

**23<sup>rd</sup> Annual Report 2008-09**



**SEASONS<sup>®</sup>**  
**TEXTILES LIMITED**

## 23<sup>rd</sup> ANNUAL REPORT - 2008-09

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## BOARD OF DIRECTORS

**Inderjeet S. Wadhwa**

*Chairman & Managing Director*

**Mandeep S. Wadhwa**

*Director*

**R.K. Gupta**

*Director*

**K.C. Mehra**

*Director*

**C.K. Tikku**

*Director*

**Dr. P.K. Hari**

*Director*

**Dr. B.K. Behera**

*Director*

**Company Secretary & Compliance Officer**

Sachin Gupta

**Registered Office**

61, Ring Road  
(Ground Floor),  
Lajpat Nagar-III,  
New Delhi - 110 024

**Corporate Office**

Seasons House  
B-18, Sector-5  
Noida-201 301 (U.P.)  
Tel. : 0120-4690 000

**Manufacturing Plants**

A-27, Sector-5, Noida-201 301 (U.P.)  
A-29, Sector-5, Noida-201 301 (U.P.)  
Plot No.466-67, HSIIDC Industrial Estate,  
Barhi Sonapat (Haryana)  
B-18, Sector-5, Noida-201 301 (U.P.)

**Registrar and Share Transfer Agents**

Skyline Financial Services Pvt. Ltd.  
246, 1st Floor, Sant Nagar,  
East of Kailash, New Delhi - 110 065  
Tel. : 011-26292680-82 Fax : 011-26292683  
E-mail : admin@skylinerta.com

**Investors Help**

sachin@seasonsworld.com

**Auditors**

K.L. Datta & Company  
Chartered Accountants  
C-121, Greater Kailash-I  
New Delhi - 110 048

**Internal Auditors**

Ashok Kantoor & Co.  
Chartered Accountants  
2659/2, Gurudwara Road,  
Karol Bagh, New Delhi - 110 005

**Bankers**

Canara Bank  
Parliament Street,  
New Delhi - 110 001

IDBI Bank Ltd.  
Virendra Smriti  
15/54-B, Civil Line,  
Kanpur - 208 001

Regd. Office : 61, Ring Road (Ground Floor), Lajpat Nagar-III, New Delhi - 110 024

## NOTICE

**NOTICE** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of **SEASONS TEXTILES LIMITED** will be held at 11.30 A.M. on Wednesday, the 30<sup>th</sup> day of September, 2009 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 31<sup>st</sup> March, 2009, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. R. K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. S. Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration. M/s. K.L. Datta & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

By Order of the Board  
for Seasons Textiles Limited.

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

Sachin Gupta  
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 SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HEREWITH.**
- 2) The Register of Members and Share Transfer Register of the Company will remain closed from 19<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (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) At the ensuing Annual General Meeting Mr. R.K. Gupta and M.S. Wadhwa Directors of the Company, retires by rotation and being eligible, offers themselves for re-appointment. The details in respect of these directors to be provided in terms of clause 49 of the listing agreement with the Stock Exchanges, are Furnished in the statement of corporate governance published in this annual report.
- 5) 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.
- 6) 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.
- 7) Members are requested to bring their copies of the Annual Report to 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.

By Order of the Board  
for Seasons Textiles Limited.

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

Sachin Gupta  
Company Secretary

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting 23<sup>rd</sup> Annual Report along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### 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, 2009	Year Ended 31 <sup>st</sup> March, 2008
Total Income	3653.13	3446.09
Expenditure other than Interest and Depreciation	3121.45	2933.08
Interest and Finance charges	246.90	218.32
Depreciation	185.86	162.63
Profit before tax	98.92	132.06
Provision for tax	16.77	61.83
Profit after tax	82.15	70.23
Surplus Brought forward	814.77	769.53
Amount available for appropriation	896.92	839.77
Amount transfer to general reserve	25.00	25.00
Surplus/(deficit ) carried to Balance sheet	871.92	814.77

### REVIEW OF OPERATIONS

The gross revenue of the company during the year stands of Rs. 3653.13 Lacs as against Rs. 3446.09 Lacs in the previous year. The profit before tax during the year stands of Rs. 98.92 Lacs as against Rs. 132.06 Lacs in the previous year, the profit after tax during the year stands of Rs. 82.15 Lacs as against Rs. 70.23 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.

