous product development through designing, mix and match of colours and different kinds of yarns. The Company regularly participates in the international fairs and exhibitions to showcase its design and trends capabilities to the international market. The Company is also fully geared up to meet the post quota regime challenges in the coming years. We firmly believe that safe and healthy working conditions are necessary for production to maintain productivity and quality. Employees are our greatest asset and potential involvement, commitment and teamwork are integral to our objective of productive culture.

There are no typical areas of risks outside the usual course of business foreseeable at the time. Internal control systems have been found to be adequate and are continuously improved. The implementation of ERP will further improve the internal controls and information flow across all the levels.

### RESEARCH AND DEVELOPMENT

Your Company continued its efforts in providing value added products.

### 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 R K Gupta and Shri Mandeep S. 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;
- that proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act; 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 the financial year 2004-2005.

### CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of 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

### 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, 2004.

#### 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.  
Nil
- Additional investment and proposals, if any, being implemented for reduction of consumption of energy.
- 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 export initiatives taken to increase export development of new export market for products and services, and Export Plans. The Company is continuing Exports initiatives taken to enter new developed to increase export development of new export of the same is encouraging.
- (a) Total foreign exchange used. Rs. 116.33 Lacs on account of Revenue Expenditure  
(b) Total foreign exchange earned. Rs. 1887.95 Lacs

### FORM A

Disclosure of particulars with respect to conservation of energy.

#### A. POWER & FUEL CONSUMPTION

(a) Purchased	Current Year	Previous Year
Unit	832583	1024755
Total Amount (Rs. Lacs)	43.06	46.85
Rate/Unit	5.17	4.57
(b) Own Generation		
Through Diesel Generator	176121	193437
Unit	3	3
Unit per Ltr. of diesel Oil Costs/Unit (Rs.)	6.61	6.14

### 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