

## 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

**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 -110 024

### Corporate Office

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

### Company Secretary & Compliance Officer

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

### 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

### Internal Auditors

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

### Cost Auditors

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

### Bankers

Canara Bank  
Parliament Street, New Delhi - 110001

### IDBI Bank Ltd.

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

### Manufacturing Plants

Plot No. 466-67,  
HSI IDC Industrial Estate,  
BarhiSonepat (Haryana)

## NOTICE

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **SEASONS TEXTILES LIMITED** will be held at 11.00 AM on Saturday, the 29<sup>th</sup> day of September, 2012 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 31<sup>st</sup> March, 2012, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Chand Krishna Tikku, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Bijoya Kumar Behra, 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 314 (1) and Director's Relatives (Office or Place of Profit) Rules, 2003 and subsequent amendment thereto and other applicable provisions of the Companies Act, 1956, the salary of Mr. Sumer Singh Wadhwa, Vice President (Marketing) of the Company has been revised, on the following terms:

Basic	Rs. 90,000/-
HRA	Rs. 45,000/-
PF	Rs. 10,800/-

Commission @1 % of turnover from exports to assigned territory subject to maximum of Rs. 12,00,000/- per annum.

**RESOLVED FURTHER THAT** the revision in the salary will be effective for a period of three years from 1st June, 2012 upto 31st May, 2015.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary from time to time the terms and conditions of the said remuneration, in such manner as they may deem fit in the best interest of the Company.

6. 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 314 (1) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 and subsequent amendment thereto and other applicable provisions of the Companies Act, 1956, the salary of Mrs. Neelam Wadhwa, Business Development Officer (Export) of the Company has been revised, on the following terms:

#### 1) Salary:

“1, 00,000 - 25,000 – 1, 50, 000 per month

#### 2) Perquisites:

- a) House Rent Allowance/Rent free house accommodation up to a maximum of 50% of the salary per month.
- b) 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.
- c) 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.
- d) Any other perquisites(s) as may be decided by the Board and/or the Remuneration Committee.

- 3) Mrs. Neelam 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 at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of Leave at the end of the tenure

**RESOLVED FURTHER THAT** the revision in the salary if approved by the shareholders will be effective for a period of three years from 1<sup>st</sup> June, 2012 upto 31<sup>st</sup> May, 2015.

7. To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as **Special Resolution**:  
**“RESOLVED THAT** pursuant to Section 314(1) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if

any, of the Companies Act, 1956 Mr. Jasmer Singh Wadhwa, a relative (son) of Mr. Inderjeet Singh Wadhwa, Chairman and Managing Director of the Company, be and is hereby appointed as General Manager (Domestic Sales) of the Company, to hold an office or place of profit with effect from 1<sup>st</sup> June, 2012 at a monthly remuneration not exceeding of Rs. 60,000/- (Rupees Sixty Thousand only)."

By Order of the Board  
for Seasons Textiles Limited.

Place : New Delhi  
Date : 14.08.2012

**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 20<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (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, Mr. Chand Krishna Tikku and Dr. Bijoya Kumar Behra 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. 5

Mr. Sumer Singh Wadhwa is a Bachelor of Business Administration in Marketing & Advertising from London College of Communication, London. He has got rich experience in the fields of developing and designing of different furnishing fabrics, coordination with manufacturers and the buyers, marketing and export. He is working as the Vice President (Marketing) of the Company since October 2010. He had been appointed with due compliance of section 314 of the Companies Act, 1956.

After the completion of one and half years of his sincere service in marketing, Mr. Sumer Singh Wadhwa is now assigned to handle independently marketing in Australia, Dubai, Asia and USA and expand the Company's Export business.

The board of Directors vide resolution dated 12th June, 2012 approved the revision in the salary structure of Mr. Sumer Singh Wadhwa making it incentive based. No other Directors except Mr. Inderjeet Singh Wadhwa and Mr. Mandeep Singh Wadhwa are concerned or interested in this resolution.

### Item No. 6

Mrs. Neelam Wadhwa, is working as the Business Development Officer (Export) of the Company since November 2011. She had been appointed with due compliance of section 314 (1) of the Companies Act, 1956.

The Board of Directors in its meeting held on 9th November, 2011 approved the appointment of Mrs. Neelam Wadhwa as Business Development Officer in Seasons Textiles Limited.

Considering her exceptionally outstanding efforts in looking after the Research & Development, Designing and Sampling, Company has decided to revise her salary structure and other terms and conditions of salary as given in the resolution and duly approved by the Board vide resolution dated 12<sup>th</sup> June, 2012.

No other Directors except Mr. Inderjeet Singh Wadhwa and Mr. Mandeep Singh Wadhwa are concerned or interested in this resolution.

**Item No. 7**

Mr. Jasmer Singh Wadhwa, Bachelor of Business Administration in Marketing from Institute for Integrated Learning in Management, New Delhi.

Initially he joined the Seasons group as a trainee for the period of one year from 01.04.2010 to 31.01.2011, thereafter he worked as Manager (Domestic Sales) in Seasons Furnishings Limited from 01.04.2011 to 31.12.2011. Subsequently he joined Seasons Textiles Limited as Executive Trainee w.e.f. 01.01.2012 without drawing any remuneration.

Considering his practical experience in both companies for more than 2 years and his dedicated efforts in looking after the Domestic Sales of the Company it is proposed to appoint Mr. Jasmer Singh Wadhwa as General Manager (Domestic Sales) of the Company at a gross monthly remuneration of Rs. 60,000/- as given in the resolution.

No other Directors except Mr. Inderjeet Singh Wadhwa and Mr. Mandeep Singh Wadhwa are concerned or interested in this resolution.

By Order of the Board  
for Seasons Textiles Limited.

Place : New Delhi  
Date : 14.08.2012

**Kavita Rani**  
Company Secretary

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 26<sup>th</sup> Annual Report along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

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

Particulars	(Rs./Lacs)	
	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
Total Income	3515.28	3684.81
Expenditure other than Interest and Depreciation	2864.34	3047.28
Interest and Finance charges	339.13	313.38
Depreciation	235.51	233.79
Profit before tax	76.29	90.36
Provision for tax	6.61	39.03
Profit after tax	69.68	51.33
Surplus Brought forward	945.68	894.35
Amount available for appropriation	1015.36	945.68
Surplus/(deficit ) carried to Balance sheet	1015.36	945.68

### REVIEW OF OPERATIONS

The gross revenue of the company during the year stands at Rs. 3515.28 Lacs as against Rs. 3684.81 Lacs in the previous year. The profit before tax during the year stands at Rs. 76.29 Lacs as against Rs. 90.36 Lacs. The profit after tax during the year has increased to Rs. 69.68 Lacs as against Rs. 51.33 Lacs in the previous year.

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.

### LONG TERM AND SHORT TERM BORROWINGS

During the year under review, your Company has both long term and short term borrowings, aggregating to Rs. 1960.74 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, 2012.

### 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 2012-13. The Company has initiated the process of delisting of equity shares of the Company from Calcutta Stock Exchange.

### DIRECTORS

Mr. Chand Krishna Tikku and Dr. Bijoya Kumar Behra 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. Rajendra Kumar Gupta, Non Executive Independent Director of the Company placed his resignation from the position of directorship of the Company w.e.f. 11.05.2012 due to his personal reasons. The Board appreciates the valuable contribution made by Mr. Rajendra Kumar Gupta 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:

- (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**

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, 2012. 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 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.

By Order of the Board  
for Seasons Textiles Limited.

(Inderjeet Singh Wadhwa)  
Chairman & Managing Director

Place : New Delhi  
Date : 14<sup>th</sup> August, 2012

## 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.

<b>A) Conservation of energy:-</b>		
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.	
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>B) Technology Absorption:-</b>		
As per Form B.		
<b>C) Foreign Exchange Earnings and Outgo:-</b>		
The foreign exchange earning/outgo during the year are as under:		<i>(Rs./Lacs)</i>
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Foreign Exchange Earning:	1889.78	1732.20
Foreign Exchange Outgo:	106.24	81.99

### Form A

<b>Disclosure of particulars with respect to conservation of energy.</b>		
Power and Fuel Consumption:		
<b>Particulars</b>	<b>Year ended on 31.03.2012</b>	<b>Year ended on 31.03.2011</b>
<b>(a) Purchased</b>		
Units	1440993	1645826
Total Amounts (Rs. Lacs)	82.22	94.71
Rate/units (Rs.)	5.71	5.75
<b>(b) Own Generation</b>		
Through Diesel Generator (units)	95698	112943
Units	3	3
Unit per ltr of diesel oil Costs/unit(Rs.)	13.08	11.98

### FORM B

<b>Disclosure of Particulars with respect to technology absorption research and Development (R&amp;D)</b>		
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	

<b>Technology absorption, adoption and innovation:</b>		
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

By Order of the Board  
for Seasons Textiles Limited.