### DIVIDEND

In order to utilisation of interest accruals in expansion cum modernisation of project and also future financial requirements of the company, your Directors do not recommend any dividend for the year ended on March 31, 2009.

### FIXED DEPOSITS

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

### DIRECTORS

Mr. R. K. Gupta and Mr. M. S. Wadhwa who retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment and your Board of Directors recommend for the same.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistency 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 have been 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. K.L. Datta & 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.

## AUDITORS REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the year ended March 31, 2009. There are no adverse qualifications in the audit report.

## PARTICULARS OF EMPLOYEES

There is no employee whose particulars are required to be furnished in the Sec. 217(2A) of the Companies Act, 1956 and rules made there under.

## 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.

## SUBSIDIARY OF THE COMPANY

During the financial year Company has disinvested its entire equity shareholding held in Seasons Design Institute Pvt. Limited and consequently Seasons Design Institute Pvt. Limited is ceased to be subsidiary of the Company.

## 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 alongwith certificate on its compliance from M/s K.L. Datta & Co., Chartered Accountants is enclosed with this Annual Report.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

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

## ANNEXURE 'A' FORMING PART OF DIRECTORS REPORT

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

<b>a. Conservation of energy</b>		
1. Energy conservation measures taken	The Company has installed Energy efficient- shuttle less looms imported from M/s Somet S P A Italy and such there is little scope for improvement. However efforts are being made to conserve and save energy wherever required.	
2. Additional Investment and proposals, if any being implemented for reduction of consumption of energy	N. A.	
3. Impact of the measures at (1) and (2) Above for reduction of energy consumption and consequent impact on the cost of production of goods.	N. A.	
4. 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	1341.65	1507.37 Lacs
Foreign Exchange Outgo	502.10	152.36 Lacs

**Form A**

<b>Disclosure of particulars with respect to conservation of energy</b> Power and Fuel Consumption		
	<b>Current Year</b>	<b>Previous Year</b>
<b>(a) Purchased</b>		
Units	<b>1649626</b>	1667223
Total Amounts (Rs. Lacs)	<b>73.79</b>	69.74
Rate/units (Rs.)	<b>4.47</b>	4.18
<b>(b) Own Generation</b>		
Through Diesel Generator (units)	<b>56951</b>	170670
Units	<b>3</b>	3
Unit per ltr of diesel oil Costs/unit(Rs.	<b>11.06</b>	10.19

**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 designs and patterns based on domestic and international market feedback.	Continue to introduce latest fabrics	
4. Expenditure on R&D		
a. Capital	NIL	
b. Recurring	NIL	
c. Total	NIL	
d. Total R&D expenditure as a percentage of total sales.	NIL	

<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	

For and on behalf of the Board

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

Seasons Textiles Limited (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. The employee strength of the Company is around 146 persons and the affairs of the Company are managed professionally. During the fiscal 2008-09, the gross turnover of the Company was Rs. 3609.32 lacs. STL is a widely held flagship Company of Seasons Group having 10854 shareholders and its shares are listed on Stock Exchanges at Delhi, Mumbai, Ahmedabad and Kolkata.

### 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 8,94,414 Mtrs. of quality furnishing fabric against its installed capacity of 13,88,000 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.

The expansion-cum modernization plant of the Company at Barhi, Distt. Sonapat, Haryana, the construction of building and other civil work has been completed and trial production of looms has already been started.

#### Designing

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 600 Designs in its own Design Studio for its customers.

