

ANNUAL REPORT

2012-13

Seasons Textiles Limited

27th ANNUAL REPORT - 2012-13

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BOARD OF DIRECTORS

Mr. Inderjeet Singh Wadhwa
Chairman & Managing Director

Mr. Mandeep Singh Wadhwa
Non Executive Director

Mr. Kailash Chandra Mehra
Non Executive Independent Director

Dr. Pramod Kumar Hari
Non Executive Independent Director

Dr. Bijoya Kumar Behera
Non Executive Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

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

Registered Office

D-29, Defence Colony,
(Ground Floor),
New Delhi -110 024

Corporate Office

Seasons House
B-18, Sector-5,
Noida-201301 (U.P)
Tel: 0120-4690000

Manufacturing Plants

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 - 110020
Tel: 011-26812682, 83, 84
Fax: 011-26292681
E-mail: admin@skylinerta.com

Statutory Auditors

Anuj Garg & Co.
Chartered Accountants
Karog Bagh, New Delhi - 1100005

Cost Auditors

M/s J. K. Kabra & Company,
Cost Accountants,
Vishwas Nagar, Delhi - 110032

Internal Auditors

Ashok Kantoor & Co.
Chartered Accountants
Karog Bagh, New Delhi - 1100005

Bankers

Canara Bank
Parliament Street, New Delhi - 110001

IDBI Bank Ltd.

54, Ring Road, Lajpat Nagar-III,
New Delhi - 110024

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of SEASONS TEXTILES LIMITED will be held at 11.00 AM on Monday, the 30th day of September, 2013 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, 2013, 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 Statutory Auditors and to fix their remuneration and to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Anuj Garg & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions of Schedule XIII to the said Act, and further subject to the approval of the Central Government, if required, Mr. Inderjeet Singh Wadhwa, be and is hereby re-appointed as Managing Director of the Company and designated as Chairman and Managing Director (CMD), for a period of 3 years, with effect from 1st October, 2013 to 30th September, 2016 on the following terms:

1. Basic Salary: 2,00,000 - 25,000 - 2,50,000" per month
2. Perquisites
 - a) House Rent Allowance/Rent free unfurnished house accommodation up to a maximum of 50% of the salary per month.
 - b) Reimbursement of expenses incurred on Gas, Electricity and Water subject to a limit of 10% of Salary.
 - c) Reimbursement of Medical expenses - actual expenditure for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
 - d) Provision of Company's car, mobile phone and telephone at residence for use on Company's business but use of car for personal purposes and long distance personal calls on mobile phone/telephone will be charged.
 - e) Any other perquisites as may be decided by the Board and/or the Remuneration Committee.
3. Mr. Inderjeet Singh Wadhwa shall also be eligible to the following perquisites which shall not be included in computation of the ceiling on remuneration specified above:
 - a) Company's contribution towards Provident Fund, Superannuation or Annuity Fund to be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable as per the provisions of the Gratuity Act, 1972.
 - c) Encashment of Leave at the end of the tenure.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any year, Mr. Inderjeet Singh Wadhwa will be entitled to get the minimum remuneration as specified in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT the Board of Directors and/or the Remuneration Committee of the Board be and is hereby authorized to alter or vary from time to time the terms and conditions of the said appointment, in such manner as they may deem fit in the best interest of the Company, so as not to exceed the limits in that behalf contained in Schedule XIII to Companies Act, 1956, including any statutory modification/re-enactment thereof hereinafter."

By Order of the Board
for Seasons Textiles Limited.

Place : New Delhi
Date : 12.08.2013

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 23th September, 2013 to 30th September, 2013 (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.
Brief resume of Dr. Pramod Kumar Hari and Mr. Kailash Chandra Mehra, nature of his expertise in specific functional areas, names of the companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached as Annexure to this notice.
- 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 Initiate 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 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF SPECIAL BUSINESS FOR THE 27TH ANNUAL GENERAL MEETING TO BE HELD ON 30TH SEPTEMBER, 2013.

Item No. 5

Mr. Inderjeet Singh Wadhwa is retiring as Managing Director on 30th September, 2013 in terms of the special resolution passed by the members of the company in its annual general meeting held on 30th September, 2010.

In terms of the provisions of the Companies Act, 1956, and of listing agreement, re-appointment of Mr. Inderjeet Singh Wadhwa, as Managing Director requires approval of shareholders/members of the company, by way of special resolution.