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

Place : New Delhi  
Date : 14<sup>th</sup> August, 2012



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN TEXTILE INDUSTRY

Indian Textile Industry is one of the leading industries in the World, Though was predominantly unorganized industry even a few years back, but the scenario is changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much needed thrust to the Indian Textile Industry, which has now successfully become one of the Largest in the world.

The Indian Textile Industry contributes about 14 % to industrial production, 4% to country's gross domestic products (GDP) and 17 % to the country's export earning. The industry provides direct employments to over 35 million people and is the second largest provider of employment after agriculture.

India has the potential to increase its textiles & apparel share in the world trade from the current level of 4.5% to 8% & reach US Dollar 80 billion by 2020.

### 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 2011-12, the gross turnover of the Company was Rs. 3515.28 lacs. The employee strength of the Company is more than 145 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 11,67,150 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. During the year the Company has developed about 350 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.

### THE KEY FINANCIAL DATA OF THE COMPANY FOR THE YEAR 2011-12 VIS-A-VIS 2010-11

#### Financials

(Rs./Lacs)

S.No.	Particulars	As on 31.03.2012	As on 31.03.2011
1.	Authorised Equity Share Capital	1200.00	1200.00
2.	Paid Up Share Capital	659.03	659.03
3.	Reserves & Surplus	1395.61	1325.93
4.	Long Term Borrowings	897.34	1162.08
5.	Deferred Tax Liability	495.86	504.46
6.	Fixed Assets	2710.66	2911.95
7.	Capital Work in progress	55.00	168.06
8.	Long Term Loans & Advances	26.78	28.79
9.	Deferred Revenue Expenditure	22.60	0.00
10.	Net Current Assets	632.80	542.70

## Operational Results

Rs. / Lacs

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011	Increase (%)	Decrease (%)
1.	Income from Operations	3482.96	3647.98	–	4.52
2.	Other Income	32.32	36.83	–	12.25
3.	Expenditure excluding Interest, Depreciation and Tax	2864.35	3047.28	–	6.00
4.	Earning before Interest, Depreciation & Tax	650.93	637.53	2.10	–
5.	Interest	339.13	313.38	8.22	–
6.	Depreciation	235.51	233.79	0.74	–
7.	Profit before Tax	76.29	90.36	–	15.57
8.	Tax Expenses	6.61	39.03	–	83.06
9.	Net Profit	69.68	51.33	35.75	–

## 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.

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY

Core values are the beliefs and principles that an organization holds treasured. The core values are actually the basic ideology of the organization. They are not consciously created but are part of the fabric of the organization. Your Company is driven by its core values viz., ethical practices, concern for people at work, delight of customers and wealth creation for shareholders. It strives for better health of its employees, a clean environment for sustainable development.

Good Corporate Governance appears to be the most effective policy decision for any Corporate's Success. It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land. The Company complies with all the provisions of Clause 49 of the Listing Agreement. The Company's Philosophy on Corporate Governance reveals that Good Corporate Governance has many things in common like: Participatory decision-making, accountability, responsibility, effectiveness, transparency. We always believe that Corporate Governance is more a way of business life than a mere legal compulsion. It is the application of best management practices, Compliance of law in true letter and spirit and adherence to ethical standards for effective management discharge of social responsibilities for sustainable development of all stakeholders.

The Corporate Governance philosophy of our Company is based on the following principles:

- Satisfaction of the spirit of the law through ethical business conduct;
- Transparency and a high degree of disclosure levels;
- Truthful communication about how the company is running internally;
- A simple and transparent corporate structure driven solely by the business needs;
- Establishment of an efficient corporate structure for the management of the Company's affairs;
- Management is the trustee of the shareholders' capital and not the owner.
- This freedom of management should be exercised within a framework of effective accountability.

The report on matters relating to corporate governance in accordance with the provisions of the listing agreement is as follows:

The certificate from the practicing Company Secretary of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed to this report.

### BOARD OF DIRECTORS AND BOARD PROCEDURES

Seasons Textiles Limited believes that at the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

#### Board Composition

The chairman of the company is executive director. The Board comprises of more than half of total numbers of directors as independent and non executive directors which is in conformity with clause- 49 the Listing Agreement. The details of composition of the board of directors are as follows:

Name of Directors with Designation	No. of Board Meetings attended	Last AGM attended	Other Directorship/Committee membership/Chairmanship		
			Directorship	Committee membership	Committee chairmanship
Mr. Inderjeet Singh Wadhwa Chairman and Managing Director	4	Yes	2	1	1
Mr. Mandeep Singh Wadhwa Non Executive Director	4	Yes	4	1	—
Mr. Kailash Chandra Mehra Non Executive Independent Director	4	Yes	2	1	1
Mr. Chand Krishna Tikku Non Executive Independent Director	4	No	1	1	—
Dr. Pramod Kumar Hari Non Executive Independent Director	4	No	—	—	—
Dr. Bijoya Kumar Behera Non Executive Independent Director	4	No	1	—	1

**Notes:** Only Audit Committee and Shareholder's Grievance Committee are considered for the purpose of Committee positions as per listing agreement.

### Details of Board Meetings

During the year under review the Board of Directors met Four times as follows:-

- (i) 28<sup>th</sup> May, 2011, (ii) 12<sup>th</sup> August, 2011 (iii) 9<sup>th</sup> November, 2011 (iv) 9<sup>th</sup> February, 2012

**Information regarding Directors to be appointed/ re-appointed at ensuing Annual General Meeting pursuant to clause 49 of the Listing Agreement is as under**

Particulars	Name of Directors	
	Mr. Chand Krishna Tikku	Dr. Bijoya Kumar Behera
Date of Birth	23.04.1930	17.04.1959
Date of appointment	05.04.1993	31.07.2008
Expertise in specific areas	Finance and Taxation.	Textile Technology
Directorship in other Companies	Almondz Capital & Management Services Limited	Addi Industries Limited.
Committee Memberships/ Chairmanships in other companies	<b>Audit Committee:</b> Almondz Capital & Management Services Limited: Member	<b>Shareholder's Grievance Committee.</b> Addi Industries Limited: Chairman

**Notes:** Only Audit Committee and Shareholder's Grievance Committee are considered for the purpose of Committee positions as per listing agreement.

### BOARD PROCEDURES

It has always been the Company's policy and practices that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigations, feedback reports, information on senior level appointments just below the Board level and minutes of all committee meetings.

Your Company has Audit Committee, Remuneration Committee and Investors' Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for the Committee Members of various Committees and delegates these powers to the Committees. Recommendations of the Committees are submitted to the Board of Directors for approval.

The frequency and agenda of meetings of each of these Committees is determined by the Chairman of the Board/ Executive Director in consultation with the Chairman of the concerned Committee. These Committees meet as and when the need arises.

The information as required as per Clause 49 of the listing agreement are being made available to the Board as and when applicable.

### AUDIT COMMITTEE

Seasons Textiles Limited has a qualified and independent Audit Committee, with Mr. Kailash Chandra Mehra as the Chairman. Other members of the Committee are Mr. Mandeep Singh Wadhwa and Mr. Chand Krishna Tikku. The Company Secretary acts as the Secretary of the Committee.

The terms of reference stipulated by the Board to the Audit Committee are, inter alia, as contained in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 as follows:

- Oversight of company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and desirable.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit functions, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in the case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Review of information by Audit Committee

The Audit Committee shall mandatory review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### Composition

The constitution of the Audit committee is as follows:

S.No.	Name of Directors	Status	Category of Membership
1	Mr. Kailash Chandra Mehra	Chairman	Independent, Non-executive
2	Mr. Mandeep Singh Wadhwa	Member	Non-executive
3	Mr. Chand Krishna Tikku	Member	Independent, Non-executive

#### Details of Meetings

During the year, the Committee met 4 (Four) times on the following dates:

- (i) 28<sup>th</sup> May, 2011,                      (ii) 12<sup>th</sup> August, 2011                      (iii) 9<sup>th</sup> November, 2011                      (iv) 9<sup>th</sup> February, 2012

The gap between two meetings did not exceed four months.