The Company has been regularly participating in international fairs and exhibitions which enables 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 'Decosit' in Brussels and 'Como' in Italy.

#### 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.

#### During the Financial year 2008-09

- The Registered Office of the Company has been shifted to 61, Ring Road (Ground Floor), Lajpat Nagar -III, New Delhi - 110 024.
- The export turnover of the Company during the current fiscal the exports have marginally declined to Rs. 1341.64 lacs from the previous year's Rs. 1507.36 lacs which is mainly due to overall continued economic recession in most of the countries of the world. However the domestic turnover has increased to Rs. 2213.02 Lacs from previous year's Rs. 1805.92 Lacs., though due to stringent market conditions the net profit percent in terms of turnover has been declined as compared to previous year.
- A number of potential customers 2 (two) from Africa, 4 (four) from Asia, 6 (Six) from USA were tapped during the year under review and the company is expecting more orders from these new customers.

The key financial data of the Company for the year 2008-09 vis-a-vis 2007-08 is as under

Financials		(Rs./Lacs)	
S.No.	Particulars	Year Ended 31 <sup>st</sup> March, 2009	Year Ended 31 <sup>st</sup> March, 2008
1.	Authorised Equity Share Capital	1200.00	1200.00
2.	Paid Up Share Capital	659.03	659.03
3.	Warrants convertible into equity shares	75.74	75.74
4.	Reserves & Surplus	1151.44	1069.29
5.	Secured & Unsecured Loans	2472.47	1571.36
6.	Deferred Tax Liability	450.65	454.73
7.	Fixed Assets	1953.53	1816.58
8.	Capital Work in progress	1011.74	197.63
9.	Sundry debtors	892.16	835.74
10.	Inventories	1147.29	1099.81
11.	Net Current Assets	1830.67	1795.86



**Operational Results - during 2008 - 09 vis a vis 2007-08**
**Rs. / Lacs**

S. No.	Particulars	As on 31.03.2009	As on 31.03.2008	Increase (%)	Decrease (%)
1.	Income from Operations	3609.32	3413.94	5.72	
2.	Other Income	43.82	32.15	36.30	
3.	Expenditure excluding Interest, Depreciation and Tax	3121.46	2933.08	6.42	
4.	Earning before Interest, Depreciation & Tax	531.68	513.01	3.64	
5.	Interest	246.90	218.32	13.09	
6.	Depreciation	185.86	162.63	14.28	
7.	Profit before Tax	98.92	132.06		33.50
8.	Provision for Tax	16.77	61.83		
9.	Net Profit	82.15	70.23	16.97	

**Comparison chart- Expenditure during 2008-09 vis a vis 2007-08**
**Rs. / Lacs**

S. No.	Particulars	As on 31.03.2009	As on 31.03.2008	Increase (%)	Decrease (%)
1.	Cost of Materials	2019.73	1905.07	6.02	
2.	Manufacturing Overheads	567.95	729.84		28.50
3.	Administrative and other Overheads	228.15	165.63	37.75	
4.	Selling and distribution overheads	230.03	219.53	4.78	
5.	Financial Overheads	246.89	218.32	13.09	
6.	Depreciations	185.86	162.63	14.28	

**OUTLOOK**

The Textile industry as a whole is going through a challenge which started in the year 2008-09 due to the recession in major markets, rising raw materials prices and unfavorable economic environment across the world and expected to continue in the current year as well. The Global Market demand for furnishing fabric has softened. But it's likely to go up in the coming financial years. Further the Company will be now putting up intensive and aggressive marketing approach by extending customer base both domestic as well as international market and catering the upper & medium society customers in domestic market.

**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 USD as compared to INR 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 future 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.

During the year under review, special attention was given on managing market led business risk by proper planning of raw materials procurement at competitive price and controlling inventories. The working capital management has also received its due attention to reduce rising interest cost.

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 resources 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.

