

ANNUAL REPORT

2010-11

GENERAL INFORMATION

Board of Directors

Mr. Inderjeet Singh Wadhwa
Chairman & Managing Director

Mr. Mandeep Singh Wadhwa
Non Executive Director

Mr. Rajendra Kumar Gupta
Non Executive Independent Director

Mr. Kailash Chandra Mehra
Non Executive Independent Director

Mr. Chand Krishna Tikku
Non Executive Independent Director

Dr. Bijoya Kumar Behera
Non Executive Independent Director

Dr. Pramod Kumar Hari
Non Executive Independent Director

Registered Office

D - 29, Defence Colony (Ground Floor)
New Delhi - 110024

Manufacturing Plants

A-29, Sector-5, Noida-201301, UP
Plot No. 466-67,
HSIIDC Industrial Estate,
Barhi Sonapat (Haryana)

Registrar & Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D – 153A, First Floor,
Okhla Industrial Area, Phase - I,
New Delhi - 110065
Tel: 011-26812682, 83, 84
Fax: 011-26292681
E-mail: admin@skylinerta.com

Committees of the Board

Audit Committee

Mr. Kailash Chandra Mehra (Chairman)
Mr. Mandeep Singh Wadhwa
Mr. Rajendra Kumar Gupta
Mr. Chand Krishna Tikku

Remuneration Committee

Mr. Kailash Chandra Mehra (Chairman)
Mr. Rajendra Kumar Gupta
Mr. Chand Krishna Tikku

Investors Grievance Committee

Mr. Mandeep Singh Wadhwa (Chairman)
Mr. Inderjeet Singh Wadhwa

Company Secretary & Compliance Officer

Ms. Kavita Rani

Investors Help

cskavita@seasonsworld.com
Tel. No. (0120) 4690000
Fax No. (0120) 4351485

Corporate Office

Seasons House
B-18, Sector-5, Noida-201301, UP
Tel: 0120-4690000

Statutory Auditors

K. L. Datta & Company
Chartered Accountants
C - 121, Greater Kailash - I
New Delhi - 110048

Internal Auditors

Ashok Kantoor & Co.
Chartered Accountants
2659/2, Gurudwara Road,
Karol Bagh, New Delhi - 110005

Cost Auditors

M/s J. K. Kabra & Company,
Cost Accountants,
552/1B, Arjun Street,
Main Vishwas Road, Vishwas Nagar,
Delhi - 110032

Bankers

Canara Bank
Parliament Street, New Delhi - 110001

IDBI Bank Ltd.
Virendra Smriti
15/54-B, Civil Line, Kanpur - 208001

25th ANNUAL REPORT - 2010-11

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **SEASONS TEXTILES LIMITED** will be held at 11.00 AM on Friday, the 30th day of September, 2011 at Royal Vatika, Main Bus Stand, 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 on 31st March, 2011, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Dr. Pramod Kumar Hari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kailash Chandra Mehra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Anuj Garg & Co., Chartered Accountants, New Delhi, as Statutory Auditors of the Company in place of M/s K L Datta and Co., the retiring auditor of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

“RESOLVED THAT M/s Anuj Garg & Co. Chartered Accountants, New Delhi, be and are hereby appointed as the Auditors of the Company, in place of M/s K L Datta and Company, Chartered Accountants, Alwar Rajasthan, to hold the office of Auditors from the conclusion of this Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by the Board.”

By Order of the Board of Directors
For **Seasons Textiles Limited**

Place : **New Delhi**
Date : **12.08.2011**

(Kavita Rani)
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 of the meeting.
- 2) The Register of Members and Share Transfer Register of the Company will remain closed from 21st September, 2011 to 30th September, 2011 (both days inclusive).
- 3) A Member desirous of getting any information on the accounts or operations of the Company, is requested to forward his/her 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) Members holding shares in physical form, are requested to notify immediately any change in their address and Bank particulars 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.
- 5) In all correspondence with the Company, Members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
- 6) At the ensuing Annual General Meeting, Dr. Pramod Kumar Hari and Mr. Kailash Chandra Mehra retire by rotation and being eligible, offers themselves for re-appointment.
- 7) Members are requested to bring their copies of the Annual Report in the meeting and the Attendance Slip, duly filled-in and signed as per the specimen signature recorded with the Company / Depository Participant for attending the meeting.
- 8) 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 the attendance slip for attending the meeting.
- 9) The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing service of notice/documents including Annual Report by email to its members.

Those who are holding shares in demat form may register their email address to their respective Depository Participants.

Those holding shares in physical form may register their email address with Registrar & Share Transfer Agent Skyline Financial Services Private Limited or to the Company Secretary at cskavita@seasonsworld.com or corporate office of the Company.

EXPLANATORY STATEMENT

Item No. 4

As per the provision of the section 224 of the Companies Act, 1956 every company is required to appoint Statutory Auditor to hold office from the Conclusion of the Annual General Meeting upto the conclusion of the next Annual General Meeting.

M/s K. L. Datta and Company, Chartered Accountant, the retiring auditor of the Company has expressed their inability to continue as Statutory Auditor of the Company due to their professional over commitment and has tendered their resignation.