Mr. Inderjeet Singh Wadhwa, Managing Director of the Company, initially was appointed as director of the company on 28th April, 1986 and is holding the office of Managing Director since 1st October, 1987. He is commerce graduate from Delhi University, and possesses rich experience of over 30 years in production, marketing, finance and administration. He has extensively travelled all over the globe and possesses rich experience in textile industry, and is having in-depth knowledge of domestic as well as export market conditions of the industry.

I. GENERAL INFORMATION			
1. Nature of industry	Manufacture of Furnishing Fabrics. Trading & Export of Furnishing Fabrics and made-ups.		
2. Date or expected date of commencement of commercial production	11th November, 1986		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4. Financial performance based on given indicators	Particulars	Year ended on 31.03.2013	Year ended on 31.03.2012
	EBITD	422.83	415.42
	PBT	64.33	76.29
	PAT	85.80	69.68
5. Export performance and net foreign exchange collaborations	Exports	2207.85	1889.78
	Net Foreign Exchange Earnings	2112.76	1783.55
6. Foreign investments or collaborators, if any.	No Foreign Collaboration or Investment		

II. INFORMATION ABOUT THE APPOINTEE	
1. Background details	As provided in explanatory statement above
2. Past remuneration	<p>Salary: ₹ 1,50,000 - 25,000 - 2,00,000 per month.</p> <p>House Rent Allowance/Rent free unfurnished house accommodation up to a maximum of 50% of the salary per month.</p> <p>Reimbursement of expenses incurred on Gas, Electricity and Water subject to a limit of 10% of Salary.</p> <p>Reimbursement of Medical expenses - actual expenditure for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.</p> <p>Provision of Company's car, mobile phone and telephone at residence for use on Company's business but use of car for personal purposes and long distance personal calls on mobile phone/telephone will be charged.</p> <p>Contribution towards Provident Fund, Superannuation or Annuity Fund to be made as per rules of the Company</p> <p>Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.</p> <p>Encashment of Leave at the end of the tenure.</p>
3. Recognition or awards	Recipient of "UDYOG PATRA" award of ITID institute, in 2005
4. Job profile and his suitability	Shri Inderjeet Singh Wadhwa possesses rich experience in Marketing, Finance, Production, Management and Administration. He has extensively travelled all over the globe and possess rich experience in furnishing textile industry and in-depth knowledge of Indian & global conditions in respect of this industry.
5. Remuneration proposed	As provided in resolution above
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration for the similar position in the Industry having regard to the size of the Companies and profile of persons is not less than the proposed remuneration of Shri Inderjeet Singh Wadhwa
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Except for holding position and drawing remuneration as Managing Director and as shareholder, he has no other pecuniary relationship with the Company. He is a relative of Shri Mandeep Singh Wadhwa (Director), Mrs. Neelam Wadhwa (Business Development Officer) and Shri Jasmer Singh Wadhwa (General Manager - Domestic sales) of the Company.
III. OTHER INFORMATION	
1. Reasons of loss or inadequate profits 2. Steps taken or proposed to be taken for improvement 3. Expected increase in productivity and profits in measurable terms.	<p>Low sales turnover due to global recession.</p> <p>The Company proposes to go for modernization -cum - expansion of its production activities. Besides, the Company has been constantly making efforts to improve quality and has been introducing new designs of furnishing fabrics.</p> <p>Leveraging on the vast experience of Shri Inderjeet Singh Wadhwa with respect to furnishing Textile Industry and Management of the Company, it is expected that the revenue and net profit will increase around 10% to 15% in the year 2013-2014.</p>
IV. DISCLOSURES :	
1. The shareholders of the company shall be informed of the remuneration package of the managerial person.	Details given in the Corporate Governance section of this Report
2. The following disclosures shall be mentioned in the Board of directors' report under the heading "Corporate Governance", if any, attached to the annual report: - i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors; ii. Details of fixed component and performance linked incentives along with the performance criteria; iii. Service contracts, notice period, severance fees; iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	<p>Details given in the Corporate Governance section of this Report</p> <p>Details given in the Corporate Governance section of this Report</p> <p>N.A.</p> <p>N.A.</p>

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 27th Annual Report along with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

