

ANNUAL REPORT 2013-2014




SEASONS[®]
TEXTILES LIMITED



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 Plant

Plot No. 466-67,
HSIIDC Industrial Estate,
Barhi Sonapat (Haryana)

Finishing Unit

A-29, Sector-5, Noida - 201301 (UP)

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
Karol Bagh, New Delhi - 110005

Cost Auditors

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

Internal Auditors

Ashok Kantoor & Co.
Chartered Accountants
Karol Bagh, New Delhi - 110005

Bankers

Canara Bank
Parliament Street, New Delhi - 110001

IDBI Bank Ltd.

Indian Cross Society Building
1 Red Cross Road,
Post Bag No. 231, New Delhi - 110001

CONTENTS

• Director's Report.....	3
• Management Discussion and Analysis.....	7
• Corporate Governance Report.....	9
• Auditor's Report	17
• Balance Sheet	20
• Profit and Lost Account	21
• Cash Flow Statement	22
• Notes forming part of the Financial Statement	23

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 28th Annual Report along with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

Particulars	(Rs./Lacs)	
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Total Income	3607.76	3606.62
Expenditure other than Interest and Depreciation	2956.09	2942.12
Interest and Finance charges	348.23	366.79
Depreciation	235.47	233.38
Profit before Tax	67.97	64.33
Provision for Tax	8.34	(21.47)
Profit after Tax	59.63	85.80

REVIEW OF OPERATIONS

The gross revenue of the company during the year stands at Rs. 3607.76 Lacs as against Rs. 3606.62 Lacs in the previous year. The profit before tax during the year stands at Rs. 67.97 Lacs as against Rs. 64.33 Lacs. The profit after tax during the year is Rs 59.63 Lacs as against Rs. 85.80 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. 1629.78 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, 2014.

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.

DIRECTORS

Mr. Mandeep Singh Wadhwa 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.

The Board proposes to appoint the existing Independent Director, Mr. K. C. Mehra, Dr. B. K. Behera and Dr. P. K. Hari as Independent Director and renew their appointment for a period of Five year and hence they will not be liable to retire by rotation for this term of 5 years. The Company has also received declaration from them that they meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director etc are provided in Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the accounting and financial reporting requirements under section 134 (3) (c) and 134 (5) of the Companies Act 2013, in respect of financial statements, your directors state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 as the Statutory Auditors of the Company, to hold the office of Auditors from the conclusion of this Annual General Meeting to the conclusion of the 30th Annual General Meeting of the Company to be held in 2016 subject to the ratification by the members in every Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by the Board. The Company has received notice from them stating that if appointed, they are within the limits laid down under Section 141 (3) (g) of the Companies Act, 2013.

AUDITORS' REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the year ended on March 31, 2014. 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.

COST AUDITOR

Pursuant to the directions of the Central Government under the provisions of Section 148 of the Companies Act, 2013 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 134(3)(m) of the Companies Act, 2013, alongwith rules 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 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 : 11th August, 2014

(Inderjeet Singh Wadhwa)
Chairman & Managing Director

ANNEXURE 'A' FORMING PART OF DIRECTORS REPORT.

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rules 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.	
	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.	
	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:			
Particulars		Current Year	Previous Year
Foreign Exchange Earning:		2323.68	2207.85
Foreign Exchange Outgo:		150.82	95.09

Form A

Disclosure of particulars with respect to conservation of energy.		
Power and Fuel Consumption:		
Particulars	Year ended on 31.03.2014	Year ended on 31.03.2013
(a) Purchased		
Units	1014870	947647
Total Amounts (Rs. Lacs)	116.45	77.62
Rate/units (Rs.)	11.47	8.19
(b) Own Generation		
Through Diesel Generator (units)	39978	157586
Total Amounts (Rs. Lacs)	20.29	65.74
Unit per ltr of diesel oil Costs/unit(Rs.)	16.92	13.91

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

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 2013-14, the gross turnover of the Company was Rs. 3607.76 lacs. The employee strength of the Company is more than 160 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.

During the year the Company produced 1309795 Mtrs. of quality furnishing fabric against its installed capacity of 16,80,000 Mtrs. To be competitive, both in export and domestic markets, continuous improvement in productivity and quality and creation of new designs have always been considered as the focus areas.

