

20th Annual Report 2005-06

ort  junction.com



SEASONS[®]
TEXTILES LIMITED



Board of Directors

Inderjeet S. Wadhwa
C. K. Tikku
K. C. Mehra
P. K. Hari
Mandeep S. Wadhwa
R. K. Gupta

Chairman & Managing Director
Director
Director
Director
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 Asso. Ltd.
- Bombay Stock Exchange Ltd.
- The Stock Exchange, Ahmedabad
- The Calcutta Stock Exchange Asso. Ltd.

Seasons will constantly strive to retain its leadership position in the furnishing fabrics business through constant innovation.

Mr. Inderjeet Singh Wadhwa
Chairman & Managing Director



Notice

NOTICE is hereby given that the TWENTIETH Annual General Meeting of the members of SEASONS TEXTILES LIMITED will be held on Friday, September 29, 2006 at Multi Purpose Community Centre, Khera Khurd, Alipur, Delhi - 110 082 at 1130 hrs. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2006, the Balance Sheet as at that date, the Auditors Report thereon and the Directors Report along with Management Discussion and Analysis Report and Statement of Corporate Governance.
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 K. C. Mehra, 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 till the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. K L Datta & Company, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution 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 Ltd. (IDBI) to secure its line of credit not exceeding Rs.375 lakhs (Rupees three hundred seventy five lakh only) lent and advanced/ agreed to be lent and advanced by of Industrial Development Bank of India Ltd. (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 Ltd. (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

Place : Noida
Dated : 28th June, 2006

RAKESH ARORA
Group Company Secretary

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 Friday, the 22nd September, 2006 to Friday, the 29th September, 2006 (both days inclusive).
3. 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.
4. 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.
5. 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.
6. The Explanatory statement pursuant to section 173 of the Companies Act, 1956 is given below and forms part of the Notice.
7. 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 and holidays between 11 A.M. and 1.00 P.M. upto the date of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item 5**

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 dispose 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) and 293 (1) (d) of the Companies Act, 1956 in the earlier Annual General Meetings in respect of loans sanctioned by Industrial Development Bank of India Ltd. Further, in respect of a new loan as per the requirement of Industrial Development Bank of India Ltd. this resolution is required to be approved by the Members for the additional term loan of Rs. 375 lacs sanctioned.

Your Directors recommend 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

Place : Noida
 Dated : 28th June, 2006

RAKESH ARORA
Group Company Secretary

Directors Report

To the Members,

The Directors of your Company have pleasure in presenting the TWENTIETH Annual Report together with the audited accounts for the year ended on 31st March, 2006.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

	2005-2006	2004-2005
Total Income	3092.26	2872.56
Total Expenditure other than Interest and Depreciation	2685.35	2495.89
Profit Before Interest, Depreciation & Tax	406.91	376.67
Depreciation	135.51	127.05
Profit before Interest in Tax	271.40	249.62
Financial Charges	125.88	136.18
Profit before Tax	145.52	113.44
Provision for Tax- Current	12.24	8.90
Provision for fringe Benefit tax	6.01	
Provision for Deferred	21.81	30.42
Profit after Tax	105.45	74.12
Surplus brought forward	638.97	589.84
Amount available for appropriation	744.42	663.96

REVIEW OF OPERATIONS

Your Company's performance during the year under review has improved and the sales has increased to Rs. 3045.52 Lacs from Rs. 2843.16 Lacs in the previous year i.e. up by Rs. 202.36 lacs. The profit-before-tax has increased to Rs. 145.52 Lacs from Rs. 113.44 Lacs before considering the provisions for tax.

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review witnessed higher exports inspite of the implementation of modernisation project for installation of new plant and machinery and the project is expected to start commercial production in July, 2006. The sales marginally increased as compared to that of last year and with improved operations, the Net Profit after tax increased to Rs. 105.45 Lacs from Rs. 74.12 Lacs

The Company has once again during the year increased its Exports to Rs. 1389.01 lacs as against Rs. 1161.78 Lacs in the previous year representing as increase of 19.5%. Further, the export of furnishing fabrics accounted for 45.6% of the sales and this will be further increased in the coming years.

The Quality, Design, colour coordination based on international forecast and trends is woven 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 to weave premium fabrics. The Company is participating in the international fairs and exhibitions to showcase its design and manufacturing strengths to the international market.