The Company has received a notice from member alongwith a draft Resolution u/s 224 of the Companies Act, 1956, proposing the name of M/s Anuj Garg & Co., Chartered Accountant, New Delhi, informing the signifying his intention for such appointment. In terms of the provision of section 225 of the Companies Act, 1956, the appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of Ordinary resolution.

The Company has already received a certificate from M/s Anuj Garg & Co., Chartered Accountant stating that their appointment, if made will be within the limits specified in section 224(1B) of Companies Act 1956.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 25th Annual Report along with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results for the year under review are summarized below for your perusal

(₹ in lacs)

PARTICULARS	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Total Income	3684.81	3584.17
Expenditure other than Interest and Depreciation	3047.28	2929.77
Interest and Finance charges	313.38	338.42
Depreciation	233.79	223.41
Profit before Tax	90.36	92.57
Provision for Tax	39.03	45.15
Profit after Tax	51.33	47.42
Surplus Brought forward	894.35	871.92
Amount available for appropriation	945.68	919.35
Amount transfer to general reserve	0	25.00
Surplus/(deficit) carried to Balance Sheet	945.68	894.35

REVIEW OF OPERATIONS

The gross revenue of the company during the year stands of ₹ 3684.81 Lacs as against ₹ 3584.17 Lacs in the previous year. The profit before tax during the year stands of ₹ 90.36 Lacs as against ₹ 92.57 Lacs. The profit after tax during the year has increased to ₹ 51.33 Lacs as against ₹ 47.42 Lacs.

No material changes have occurred since the date of the Balance sheet and this report, which has any adverse effect on the working of the company.

SECURED AND UNSECURED LOANS

During the year under review, your Company has both secured and unsecured Loan, aggregating to ₹ 2532.20 Lacs.

DIVIDEND

In order to Plough back profits for future requirements of the company, your Directors do not recommend any dividend for the year ended on March 31, 2011.

FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A of the companies Act 1956 and the Rules there under.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

CHANGE OF REGISTERED OFFICE

As approved by the Board of Directors of the Company, the Registered Office of the Company has been shifted from 61, Ring Road (Ground Floor), Lajpat Nagar – III, New Delhi – 110024 to D – 29, Defence Colony (Ground Floor), New Delhi – 110024.

LISTING PARTICULARS

The Equity Shares of the Company are listed on the Bombay Stock Exchange and Calcutta Stock Exchange. The company has paid the listing fees up to 2011-12.

DIRECTORS

Dr. Pramod Kumar Hari and Mr. Kailash Chandra Mehra who retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment and your Board of Directors recommend for the same.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the accounting and financial reporting requirements under section 217(2AA) of the Companies Act 1956, in respect of financial statements, your directors state and confirm:

- (i) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial Year and of the profit and loss account of the Company for that period.;
- (iii) That Proper and sufficient care had taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) That the annual accounts of the Company have been prepared on a going concern basis.

AUDITORS

The Company has received resignation from M/s K L Datta and Company, Chartered Accountants, Statutory Auditor of the Company, informing that due to their professional over commitment, they are not able to continue as Statutory Auditor of the Company.

The Company also received a notice from a member alongwith a draft Resolution u/s 224 of the Companies Act, 1956, proposing the name of M/s Anuj Garg & Co., Chartered Accountant, New Delhi, informing and signifying his intention for such appointment.

The Company has already received a certificate from M/s Anuj Garg & Co., Chartered Accountant stating that their appointment, if made will be within the limits specified in section 224(1B) of Companies Act 1956.

The Board recommends appointing of M/s Anuj Garg & Co., Chartered Accountants, as the Statutory Auditors of the Company in place of M/s K L Datta and Company, Chartered Accountants to hold office of the Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

AUDITORS REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the year ended on March 31, 2011. There are no adverse qualifications in the audit report. The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

COST AUDITOR

Pursuant to the directions of the Central Government under the provisions of Section 233B of the Company's Act, 1956 and subject to the approval of the Central Government, M/s J. K. Kabra & Company, Cost Accountants, has been appointed as Cost Auditors to conduct cost audit relating to the products manufactured by your Company.

PARTICULARS OF EMPLOYEES

None of the employees of the Company has drawn remuneration exceeding the limits laid down under the provisions of section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

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

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this report. (Annexure "A")

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS

Your Company follows principles of effective Corporate Governance. The endeavor of your Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay a strong emphasis on integrity transparency and overall accountability.

A separate Section on Management Discussion & Analysis and Corporate Governance is included in the Annual Report. A certificate from the Statutory Auditors of your Company regarding compliance with Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is also annexed to the report on Corporate Governance.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made your company successful in the business.

For and behalf of the Board of Directors
For **Seasons Textiles Limited**

Place : **New Delhi**
Date : **12.08.2011**

(**Inderjeet Singh Wadhwa**)
Chairman & Managing Director

ANNEXURE 'A' FORMING PART OF DIRECTORS REPORT

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the directors report.