S.No.	Members	Committee Meeting Held	Committee meeting attended
1.	Mr. Kailash Chandra Mehra	4	4
2.	Mr. Mandeep Singh Wadhwa	4	4
3.	Mr. Chand Krishna Tikku	4	4

#### INTERNAL AUDITORS

The Company has appointed Ashok Kantoor & Co. Chartered Accountants as internal auditors to review the internal control systems of the company and to report thereon. The reports of the Internal Auditors are reviewed by the Audit Committee.

#### REMUNERATION COMMITTEE

The company constituted remuneration committee with the requirement of the Companies Act, 1956. The Committee recommends payment of annual salaries, commission, service agreements and other employment conditions of the Executive Directors. The Committee fixes the remuneration after taking in consideration remuneration practices followed by companies of similar size and standing in the industry. The Committee periodically reviews and recommends suitable by revision in the remuneration package of Executive Directors to the Board.

The remuneration committee presently comprises of three directors as its members. All the members of the Committee are independent, non-executive and person of repute and have sound knowledge of management practices.

#### Composition

The constitution of the remuneration committee is as follows:

S.No.	Name of Directors	Status	Category of Membership
1	Mr. Kailash Chandra Mehra	Chairman	Independent, Non-executive
2	Mr. Pramod Kumar Hari	Member	Independent, Non-executive
3	Mr. Chand Krishna Tikku	Member	Independent, Non-executive

## REMUNERATION TO DIRECTORS

The Detailed terms of appointment of the Managing Director are governed under board and members resolution. None of the Non Executive directors draw any remuneration from the company except sitting fees of Rs. 5000/- for attending each meeting of Board of Directors and Audit Committee and reimbursement of actual travel expenses for attending the Board / Audit Committee Meeting.

a) The details of remuneration paid to Managing Director.

Name	Salary	Perquisites & Other benefits	Total
Mr. Inderjeet Singh Wadhwa	Rs. 20,11,000/-	Rs. 4,21,320/-	Rs. 24,32,320/-

b) The Non Executive Directors are paid by way of sitting fees for each meeting of Board of Directors and Audit committee. The details of remuneration paid to non Executive Directors are as under:

Director	Sitting Fees
Mr. Mandeep Singh Wadhwa	Rs. 40,000/-
Mr. Rajendra Kumar Gupta	Rs. 10,000/-
Mr. Kailash Chandra Mehra	Rs. 40,000/-
Mr. Chand Krishna Tikku	Rs. 40,000/-
Dr. Pramod Kumar Hari	Rs. 20,000/-
Dr. Bijoya Kumar Behera	Rs. 20,000/-

Apart from receiving remuneration by way of sitting fees for attending each meeting of the board and audit committee, none of the Non executive Director had any pecuniary relationship or transactions with the company during the year ended 31<sup>st</sup> March, 2012.

## INVESTORS' GRIEVANCE COMMITTEE

### Functions

The Board has constituted Committee of two members under the Chairmanship of a Non-executive Director. The Company attends to the Investor Grievances/ correspondence expeditiously and usually reply is sent within 10 days of the receipt except in the cases that are constrained by dispute or legal impediment. To expedite the process of share transfers, the Board of Directors of the company has delegated the power of share transfer to share transfer agent.

### Composition

The constitution of the Shareholders'/ Investors' Share Transfer cum Grievance Committee is as under:-

Name of the Members	Category
Mr. Mandeep Singh Wadhwa	Chairman (Non-executive Director).
Mr. Inderjeet Singh Wadhwa	Member (Executive Director).

## DETAILS OF SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders Complaints received during the period 01.04. 2011 to 31.03.2012	Nil
Number of Complaints attended/resolved	Nil
Number of pending complaints as on 31.03.12	Nil

## GENERAL BODY MEETING

Details Annual General Meetings (AGMs)/Extra-ordinary General Meeting (EGM) held in last three years are given as under:

FINANCIAL YEAR	AGM/EGM DATE	LOCATION	Details of Special Resolution Passed
2008-2009	30.09.2009	Royal Vatika, Main Bus Stand, Khera Khurd, Alipur Block, Delhi – 110 082	—
2009-2010	30.09.2010	Royal Vatika, Main Bus Stand, Khera Khurd, Alipur Block Delhi 110 082	1. Re-appointment of Managing Director 2. Appointment of Mr. Sumer Singh Wadhwa (Relative (son) of Mr. Inderjeet Singh Wadhwa, Managing Director of Company) as Vice president (Marketing) of the Company.
2010-2011	30.09.2011	Royal Vatika, Main Bus Stand, Khera Khurd, Alipur Block, Delhi – 110 082	—

## DISCLOSURE

### i. Related Party transactions

The details of transactions, if any, with related parties are placed before the audit committee on quarterly basis.

### ii. Disclosure of Accounting Treatment

The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company.

### iii. Compliance by the Company

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities relating to the above.

### iv. Management Discussion and Analysis

A management Discussion and Analysis Report form part of the Annual Report and includes a discussion on various matters specified under clause 49(IV)(F).

### v. Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

### vi. Declaration By CEO with regard to code of conduct

The Chairman & Managing director Mr. Inderjeet Singh Wadhwa has furnished a declaration affirming compliance of code of conduct by directors and senior Management personnel.

### vii. CEO/CFO CERTIFICATION

A Certificate from Chairman & Managing Director on the financial statements of the company has sufficient access to the audit committees as and when they desire.

## MEANS OF COMMUNICATION

The quarterly results of the Company are published in leading and widely circulated English/Hindi nationals like Financial Express, Business standard, Jansatta, etc as per the requirements of the Listing agreement with the stock exchange. The quarterly results are also faxed and e-mailed to the Stock Exchanges where the company is listed. The Financial Results and Annual Report of the Company are available at the [www.bseindia.com](http://www.bseindia.com). The Annual Report of the Company is also sent to all the members at their registered address.

## GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

The 26<sup>th</sup> Annual General Meeting is Scheduled as under:-

Date	:	29 <sup>th</sup> September, 2012 (Saturday)
Time	:	11.00 A.M.
Venue	:	Royal Vatika, Main Bus Stand, Khera Khurd, Alipur Block, Delhi – 110 082

### ii. Financial Calendar ( Tentative)

Unaudited Financial results for the quarter ended 30 <sup>th</sup> June, 2012	August, 2012
Unaudited Financial results for the quarter ended 30 <sup>th</sup> September, 2012	November, 2012
Unaudited Financial results for the quarter ended 31 <sup>st</sup> December, 2012	February, 2013
Unaudited Financial results for the quarter ended 31 <sup>st</sup> March, 2013	May, 2013

### iii. Book Closure Period

20<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).

### iv. Listing on Stock Exchange

Your Company is presently listed at Bombay Stock Exchange Limited and Calcutta Stock exchange.

Stock Code: BSE	514264
NSDL/CDSL – ISIN	INE707B01010

Listing Fee for the year 2012-13 has been paid on due date to the all the stock exchanges where the shares of the company are listed.



**v. Stock Market Data**

The table mentioned herein below gives the monthly high and low price quotations traded at BSE for the fiscal year 2011-2012.

Date	High (Rs.)	Low (Rs.)
April 2011	7.02	5.82
May 2011	7.27	5.48
June 2011	6.58	4.77
July 2011	5.76	4.81
August 2011	6.02	4.24
September 2011	5.63	4.15
October 2011	5.4	4
November 2011	4.24	3.24
December 2011	4.41	3.05
January 2012	4.2	3.03
February 2012	5.47	4
March 2012	4.25	3.3

**vi. Common Agency for Share Transfers and Electronic Connectivity:**

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

**vii. Share Transfer System.**

Share transfer request received in physical form are registered within 30 days from the date of receipt and demat request are normally confirmed within the prescribed time from the date of receipt.