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.

RESEARCH AND DEVELOPMENT

Your Company continued its efforts in providing value added textile products in coordinated designs, colours and 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.

PUBLIC DEPOSITS

The Company has not accepted/ renewed any Public Deposits during the year ended 31st March, 2006.

DIRECTORS

Shri R K Gupta and Shri K. C. Mehra retire by rotation and being eligible offer themselves for re-appointment.

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 2005-06 and 2006-07

AUDITORS

M/s. K.L. Datta & Company, Chartered Accountants, the Company 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.

M/s J. K. Kabra & Company, Cost Accountants have been appointed as Cost Auditors for the year 2005-06. They are required to submit the report directly to the Central Government.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) 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;
- b) that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made 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.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

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

CORPORATE GOVERNANCE

As required by the existing clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the Report on Corporate Governance.

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 Directors Report.

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

Place : Noida

Dated : 28th June, 2006

Inderjeet S. Wadhwa

Chairman & Managing Director

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, 2006.

A. Conservation of energy:-	
1. Energy conservation measures Taken.	The Company has installed Energy efficient imported shuttleless looms and 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 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.	As per Form A
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 Exports initiatives to develop new markets
2. (a) Total foreign exchange used	Rs. 331.60
(b) Total foreign exchange earned	Rs. 1389.01

FORM A

Disclosure of particulars with respect to conservation of energy.

A. POWER & FUEL CONSUMPTION

	Current Year	Previous Year
(a) Purchased		
Unit	1373871	1070496
Total Amount (Rs. Lacs)	60.15	51.71
Rate/Unit	4.38	4.83
(b) Own Generation		
Through Diesel Generator	186477	184545
Unit	3	3
Unit per Ltr. of diesel Oil Costs/Unit (Rs.)	10.03	6.61

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 designs and patterns based on domestic and international market feedback.	Continue to introduce latest fabrics
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, adaption and innovation:

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	
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.

R

eport on Corporate Governance

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors and the Management of the Company commit themselves to:

- To achieve the leadership position in our field
- To adhere for prudent corporate practices
- To adhere to conservative financial management policy

2. BOARD OF DIRECTORS

(i) Composition : The Board of Directors of the Company as on 31st March, 2006 consisted of:

S.No	Name of Director	Designation	Position
1	Shri Inderjeet S. Wadhwa	Chairman & Managing Director	Promoter-Executive
2	Shri C.K Tikku	Director	Independent-Non Executive
3	Shri K.C Mehra	Director	Independent-Non Executive
4	Shri R.K Gupta	Director	Independent-Non Executive
5	Shri Mandeep S. Wadhwa	Director	Promoter-Non Executive
6	Dr. P.K Hari	Director	Independent-Non Executive

(ii) Attendance at the meeting of the Board of Directors during the year and last Annual General Meeting and details of membership of Directors in Board Committees

- Seven meetings of the Board were held during the financial year - 21st April, 2005, 4th June, 2005, 30th June, 2005, 22nd July 2005, 13th October, 2005, 26th October, 2005, 28th January, 2006.
- The last Annual General Meeting was held on 30th September, 2005.

Name of the Director	No. of Board Meetings attended	Sitting Fees Paid Rs.	Whether attended AGM held on 30th Sept. 2005	Other Board Committees	
				Chairman	Member
Shri Inderjeet S. Wadhwa	7	—	Yes	1	2
Shri M.S Wadhwa	6	15000	Yes		1
Shri R.K Gupta	7	17500	Yes		2
Shri C.K Tikku	5	12500	No	1	4
Shri K.C Mehra	2	5000	No	1	2
Dr. P.K Hari	-	-	No		

(iii) Information regarding Directors, pursuant to Clause 49 of the Listing Agreement.

- Shri K. C. Mehra, Director of the Company is retiring by rotation and being eligible has offered himself for reappointment. Shri K. C. Mehra is a retire banker and expert in the field of Financial and Accounts. He is on the Board of Nijjar Agro Foods Limited, Prakash Industries Limited and Bharti Teletel Limited.
- Shri R. K. Gupta, Director of the Company is retiring by rotation and being eligible has offered himself for reappointment. Shri R. K. Gupta has been associated with the Company since beginning and is an expert in the field of Project Finance. He is on the Board of Seasons Furnishing Limited and Advance Business Consultant Limited