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

Particulars	(Rs./Lacs)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Total Income	3606.68	3515.28
Expenditure other than Interest and Depreciation	2950.47	2864.35
Interest and Finance charges	358.50	339.13
Depreciation	233.38	235.51
Profit before Tax	64.33	76.29
Provision for Tax	(21.47)	6.61
Profit after Tax	85.80	69.68
Surplus Brought forward	1015.36	945.68
Amount available for appropriation	1101.16	1015.36
Surplus/(deficit) carried to Balance Sheet	1101.16	1015.36

REVIEW OF OPERATIONS

The gross revenue of the company during the year stands at Rs. 3606.68 Lacs as against Rs. 3515.28 Lacs in the previous year. The profit before tax during the year stands at Rs. 64.32 Lacs as against Rs. 76.29 Lacs. The profit after tax during the year has increased to Rs. 85.80 Lacs as against Rs. 69.68 Lacs in the previous year.

LONG TERM AND SHORT TERM BORROWINGS

During the year under review, your Company has both long term and short term borrowings, aggregating to Rs. 1739.17 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 March 31, 2013.

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.

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 2013-14. Company during the financial year 2012-13 issued 9,00,000 (Nine Lacs) new equity shares on preferential basis to the promoters. The fresh equity shares have also been listed on Bombay Stock Exchange.

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.

Mr. Chand Krishna Tikku, Non Executive Independent Director of the Company placed his resignation from the position of directorship of the Company w.e.f. 19.11.2012 due to his personal reasons. The Board appreciates the valuable contribution made by Mr. Chand Krishan Tikku during his tenure as Director of the Company.

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:

- That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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

M/s Anuj Garg & Co., Chartered Accountants, New Delhi, the retiring Auditors, hold office until the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received notice from them stating that if appointed, they are within the limits laid down under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the year ended on March 31, 2013. 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")**

CAPITAL RAISING/ PREFERENTIAL ALLOTMENT OF EQUITY SHARES TO PROMOTERS

In order to meet the fund requirement of the Company for its working capital the Company has allotted 9,00,000 (Nine Lacs Only) fresh equity shares of face value of Rs 10/- by way of preferential issue on 05.02.2013.

UTILIZATION OF PROCEEDS RECEIVED FROM PREFERENTIAL ALLOTMENT

The Company has raised Rs. 90,00,000/- (Rupees Ninety Lacs) from the allotment of 9,00,000 (Nine Lacs Only) fresh equity shares of face value of Rs 10/- by way of preferential issue on 05.02.2013.

The Company has utilized Rs. 90,00,000/- (Rupees Ninety Lacs) for the purpose of working Capital.

INFORMATION ON PUBLIC ANNOUNCEMENT MADE BY THE PROMOTERS OF THE COMPANY

Mr. Inderjeet Singh Wadhwa, Mrs. Neelam Wadhwa along with Person Acting in Concert namely Mr. Mandeep Singh Wadhwa and Mrs. Manjit Kaur Wadhwa, Mr. Sumer Singh Wadhwa, Inderjeet Singh Wadhwa (HUF) and M/s N.S Properties Pvt Ltd made Open Offer to the shareholders of Seasons Textiles Limited for acquisition of up to 19,47,478 Equity Shares of Rs. 10/- each representing 26% of the total paid-up equity share capital of Seasons Textiles Limited at a price of Rs. 11/- (Rupees Eleven only) per Equity Share.

The tendering period in the said Open Offer was open from 17.06.2013 to 28.06.2013 and a total amount of 12,19,158 shares constituting to 16.28 % of the total paid-up share capital of the Company were received from the shareholders.

Now after the completion of the Open offer process Promoters of the Company are holding 61.13% Shares as with the acquisition as given below:

	No of Shares	% of total Paid up Capital
Promoters Holding as on 31.03.2013	1833272	24.47
Acquisition through Share Purchase Agreement	1526550	20.38
Acquisition through Open Offer	1219158	16.27
Total	4578980	61.13

The entire amount payable to the shareholders who tendered their shares has been paid off and all necessary disclosure requirements relating to the open offer and acquisition of shares has been complied off.

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 Practicing Company Secretary 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 on behalf of the Board of Directors
for Seasons Textiles Limited.

Place : New Delhi
Date : 12th August, 2013

(Inderjeet Singh Wadhwa)
Chairman & Managing Director