**viii. Shareholding Pattern and Distribution Schedule**

The shareholding pattern of the Company as at 31<sup>st</sup> March, 2012 is as follows:

Category	No. of shares held	% of Holding
Promoters	933272	14.16
Financial Institutions	0.00	0.00
Foreign Institution Investors	0.00	0.00
Bodies Corporate	857701	13.01
Indian Public	2928618	68.26
NRI/OCS	300625	4.56
<b>Grand Total</b>	<b>6590300</b>	<b>100.00</b>

The Distribution Schedule as on 31<sup>st</sup> March, 2012 is as under:

No. of Equity shares held		Number of Shareholders		No. of Shares	
From	To	Number	% to Total	Number	% to Total
up to	500	9563	91.35	1481928	22.49
501	1000	583	5.57	477076	7.24
1001	2000	187	1.79	286526	4.35
2001	3000	39	0.37	97623	1.48
3001	4000	23	0.22	82925	1.26
4001	5000	17	0.16	82408	1.25
5001	10000	25	0.24	185948	2.82
10001 and	above	32	0.31	3895866	59.12
	<b>TOTAL</b>	<b>10469</b>	<b>100.00</b>	<b>6590300</b>	<b>100</b>



**ix. Dematerialization of Shares**

The equity shares of the company are eligible for dematerialization. The status of dematerialized shares as on 31<sup>st</sup> March, 2012 is given as under:

<b>Name of Depository</b>	<b>Number of Shares</b>	<b>% of total Issued Capital</b>
National Securities Depository Limited	3299973	50.07
Central Depository Services (India) Limited	1464743	22.22

**x. Plant Location**

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

**xi. Address for correspondence**

Seasons Textiles Limited.  
Seasons House,  
B-18, Sector-5,  
Noida 201301 U P  
Tel. Nos (0120) 4690000.  
Fax Nos (0120) 4351485

**xii. Compliance Officer**

Ms. Kavita Rani  
cskavita@seasonsworld.com  
Tel. Nos (0120) 4690000.  
Fax Nos (0120) 4351485

## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To the members

SEASONS TEXTILES LIMITED.

We have examined the compliance of conditions of corporate governance by Seasons Textiles Limited, for the year ended on 31<sup>st</sup> March 2012, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the company.

We further State that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Garima Mahawar & Associates**  
Company Secretaries

Place : New Delhi  
Date : 14<sup>th</sup> August, 2012

**(Garima Mahawar)**  
Membership No. 23782  
C.P. No. 8591

## **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

This is to certify that, to the best of my knowledge and belief, for the financial year ended 31<sup>st</sup> March, 2012, all the Board members and senior management personnel have affirmed compliance with code of ethics for Directors and Senior Management respectively.

**For and on Seasons Textiles Limited**

Place : New Delhi  
Date : 14<sup>th</sup> August, 2012

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

## AUDITORS' REPORT

To,  
The Members of **SEASONS TEXTILE LIMITED**,

We have audited the attached Balance Sheet of **SEASONS TEXTILE LIMITED** as at 31st March 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in para-4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in the paragraph 1, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act' 1956.
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012, and
    - b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **ANUJ GARG & CO.**,  
Chartered Accountant  
Firm's Registration Number- 03473N

Place : New Delhi  
Date : 30-05-2012

**C.A. ANUJ GARG**  
Proprietor  
Membership No. 082422

## ANNEXURE TO THE AUDITOR'S REPORT

### REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 OF SEASONS TEXTILE LIMITED

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, these fixed assets have been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the operations of the Company. According to the information & explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 (a) Physical verification of inventory has been conducted by the management during the year and, in our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company
- (b) According to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventories and no material discrepancies have been noticed on physical verification of inventories as compared to the book records.
- 3 (a) The Company has not granted any loan secured or unsecured to companies / firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year. Consequently, clauses (iii) (b), (iii) (c) and (iii) (d) of the order are not applicable.
- (b) The Company has taken unsecured loans, from companies, firms or other parties listed in the Register main-tained under section 301 of the Companies Act, 1956. The number of parties from whom loans are taken are 3 and the balance outstanding at year end was Rs. 1,23,41,668/-
- (c) The rate of interest and other terms and conditions of loans taken are prima- facie not prejudicial to the interest of the Company.
- (d) The payment of principle amount and interest are regular
- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods. During the course of Audit we have not observed any continuing failure to correct major weaknesses in internal controls..
- 5 (a) According to the information and explanation given to us, we are of the opinion that the transactions that needs to be entered into the register maintained under section 301 have been so entered.
- (b) According to the information and explanations given to us, the transactions referred to under sub clause (a) above which exceed Rs. 5,00,000/- in each case have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system which, in our opinion, is commensurate with its size and nature of its business.
- 8 We have carried out the limited review of the books of accounts and cost records maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of the cost records U/s 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities and are of the opinion that, prima-facie, the prescribed accounts and records have been generally maintained. We have not however made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- 9 (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, VAT Wealth Tax, Customs Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Fringe Benefits Tax, VAT Wealth Tax, Customs Duty, ,Service Tax and Cess were in arrears, as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable
- 10 The Company has no accumulated losses as at 31st March, 2012. The Company has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year
- 11 In our opinion and according to the information and explanations given to us, the Company has generally not defaulted in repayment of dues to a financial institution or bank. The Company has no debenture holders.
- 12 The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore the question of maintenance of documents and records in respect thereof does not arise.

- 13 The Company is not a chit fund, nidhi, mutual benefit or a society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 The Company is not dealing in shares, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15 In our opinion and according to the information and explanation given to us, the terms and conditions on which the Company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- 16 In our opinion, the term loans taken during the year have been applied for the purpose for which the loans were taken.
- 17 According to the information and explanations given to us and an overall examination of the Balance Sheet and cash flow statement of the company, we report that no funds raised on short-term basis have been used for long term investments.
- 18 During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued or raised money through debentures.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For ANUJ GARG & CO.,**  
Chartered Accountant  
Firm's Registration Number- 03473N

Place : New Delhi  
Date : 30-05-2012

**C.A. ANUJ GARG**  
Proprietor  
Membership No. 082422

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

(RS.)

PARTICULARS	NOTE NO.	AS AT	
		31 <sup>ST</sup> MARCH, 2012	31 <sup>ST</sup> MARCH, 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	65,903,000	65,903,000
(b) Reserves and Surplus	4	139,561,200	132,593,098
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	5	89,734,253	116,208,112
(b) Deferred tax liabilities (Net)		49,585,668	50,445,646
<b>(3) Current liabilities</b>			
(a) Short Term Borrowings	6	106,339,535	107,931,387
(b) Trade payables	7	10,509,497	7,089,615
(c) Other current liabilities	8	53,260,256	49,509,842
(d) Short term provisions	9	1,802,177	2,543,937
<b>TOTAL</b>		<b>516,695,586</b>	<b>532,224,637</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		260,527,248	276,085,630
(ii) Intangible assets		10,538,877	15,109,251
(ii) Capital work-in-progress		5,500,000	16,806,016
(b) Long-term loans and advances	11	2,678,058	2,878,932
(c) Other non-current assets	12	2,260,064	-
<b>(2) Current assets</b>			
(a) Inventories	13	149,300,926	128,325,687
(b) Trade receivables	14	75,965,447	79,952,439
(c) Cash and cash equivalents	15	3,374,300	4,855,554
(d) Short-term loans and advances	16	6,550,666	8,211,128
<b>TOTAL</b>		<b>516,695,586</b>	<b>532,224,637</b>

See accompanying notes 1 to 24 forming part of the financial statements

As per our separate report of even date attached

For ANUJ GARG & Co.

Chartered Accountants

Firm's Registration Number- 03473N

For and on behalf of the Board

C.A. ANUJ GARG

Partner

Membership No. 082422

Inderjeet S. Wadhwa

Chairman & Managing Director

Mandeep S. Wadhwa

Director

Kavita Rani

Company Secretary

Place : New Delhi

Date : 30-05-2012

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(RS.)