A) Conservation of energy:-		
1. Energy conservation measures taken:	The Company has installed Energy efficient-automatic shuttle less looms (imported).However efforts are being made to conserve and save energy wherever required.	
2. Additional Investment and proposals, if any being implemented for reduction of consumption of energy:	N.A.	
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:	Continuously monitoring the energy consumed at processing plant at Barhi enabled the Company to set benchmarks for different machines which resulted in significant benefits in terms of lower cost of energy and other utilities.	
4. Total Energy consumption and per unit of Production:	As per Form A.	
B) Technology Absorption:-	As per Form B	
C) Foreign Exchange Earnings and Outgo:- The foreign exchange earning/outgo during the year are as under:	(₹/Lacs)	
Particulars	Current Year	Previous Year
Foreign Exchange Earnings:	1732.20	1507.23
Foreign Exchange Outgo:	81.99	167.68

Form A

Disclosure of particulars with respect to conservation of energy.

Power and Fuel Consumption:

Particulars	Year ended on 31.03.2011	Year ended on 31.03.2010
(a) Purchased		
Units	1645826	1327435
Total Amounts (Rs. In Lacs)	94.71	62.01
Rate/units(Rs.)	5.75	4.67
(b) Own Generation		
Through Diesel Generator (units)	112943	126256
Unit	3	3
Unit per ltr of diesel oil Costs/unit (Rs.)	11.98	10.65

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	NIL

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN TEXTILE INDUSTRY

The Textiles Industry in India enjoys a distinctive position due to the pivotal role it plays by way of contribution to- industrial output, employment generation (second largest after agriculture) and export earnings of the country. The industry is rich and varied, embracing the hand-spun and hand-woven sector at one end and the capital intensive, sophisticated mill sector at the other. Its association with the ancient culture and tradition of the country lends it a unique advantage in comparison with textiles industry of other countries, thus giving it an uncommon edge to cater to a vast variety of products and market segments both domestically, as well as, globally.

The industry currently contributes about 14 per cent to industrial production, 4 per cent to GDP, and 17 per cent to the country's export earnings, according to the Annual Report 2010-11 of the Ministry of Textiles. The industry accounts for nearly 12 per cent share of the country's total exports basket. It provides direct employment to more than 35 million people.

Market size

The Vision Statement for the textiles industry for the 11th Five Year Plan (2007-12) sees India securing a 7 per cent share in the global textiles trade by 2012. At current prices, the Indian textiles industry is valued at US\$ 55 billion, 64 per cent of which caters to domestic demand.

The export of textiles and clothing (T&C) aggregated to US\$ 22.42 billion in 2009-10. The Government fixed the target for 2010-11 at US\$ 25.48 billion. So far during the period April- September 2010, exports of T&C have been achieved at US\$ 11.26 billion.

Production

During February 2011, total cloth production rose by 5.8 per cent year-on-year (y-o-y). During April- February 2011 cloth production increased by 4.5 per cent y-o-y.

Export

Total textile exports during April-December 2010 registered an increase of 16.54 per cent in rupee terms at Rs 87,582.83 crore as against ₹ 75,149.98 crore during the corresponding period of the previous year, according to the latest data released by DGCI&S, Kolkata. The same were valued at US\$ 19,217.12 million as against US\$ 15,695.07 million during the corresponding period of the previous year, registering an increase of 22.44 per cent.

The share of textile exports in total exports was 11.29 per cent during April-December 2010 as against 12.34 per cent during April-December 2009.

Technical Textile Segment

The technical textiles segment is expected to grow by 11 per cent per annum till 2012-13 and is likely to grow at 6-8 per cent per annum till 2020 without any policy interventions. If the government intervenes by way of regulatory push, the growth of technical textiles industry can be estimated at 12-15 per cent per annum till 2020, according to Rita Menon, Secretary, Union Ministry of Textiles. She added that the technical textiles segment in India has the potential to attract investment and create additional employment opportunities in coming years. She further said that investments of US\$ 1.1 billion are expected by 2012 and employment is expected to increase to 1.2 million by 2012.

COMPANY OVERVIEW

Seasons Textiles Limited (STL) is a widely held flagship Company of Seasons Group having more than 10000 shareholders and presently its shares are listed on Bombay Stock Exchange and Calcutta Stock Exchange. STL has been promoted by Late Shri Nanak Singh Wadhwa, Shri Inderjeet Singh Wadhwa and Smt. Neelam Wadhwa, in the year 1986. The Company came with its Initial Public Offer in the year 1993. The Company is progressing well under the able leadership of Shri Inderjeet Singh Wadhwa, CMD of the Company, a recipient of Udyog Patra Award. During the fiscal 2010-11, the gross turnover of the Company was Rs. 3684.81 lacs. The employee strength of the Company is more than 180 people.

BUSINESS OVERVIEW

Production

STL is one of the Pioneer Company in India to manufacture furnishing fabrics in Organized Sector. At present the Company is engaged in manufacture of furnishing fabric, export and trading in furnishing fabric and made-ups. To ensure international quality standards the Company is using the latest technology. The Company's philosophy is to provide a safe, healthy and eco-friendly atmosphere conducive to men and machines.