Design

The Company has In House Design Studio with a talented team of designers who ensure that innovative designs are created to attract the customers keeping in mind the latest trends and customers taste.

The company is having a collection of more than 20,000 designs.

During the year the Company has developed about 300 Designs in its own Design Studio for its customers.

The Company has been regularly participating in international fairs and exhibitions which enable it to keep itself abreast with the latest global trends and to show case its designs and manufacturing strengths.

During the year Company participated in international fairs & exhibitions at '**PROPOSTE**' at COMO (Milan) Italy, '**MOOD**' at Brussels - Belgium and '**HEIMTEXTIL**' at Frankfurt - Germany.

Marketing and Exports

The Company has been exporting its products to US, Europe, Africa, Germany, Middle East - Dubai, Saudi Arabia and Asian Countries-Hongkong, Singapore, Philippines and Malaysia, Indonesia, Thailand. The Company has added 3 new customers at Australia, Dubai and UK.

THE KEY FINANCIAL DATA OF THE COMPANY FOR THE YEAR 2013-14 VIS-A-VIS 2012-13

Financials

(Rs./Lacs)

S.No	Particulars	As on 31.03.2014	As on 31.03.2013
1.	Authorised Equity Share Capital	1200.00	1200.00
2.	Paid Up Share Capital	749.03	749.03
3.	Reserves & Surplus	1541.04	1481.41
4.	Long Term Borrowings	637.60	769.99
5.	Deferred Tax Liability	456.26	460.78
6.	Fixed Assets	2416.16	2518.17
7.	Capital Work in progress	15.00	55.00
8.	Long Term Loans & Advances	31.11	31.11
9.	Deferred Revenue Expenditure	138.25	74.47
10.	Net Current Assets	783.41	782.47

Operational Results

Rs. / Lacs

S. No.	Particulars	As on 31.03.2014	As on 31.03.2013	Increase (%)	Decrease (%)
1.	Income from Operations	3599.59	3555.79	1.23	-
2.	Other Income	8.17	50.83	-	83.93
3.	Expenditure excluding Interest, Depreciation and Tax	2956.09	2942.12	0.47	-
4.	Earning before Interest, Depreciation & Tax	651.67	664.50	-	1.93
5.	Interest	348.23	366.79	-	5.06
6.	Depreciation	235.47	233.38	0.90	-
7.	Profit before Tax	67.97	64.33	5.67	-
8.	Tax Expenses	8.34	(21.47)	138.84	-
9.	Net Profit	59.63	85.80	-	30.50

ISSUES AND RISKS

1. Competition

As far as domestic market is concerned the unorganized sector in furnishing industry has always posed a challenge to the Company. However, the stringent quality control practices and in depth knowledge of home furnishing industry puts the company a step ahead from its competitors.

2. Foreign Currency Risk.

As the Company's sizeable turnover is contributed by exports and it deals in foreign currencies, any devaluation in INR as compared to USD may affect its Receivables.

3. Management Risk.

The Company ensures a well defined Risk Management Policy to identify major risks and their timely mitigation to protect the present and futures performance of the company. The risks are broadly classified as follows:

1. Market led business risk;
2. Financial risk;
3. Change of trends and designs;
4. Technology Obsolescence risk;
5. Safety, Health & Environment risk;
6. Regulatory issues impacting the industry.

The Company has sustained moderate growth in recent periods and plans for rapid growth in the future. This will place significant demand on its managerial and other resources. Continued growth in a competitive environment increased the challenges involved in recruiting and retaining skilled personnel. Failure to manage this vital resource effectively could have an adverse effect on the Company's business prospects. The Company is constantly reviewing its HR practices and incentives to maintain its talent pool for keeping their performance at optimum levels.

Any change in government policies with respect to exports may impact the working of the Company.

CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains forward looking reasonable statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, government policies, taxation laws, domestic as well as export market conditions, fluctuations in exchange rates, dependence on availability of qualified and trained manpower and other factors. The discussion and analysis must be read in conjunction with the Company's financial statements and notes on accounts.