PARTICULARS	NOTE NO.	AS AT	
		31 <sup>ST</sup> MARCH, 2012	31 <sup>ST</sup> MARCH, 2011
<b>I Revenue From Operations</b>	17	348,296,073	364,797,982
<b>II Other Income</b>	18	3,232,259	3,683,168
<b>III TOTAL REVENUE (I+II)</b>		<u>351,528,332</u>	<u>368,481,150</u>
<b>IV EXPENSES:</b>			
Cost of Materials consumed	19	181,794,842	149,440,465
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	(25,959,844)	18,232,598
Employee Benefit Expenses	21	35,817,830	35,128,501
Financial costs	22	33,913,488	31,337,957
Depreciation and amortization expense	10	23,551,296	23,379,400
Other Expenses	23	94,782,054	101,926,566
<b>TOTAL EXPENSES</b>		<u>343,899,666</u>	<u>359,445,487</u>
<b>V Profit before Tax (III-IV)</b>		7,628,666	9,035,663
<b>VI Tax Expenses</b>			
(1) Current Tax		1,520,542	1,675,212
(2) Deferred Tax		(859,978)	2,261,862
(3) Income Tax provision written back		–	34,427
<b>VII Profit for the year (V-VI)</b>		6,968,102	5,133,016
<b>VIII Earning Per Equity Share</b>			
(1) Basic		1.06	0.78
(2) Diluted		1.06	0.78

See accompanying notes 1 to 24 forming part of the financial statements

As per our report of even date attached

**For ANUJ GARG & Co.**  
Chartered Accountants  
Firm's Registration Number- 03473N

For and on behalf of the Board

**C.A. ANUJ GARG**  
Partner  
Membership No. 082422

**Inderjeet S. Wadhwa**  
Chairman & Managing Director

**Mandeep S. Wadhwa**  
Director

**Kavita Rani**  
Company Secretary

Place : New Delhi  
Date : 30-05-2012

## CASH FLOW STATEMENT FOR THE YEAR 2011-2012

(RS.)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012		YEAR ENDED 31 <sup>ST</sup> MARCH, 2011	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		7,628,666		9,035,663
<b>ADJUSTMENT FOR</b>				
DEPRECIATION	23,551,296		23,379,400	
INTEREST INCOME	(675,694)		(1,030,360)	
LOSS ON SALE OF FIXED ASSETS	131,760		743,649	
MISCELLANEOUS EXPENDITURE WRITTEN OFF	452,013		669,131	
INTEREST/FINANCE CHARGES	33,913,488	57,372,863	31,337,957	55,099,777
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>65,001,529</b>		<b>64,135,440</b>
<b>ADJUSTMENT FOR</b>				
TRADE AND OTHER RECEIVABLES	5,647,454		16,835,614	
INVENTORIES	(20,975,239)		1,827,487	
TRADE AND OTHER PAYABLES	7,170,296		(8,165,798)	
CHANGE IN SHORT TERM PROVISIONS	(741,760)		1,677,506	
		(8,899,249)		12,174,809
<b>CASH GENERATED FROM OPERATIONS</b>		<b>56,102,280</b>		<b>76,310,249</b>
INTEREST/FINANCE CHARGES PAID	(33,913,488)		(31,337,957)	
DIRECT TAXES PAID	(1,520,542)		(1,640,785)	
		(35,434,030)		(32,978,742)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>20,668,250</b>		<b>43,331,507</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
PURCHASE OF FIXED ASSETS	(9,702,771)		(23,688,136)	
SALE / TRANSFER OF FIXED ASSETS	17,454,487		1,702,000	
DEFERRED EXPENSES INCURRED DURING THE YEAR	(2,712,077)		-	
MOVEMENTS IN LONG TERM DEPOSITS	200,874		-	
INTEREST INCOME	675,694		1,030,360	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>5,916,207</b>		<b>(20,955,776)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
PROCEEDS / REPAMENT OF LONG TERM BORROWINGS (NET)	(26,473,859)		(37,887,845)	
PROCEEDS/ REPAYMENT OF SHORT TERM BORROWINGS (NET)	(1,591,852)		17,912,856	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(28,065,711)</b>		<b>(19,974,989)</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS		(1,481,254)		2,400,742
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		4,855,554		2,454,812
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		3,374,300		4,855,554

### NOTES:

- (1) Cash and cash equivalents comprises of cash , bank balances and short term deposits.
- (2) Additions to fixed assets are stated inclusive of movements of Capital Work-in-Progress.

As per our report of even date attached

For ANUJ GARG & Co.

Chartered Accountants

Firm's Registration Number- 03473N

For and on behalf of the Board

C.A. ANUJ GARG

Partner

Membership No. 082422

Inderjeet S. Wadhwa  
Chairman & Managing Director

Mandeep S. Wadhwa  
Director

Kavita Rani  
Company Secretary

Place : New Delhi

Date : 30-05-2012



## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **NOTE 1: CORPORATE INFORMATION**

Seasons Textiles Limited is a listed public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the Manufacturing, Trading and Export of Furnishing Fabrics.

### **NOTE 2 -: SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Preparation of Financial Statements:**

The Financial Statements have been prepared under the historical cost convention on accrual method of accounting, in accordance with, the generally accepted accounting principles in India, mandatory Accounting Standard notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956,

#### **B. Use of Estimates:**

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

#### **C. Fixed Assets**

All fixed assets are capitalised at cost inclusive of installation and direct attributable expenses.

Fixed Assets are stated at cost. Cost includes interest on borrowed capital used for construction of fixed assets and of expenditure incurred during the construction period on a fair and reasonable basis

#### **D. Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortization/depletion.

#### **E. Depreciation**

Depreciation on fixed assets has been charged on straight line method, in the manner and at Rates specified in Schedule XIV to the Companies Act, 1956. In respect of additions depreciation is provided on pro-rata basis with reference to the number of days of addition. On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale/discard.

#### **F. Inventories**

Inventories are valued at lower of cost and net realisable value as estimated by the management. Cost of Inventories is calculated on Standard Cost basis. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

#### **G. Foreign Currency Transactions and Translations:**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Exchange rate differences arising on the date of settlement of transaction are recognised as Currency Exchange Fluctuation Account in Profit And Loss Account.

Year end balance of foreign currency loans and other liabilities/receivables denominated in foreign currency are translated at the applicable year end rates, and the resultant gains and losses are recognised as Currency Exchange Fluctuation Account in Profit and Loss Account

#### **H. Revenue Recognition**

##### **1) Consignment Sales**

The consignment sales have been accounted for on sales effected by the consignee.

##### **2) Other Sales**

Sales are accounted for net of Excise Duty, CST and VAT. Sale of products are recognized on transfer of property in goods as per agreed terms.

##### **3) Other Incomes**

All income items in all material aspects having bearing on the financial statement are recognized on accrual basis.

#### **I. Provisions and Contingent Liabilities**

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**J. Employees' Benefits**  
**Employees Benefits**

**1) Short Term Employee Benefits:-**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Profit & Loss account of the year in which the related service is rendered.

**2) Post Employment Benefits:-**

**(a) Defined Contribution Plan:**

The Employer's contribution to the Provident Fund and Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995

**(b) Defined Benefit Plan:**

The liability for gratuity is provided through a policy taken from Life Insurance Corporation of India (LIC) by an approved trust formed for that purpose. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis

**K. Taxation**

(a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

(b) Deferred tax assets and liability are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Where there are unabsorbed depreciation or carry forward losses, Deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future

**L. Borrowing Costs**

Borrowing costs that are attributable to the acquisition of or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**M. Impairment of Assets**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price or the value in use determined by the present value of estimated future cash flows.

**N. Earning Per Share**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax as per Accounting Standard-20 on "Earning per share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive share is anti-dilutive.

**NOTES 3 TO 10 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2012	AS AT 31 <sup>ST</sup> MARCH, 2011
<b>NOTE 3 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,20,00,000 Equity Shares of Rs.10/- each	<u>120,000,000</u>	<u>120,000,000</u>
(Previous year 12000000 equity shares)		
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
6590300 Equity shares of Rs.10/- each fully paid up in cash	<u>65,903,000</u>	<u>65,903,000</u>
(Previous year 6590300 Equity shares of Rs.10/- each)		
<b>TOTAL</b>	<u><u>65,903,000</u></u>	<u><u>65,903,000</u></u>

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2012	AS AT 31 <sup>ST</sup> MARCH, 2011
<b>(a) RECONCILIATION OF NUMBER OF SHARES</b>		
No. of Shares outstanding as at 1st April'11	6,590,300	6,590,300
No. of Shares outstanding as at 31st March'12	6,590,300	6,590,300
<b>(b) LIST OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL NO. OF SHARES ISSUED BY THE COMPANY:</b>		
<b>NAME OF THE SHAREHOLDER</b>		
Mohit Madan	650,000	650,000
K.K. Karnani	750,000	750,000
<b>NOTE 4 : RESERVES &amp; SURPLUS</b>		
<b>(a) Capital Reserve</b>	<b>10,607,080</b>	<b>10,607,080</b>
<b>(b) General Reserve</b>	<b>19,918,184</b>	<b>19,918,184</b>
<b>(c) Securities Premium Reserve</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>(d) Surplus</b>		
Opening Balance	94,567,834	89,434,818
Add: Profit for the year	6,968,102	5,133,016
Closing Balance	<u>101,535,936</u>	<u>94,567,834</u>
<b>TOTAL(a+b+c+d)</b>	<b><u>139,561,200</u></b>	<b><u>132,593,098</u></b>
<b>NON-CURRENT LIABILITIES</b>		
<b>NOTE 5 : (A) LONG TERM BORROWING</b>		
<b>a) SECURED</b>		
<b>(I) TERM LOANS FROM BANKS</b>		
<b>IDBI Bank Ltd.</b>		
(Secured by way of first charge over the immovable properties at (1) A-29, Sector-5, Noida-201301 (2) B-18, Sector-5, Noida-201301 and (3) Plot No. 466-467, HSIIDC Industrial Estate, Barhi, Sonapat (Haryana) and over moveable properties including moveable Plant and Machineries, Spares both present and future. The loan is repayable in 24 variable quarterly installment of different amounts along with floating interest rate)	97,211,720	118,361,720
Less: Due with in One Year (Separately Shown in Current Liabilities)	<u>21,800,000</u>	<u>21,150,000</u>
	<u>75,411,720</u>	<u>97,211,720</u>
<b>ICICI Bank Ltd</b>		
(Secured against hypothecation of respective vehicles purchased under hire purchase agreements and the loan is repayable by way of monthly instalment.)	-	416,462
Less: Due with in One Year (Separately Shown in Current Liabilities)	-	416,462
	-	-
<b>II TERM LOAN FROM OTHERS</b>		
<b>Kotak Mahindra Prime Ltd</b>		
(Secured against hypothecation of respective vehicles purchased under hire purchase agreements and the loan is repayable by way of monthly instalment.)	3,317,136	5,862,155
Less: Due with in One Year (Separately Shown in Current Liabilities)	<u>2,325,760</u>	<u>2,545,019</u>
	<u>991,376</u>	<u>3,317,136</u>
<b>b) UNSECURED</b>		
<b>(I) TERM LOANS FROM BANKS</b>		
<b>ABN Amro Bank</b>		
(Loan is personally guaranteed by the promoter directors and the same is repayable by way of monthly instalment.)	87,588	272,556
Less: Due with in One Year (Separately Shown in Current Liabilities)	<u>87,588</u>	<u>184,968</u>
	-	87,588

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2012	AS AT 31 <sup>ST</sup> MARCH, 2011
<b>(II) TERM LOANS FROM OTHERS</b>		
<b>Religare Finvest Ltd.</b>	3,133,999	-
(Loan is personally guaranteed by the promoter directors and the same is repayable by way of monthly instalment.)		
Less: Due with in One Year (Separately Shown in Current Liabilities)	<u>2,644,736</u>	-
	489,263	-
<b>TATA Capital Ltd.</b>	1,578,388	-
(Loan is personally guaranteed by the promoter directors and the same is repayable by way of monthly instalment.)		
Less: Due with in One Year (Separately Shown in Current Liabilities)	<u>1,328,162</u>	-
	250,226	-
<b>Reliance Capital Ltd.</b>	-	51,730
(Loan is personally guaranteed by the promoter directors and the same is repayable by way of monthly instalment.)		
Less: Due with in One Year (Separately Shown in Current Liabilities)	-	<u>51,730</u>
	-	-
<b>(III) LOANS FROM RELATED PARTIES</b>		
Loan from Directors / Promoters	12,591,668	15,591,668
N.S.Properties Pvt Ltd.	-	4,732,620
Less: Due with in One Year (Separately Shown in Current Liabilities)	-	<u>4,732,620</u>
	<u>12,591,668</u>	15,591,668
<b>TOTAL LONG TERM BORROWINGS (a+b)</b>	<u><u>89,734,253</u></u>	<u><u>116,208,112</u></u>
<b>CURRENT LIABILITIES</b>		
<b><u>NOTE 6 : A) SHORT-TERM BORROWING</u></b>		
<b>SECURED</b>		
<b>LOANS REPAYABLE ON DEMAND FROM BANKS</b>		
<b>Canara Bank</b>	106,339,535	107,931,387
(The Working Capital Loans from Canara Bank are secured by way of first charge against hypothecation of stocks of Raw Material, Work in Process, Finished Goods, Stores, Spares & book debts and Second charge on factory Land and Building & Plant and Machinery at A-29 and B-18, Sector-5, Noida-201301 (U.P).)		
<b>TOTAL</b>	<u><u>106,339,535</u></u>	<u><u>107,931,387</u></u>
<b><u>NOTE 7 : (B) TRADE PAYABLES</u></b>		
** For Goods and Services	<u>10,509,497</u>	7,089,615
<b>TOTAL</b>	<u><u>10,509,497</u></u>	<u><u>7,089,615</u></u>
**Disclosure with respect to Micro, Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note No. 24(I)		
<b><u>NOTE 8 : (C) OTHER CURRENT LIABILITIES</u></b>		
<b>CURRENT MATURITIES OF LONG-TERM DEBTS</b>		
Kotak Mahindra Prime Ltd	2,325,760	2,545,019
IDBI Bank Ltd	21,800,000	21,150,000
ICICI Bank Ltd	-	416,462
Tata Capital Ltd	1,328,162	-
Religare Finvest Ltd.	2,644,736	-
Reliance Capital Ltd	-	51,730
ABN AMRO	87,588	184,968

(RS.)

AS AT  
31<sup>ST</sup> MARCH, 2012                      AS AT  
31<sup>ST</sup> MARCH, 2011

**NOTE 8 : (C) OTHER CURRENT LIABILITIES (Contd....)**

N.S.Properties Pvt Ltd.	-	4,732,620
	<b>28,186,246</b>	<b>29,080,799</b>

**OTHER PAYABLES**

Tax Deducted at Source and Other Statutory Dues	566,606	576,843
Advance Received from Customers	6,449,642	1,877,598
Expenses Payable & Others Liabilities	18,057,762	17,974,602
	<b>25,074,010</b>	<b>20,429,043</b>
<b>TOTAL</b>	<b>53,260,256</b>	<b>49,509,842</b>

**NOTE 9 : (D) SHORT TERM PROVISIONS**

Provision for employees'benefits	646,624	1,242,199
Provision for Income Tax	1,155,553	1,301,738
<b>TOTAL</b>	<b>1,802,177</b>	<b>2,543,937</b>

**NOTE 10 : FIXED ASSETS**

S. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01/04/2011	Additions During the year	Disposal/ Written Back during theyear	Balance as at 31/03/2012	Balance as at 01/04/2011	During the year	Deduction/ Reversal During the year	Balance as at 31/03/2012	Balance as at 31/03/2012	Balance as at 31/03/2011
<b>I</b>	<b>TANGIBLE ASSETS</b>										
1	LEASE HOLD LAND	17,004,109	-	-	17,004,109	-	-	-	-	17,004,109	17,004,109
2	BUILDINGS	64,242,734	1,514,632	-	65,757,366	10,302,975	2,178,807	-	12,481,782	53,275,584	53,939,759
3	DATA PROCESSING EQUIPMENT	2,115,670	14,163	-	2,129,833	1,793,693	113,381	-	1,907,074	222,759	321,977
4	ELECTRICAL INSTALLATION & FITTING	7,358,481	1,147,500	-	8,505,981	1,950,830	363,078	-	2,313,908	6,192,073	5,407,651
5	GENERATORS	-	-	-	-	-	-	-	-	-	-
6	OFFICE EQUIPMENTS	2,579,440	59,800	-	2,639,240	1,330,668	113,894	-	1,444,562	1,194,678	1,248,772
7	FURNITURE & FIXTURES	2,324,240	-	-	2,324,240	2,059,035	66,292	-	2,125,327	198,913	265,205
8	PLANT & MACHINERY	288,483,966	6,966,676	5,720,471	289,730,171	99,111,189	15,035,817	-	114,147,006	175,583,165	189,372,777
9	TUBEWELL	36,070	-	-	36,070	13,400	588	-	13,988	22,082	22,670
10	VEHICLES	12,685,274	-	1,391,593	11,293,681	4,182,564	1,109,065	831,833	4,459,796	6,833,885	8,502,710
	<b>SUB TOTAL (A)</b>	<b>396,829,984</b>	<b>9,702,771</b>	<b>7,112,064</b>	<b>399,420,691</b>	<b>120,744,354</b>	<b>18,980,922</b>	<b>831,833</b>	<b>138,893,443</b>	<b>260,527,248</b>	<b>276,085,630</b>
<b>II</b>	<b>INTANGIBLE ASSETS</b>										
1	COMPUTER SOFTWARE	44,934,532	-	-	44,934,532	29,825,281	4,570,374	-	34,395,655	10,538,877	15,109,251
	<b>SUB TOTAL (B)</b>	<b>44,934,532</b>	<b>-</b>	<b>-</b>	<b>44,934,532</b>	<b>29,825,281</b>	<b>4,570,374</b>	<b>-</b>	<b>34,395,655</b>	<b>10,538,877</b>	<b>15,109,251</b>
<b>III</b>	<b>CAPITAL WORK IN PROGRESS</b>	16,806,016	-	11,306,016	5,500,000	-	-	-	-	5,500,000	16,806,016
	<b>SUB TOTAL (B)</b>	<b>16,806,016</b>	<b>-</b>	<b>11,306,016</b>	<b>5,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,500,000</b>	<b>16,806,016</b>
	<b>TOTAL (A+B+C) FOR CURRENT YEAR</b>	<b>458,570,532</b>	<b>9,702,771</b>	<b>18,418,080</b>	<b>449,855,223</b>	<b>150,569,635</b>	<b>23,551,296</b>	<b>831,833</b>	<b>173,289,098</b>	<b>276,566,125</b>	<b>308,000,897</b>
	Previous Year	425,299,443	21,135,408	4,670,335	441,764,516	129,414,921	23,379,400	2,224,686	150,569,635	291,194,881	295,884,522

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2012	AS AT 31 <sup>ST</sup> MARCH, 2011
<b>NOTE 11 : (B) LONG-TERM LOANS AND ADVANCES</b>		
(i) Security Deposits (Unsecured, considered good)	2,678,058	2,878,932
<b>TOTAL</b>	<b>2,678,058</b>	<b>2,878,932</b>
<b>NOTE 12 : (C) OTHER NON-CURRENT ASSETS</b>		
Deferred Revenue Expenditure (To the extent not written off or adjusted)	2,260,064	-
<b>TOTAL</b>	<b>2,260,064</b>	<b>-</b>
<b>CURRENT ASSETS</b>		
<b>NOTE 13 : INVENTORIES</b>		
(At cost or net realizable value whichever is lower)		
(a) Raw Materials	78,993,380	83,977,984
(b) Stock in process (at cost)	7,575,522	8,411,572
(c) Spare Parts	1,715,124	2,843,413
(d) Finished Goods	60,694,086	32,769,903
(e) Dyes and Chemicals	322,814	322,815
<b>TOTAL</b>	<b>149,300,926</b>	<b>128,325,687</b>
<b>NOTE 14 : TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	17,104,534	36,133,289
Others	58,860,913	43,819,150
<b>TOTAL</b>	<b>75,965,447</b>	<b>79,952,439</b>
<b>NOTE 15 : CASH AND CASH EQUIVALENTS</b>		
(a) Balances with Bank (with Scheduled Banks in Current Account)	515,380	3,537,358
(b) Cash on Hand	292,011	73,127
(c) Balances with banks to the extent held as margin money	2,566,909	1,245,069
<b>TOTAL</b>	<b>3,374,300</b>	<b>4,855,554</b>
<b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Others	6,550,666	8,211,128
<b>TOTAL</b>	<b>6,550,666</b>	<b>8,211,128</b>

Note No. '17' TO '23' ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(RS.)

	Year Ended 31 <sup>ST</sup> MARCH, 2012	Year Ended 31 <sup>ST</sup> MARCH, 2011
<b>Note 17 : REVENUE FROM OPERATIONS</b>		
Sale of Products-Finished Goods	329,777,087	349,299,027
Sale of Services	2,426,704	-
Other Operating Revenue		
Sales of DEPB Licence	10,972,270	15,279,635
Duty Draw Back	5,120,012	219,320
<b>TOTAL</b>	<b>348,296,073</b>	<b>364,797,982</b>

(RS.)

	Year Ended 31 <sup>ST</sup> MARCH, 2012	Year Ended 31 <sup>ST</sup> MARCH, 2011
<b><u>NOTE 18 : OTHER INCOME</u></b>		
Interest Income	675,694	1,030,360
Foreign Currency Fluctuation	749,270	1,554,431
Other non-operating Income	1,807,295	1,098,377
<b>TOTAL</b>	<b>3,232,259</b>	<b>3,683,168</b>
<b><u>NOTE 19 : COST OF MATERIALS CONSUMED</u></b>		
Yarn	125,975,337	115,593,789
Fabric	55,819,505	33,846,676
<b>TOTAL</b>	<b>181,794,842</b>	<b>149,440,465</b>
<b><u>NOTE 20 : CHANGES IN INVENTORIES</u></b>		
<b>Stock at Close</b>		
Finished Goods	60,694,086	32,769,903
Stock in process	7,575,522	8,411,572
Stores and Spares	1,715,124	2,843,413
	<b>69,984,732</b>	<b>44,024,888</b>
<b>Less Stock at Commencement</b>		
Finished Goods	32,769,903	53,761,103
Stock in process	8,411,572	7,227,417
Stores and Spares	2,843,413	1,268,966
	<b>44,024,888</b>	<b>62,257,486</b>
Increase/(Decrease) in Stock	<b>(25,959,844)</b>	<b>18,232,598</b>
<b><u>NOTE 21 : EMPLOYEE BENEFIT EXPENSES</u></b>		
Salaries, Wages & Perquisites	27,943,751	27,194,569
Contribution to provident Fund & Others	3,459,801	3,344,922
Directors Remuneration and Perquisites	2,195,534	1,430,000
Gratuity	1,225,942	2,014,087
Staff Welfare Expenses	992,802	1,144,923
<b>TOTAL</b>	<b>35,817,830</b>	<b>35,128,501</b>
<b><u>NOTE 22 : FINANCIAL COSTS</u></b>		
Interest on Term Loan	9,383,619	11,625,963
Interest on Bank Loan	16,024,286	13,149,002
Interest on Other Loans	2,550,823	3,764,352
Bank Charges and Commission	3,843,645	1,554,073
Finance Charges	2,111,115	1,244,567
<b>TOTAL</b>	<b>33,913,488</b>	<b>31,337,957</b>

(RS.)

	Year Ended 31 <sup>ST</sup> MARCH, 2012	Year Ended 31 <sup>ST</sup> MARCH, 2011
<b><u>SCHEDULE 23 : OTHER EXPENSES</u></b>		
Consumption of Stores and Spares	274,447	565,227
Power and Fuel	12,044,774	13,511,332
Jobwork Charges	27,943,660	30,340,371
Rent	1,054,580	760,962
Repairs to Machinery	4,373,736	5,570,837
Repair and Maintenance (Others)	2,990,943	3,067,906
Insurance	1,395,526	1,392,954
Rates & Taxes	412,317	546,176
Carriage Inward	1,227,706	1,157,997
Design	-	172,823
Communication	1,104,658	1,093,603
Legal and Professional	2,592,127	2,792,615
Payment to Auditors	168,540	162,541
Internal Audit Fee	354,608	307,727
Travelling and Conveyance	4,811,387	4,974,042
Printing & Stationery	1,007,707	879,197
Books and Periodicals	127,676	103,978
Security Service Charges	1,399,081	1,186,183
Vehicle Running & Maintenance	1,805,705	1,546,444
Office Maintenance and Others	560,239	541,690
Director's Sitting Fees	170,000	175,000
Loss on sale of Fixed Assets	131,760	743,649
Charity and Donation	122,100	126,300
Prior Period Expenses	576,031	112,344
Deferred Revenue Expenses Written Off	452,013	669,131
Miscellaneous Expenditure	1,082,505	1,611,673
Advertisement & Publicity	47,688	62,555
Commission on Sales	8,637,995	10,369,835
Courier Charges	1,594,986	1,611,381
Packing and Forwarding	6,344,887	5,863,908
Carriage Outward	2,735,342	2,437,538
Sampling and Product Promotion	1,234,316	1,522,331
Business Promotion	731,676	685,293
Exhibition Expenses	23,361	1,483,959
Other Selling Expenses	5,247,977	3,777,064
<b>TOTAL</b>	<b>94,782,054</b>	<b>101,926,566</b>

**NOTE 24 : OTHER NOTES ON ACCOUNTS**

- a. The financial statements for the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
- b. Contingent Liabilities and Commitments to the extent not provided for:-
- Contingent Liabilities**
- Bills and Cheques Discounted Rs. 1,92,50,355/- ( Previous year Rs.1,27,47,328/-)
  - Contingent Liabilities not provided for in respect of Corporate Guarantee given by the Company to IDBI Bank Ltd. amounting to Rs.11,65,00,000/- (Previous year Rs.11,65,00,000/-) in respect of loans to Seasons Furnishings Ltd.
- Commitments**
- Estimated amount of contract remaining to be executed on Capital Account and not provided for is – NIL



- c. All the known liabilities have been provided for and there are no disputed liabilities as confirmed by the directors  
d. Wherever the balance confirmation is not available from the parties, the balances as appearing in the books of account have been considered.  
e. Profit & Loss account includes remuneration to auditors as given below:

(RS.)

	Year Ended 31 <sup>ST</sup> MARCH, 2012	Year Ended 31 <sup>ST</sup> MARCH, 2011
For Statutory Audit	1,46,068	143,390
For Tax Audit	22,472	22,060
For Certification/Other Charges	–	11,982
<b>Total</b>	<b>168,540</b>	<b>177,432</b>
f. Payment to Directors by way of Remuneration		
Salary	20,11,000	12,50,000
Perquisites	1,80,000	1,80,000
P.F. and other funds	2,41,320	1,50,000
<b>Total</b>	<b>24,32,320</b>	<b>15,80,000</b>

- g. Capital work in progress relates to installation of Plant & Machinery for expansion cum modernisation project at Barhi, Sonapat, Haryana.

**h. Related Party Disclosures:**

Disclosures as required by the Accounting Standard 18 “Related Party Disclosures” are given below:

**1) List of Related Parties**

**Associate Companies:** Seasons Furnishings Ltd.

**Key management personnel and relatives :** Inderjeet S. Wadhwa and Mandeep S. Wadhwa.

**Relatives:** TejKaur; Neelam Wadhwa

**Other Related Parties:** N.S. Properties Pvt. Ltd., S9 Home Pvt. Ltd.

**2) Transaction with related parties**

(Rs. in lacs)

Nature of Transactions	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012				YEAR ENDED 31 <sup>ST</sup> MARCH, 2011			
	Associates companies	Key management personnel	Relative	Other Related Parties	Associates companies	Key management personnel	Relative	Other Related Parties
1 Sales and other income	1663.52	–	–	–	1663.52	–	–	–
2 Purchases	37.06	–	–	501.96	29.82	–	–	250.24
3 Expenditure or services	–	–	6.60	–	–	–	6.60	–
4 Outstanding Balances								
– Debtors	547.42	–	–	–	387.84	–	–	–
– Creditors (for modernisation Project)	–	93.92	29.50	–	–	118.92	24.50	–
– Creditors (Others)	–	–	–	–	–	–	–	47.33
5 Security deposits	–	–	8.00	–	–	–	8.00	–
6 Managerial Remuneration	–	24.32	–	–	–	15.80	–	–

**i. Basic and Diluted Earning per share (EPS)**

(RS.)

PARTICULARS	Year Ended 31 <sup>ST</sup> MARCH, 2012	Year Ended 31 <sup>ST</sup> MARCH, 2011
Profit available to equity shareholders	70,80,787	51,33,016
Weighted average number of Equity shares	65,90,300	65,90,300
EPS (Basic and diluted) Rupees per share	1.06	0.78
Nominal Value of Share	Rs.10	Rs. 10

**j. Segmental Information: -**

The Company has only one business segment of Textiles only. The company operates its business from India. Therefore, there is only one business and geographical segment.

**k. Deferred Taxation:**

In accordance with Accounting Standard (AS) 22, issued by Institute of Chartered Accountants of India, the reversal of deferred tax liability (on account of timing difference) for the current year amounting to Rs.8,59,978/-. In the previous year deferred tax liability created amounting to Rs.22,61,862/-. The same has been recognised and accordingly charged to the Profit and Loss Account.

l. The Company has not received any intimation from the suppliers regarding status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure regarding principal amount due and the interest due thereon outstanding to suppliers as at the end of the accounting year, Interest paid during the year and Interest payable/accrued/unpaid at the end of the accounting year, has not been provided.

m. In the opinion of the management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet

n. In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

o. Tour and Travelling Expenses include Rs5,34,845/- on account of Directors.

**p. VALUE OF IMPORT ON CIF BASIS :**

Particulars	(RS.)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
a. Raw Material	23,26,372	-
b. Trading Goods	3,69,021	-

**q. EXPENDITURE IN FOREIGN CURRENCY :-**

Travelling	16,82,173	8,33,901
Commission on Sales	75,29,960	61,79,241
Spare Parts	-	96,344
Foreign Bank Charges	7,94,479	5,56,334
Exhibition Expenses	4,33,274	3,72,961
Testing Fees	1,83,756	-
Design Expenses	-	1,60,705
<b>TOTAL</b>	<b>1,06,23,642</b>	<b>81,99,486</b>

**r. EARNING IN FOREIGN CURRENCY:**

F.OB Value of Export :	18,89,78,371	17,32,19,943
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**s. Cash Flow Statement:**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as on March 31, 2012 and Profit & Loss Account for the year ended on that date.

The Cash Flow Statement has been prepared on the basis of indirect method as set out in the Accounting Standard – 3 on Cash Flow Statement issued by the Institute of Chartered Accountant of India.

As per our Separate Report of even date as annexed hereto.

**For ANUJ GARG & Co.**  
Chartered Accountants  
Firm's Registration Number- 03473N

For and on behalf of the Board

**C.A. ANUJ GARG**  
Partner  
Membership No. 082422

**Inderjeet S. Wadhwa**  
Chairman & Managing Director

**Mandeep S. Wadhwa**  
Director

**Kavita Rani**  
Company Secretary

Place : New Delhi  
Date : 30-05-2012

**SEASONS TEXTILES LIMITED**  
**Regd. office:** D-29, Defence Colony,  
 New Delhi - 110 024

**FORM OF PROXY**

<b>L.F. No.</b>		<b>No. of Shares</b>	
<b>D.P. ID*</b>		<b>Client ID*</b>	

I/We.....of.....being a member/members of Seasons Textiles Limited hereby appoint .....of or failing him/her.....of .....as my/our proxy to vote for me/us on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held at the 11.00 A.M. on Saturday, the 29<sup>th</sup> day of September, 2012 at Royal Vatika, Main Bus Stand Khera Khurd, Alipur Block, Delhi - 110 082, and any adjournment thereof.

Signed this.....day of.....2012.



**Note :** The Proxy form duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

\*Applicable for investors holding shares in Dematerialized form.

**SEASONS TEXTILES LIMITED**  
**Regd. office:** D-29, Defence Colony,  
 New Delhi - 110 024

**ATTENDANCE SLIP**

<b>L.F. No.</b>		<b>No. of Shares</b>	
<b>D.P. ID*</b>		<b>Client ID*</b>	

I/We hereby record my/our presence at 26<sup>th</sup> Annual General Meeting of the Company at 11.00 A.M. on Wednesday, the 29<sup>th</sup> day of September, 2012 at Royal Vatika, Main Bus Stand Khera Khurd, Alipur Block, Delhi - 110 082.

<b>NAME</b>	<b>FATHER'S/HUSBAND'S NAME</b>	<b>SIGNATURE (MEMBER/PROXY)**</b>

**Note :** (1) Attendance slip not filled in properly will not be entertained.

(2) All joint holders should use only one slip.

(3) Bags/Briefcases are not allowed inside the meeting venue and the Company shall not be responsible for loss of the same.

\* Applicable for investors holding shares in Dematerialised form.

\*\* Strike off whichever is not applicable.