6. Regulatory issues impacting the industry.

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**

**1. CORPORATE GOVERNANCE PHILOSOPHY**

Good Corporate Governance appears to be the most effective policy decision for any Corporate's Success. 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.

Our Corporate Governance Process based on two core principles:

- a. Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- b. This freedom of management should be exercised within a framework of effective accountability.

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 and discharge of social responsibilities for sustainable development of all stakeholders.

The Company ensures that the Board and the management of the Company are fully apprised of the affairs of the Company which is aimed at assisting them in the efficient conduct of Company's business so as to meet Company's obligation to the stakeholders. The Company reaffirms its commitment to adhere to Corporate Governance in its relentless pursuit to attain highest standards of corporate values and ethics.

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

**2. BOARD OF DIRECTORS AND BOARD PROCEDURE**

**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 the Director	No. of Board Meeting attended	Last AGM attended	Other Directorship/Committee membership/Chairmanship		
			Directorship	Committee membership	Committee chairmanship
Mr. I S Wadhwa Executive Chairman and Managing Director	4	Yes	1	1	1
Mr. M S Wadhwa Promoter Non Executive Director	4	No	1	1	—
Mr. R. K. Gupta Independent Non Executive Director	4	Yes	2	1	—
Mr. K C Mehra Independent Non Executive Director	4	No	2	—	—

Name of the Director	No. of Board Meeting attended	Last AGM attended	Other Directorship/Committee membership/Chairmanship		
			Directorship	Committee membership	Committee chairmanship
Mr. C K Tikku Independent Non Executive Director	4	No	2	—	1
Mr. P K Hari Independent Non Executive Director	2	No	—	—	—
Mr. B K Behera Independent Non Executive Director	3	No	—	—	—

#### Details of Board Meetings

During the year under review the Board of Directors met Four times as follows:-  
30/06/2008; 31/07/2008; 30/10/2008; 30/01/2009;

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. R. K. Gupta	Mr. M. S. Wadhwa
Date of Birth	01.09.1963	24.01.1970
Date of appointment	05.08.1986	21.04.1992
Expertise in specific areas	Finance, Accounts. Taxation & Law.	Marketing, Finance, Management and Administration.
Directorship in other Companies	1. Seasons Furnishings Limited. 2. Advance Business Consultants Ltd.	Seasons Furnishings Limited.
Committee Memberships/ Chairmanships in other companies	<b>Audit Committee:</b> Seasons Furnishings Ltd. : Member	<b>Shareholder's Grievance Committee.</b> Seasons Furnishings Ltd. : Member

**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, financial restructuring, Capital expenditure proposals, collaborations, material investment proposals in joint venture/ promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations etc. 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.

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

#### 3. AUDIT 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:

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.

- c. Major accounting entries involving estimates based on the exercise of judgement by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
  6. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  7. 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 and Attendance

The Audit Committee of Board of Directors comprises 4 Non Executive Directors namely Mr. K C Mehra, as its Chairman and Mr. Mandeep Singh Wadhwa, Mr. C K Tikku and Mr. R K Gupta as members of the committee.

During the financial year ended 31st March, 2009, four Audit Committee Meetings were held on 30/06/2008;31/07/2008;30/10/2008 ;30/01/2009.

The attendance record of the Audit Committee Meetings held during the year are as under:-

S.No.	Members	Committee Meeting Held	Committee meeting attended
1.	Mr. K. C. Mehra	4	4
2.	Mr. M. S. Wadhwa	4	4
3.	Mr. R. K. Gupta	4	4
4.	Mr. C. K. Tikku	4	4

#### INTERNAL AUDITORS

The Company has appointed M/s. Ashok Kantoor & Co. Chartered Accountants as internal auditors of the company 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.

#### 4. 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. K. C. Mehra	Chairman	Independent, Non-executive
2	Mr. R. K. Gupta	Member	Independent, Non-executive
3	Mr. C. K. 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. I. S. Wadhwa	Rs. 11,88,000/-	Rs. 5,60,160/-	Rs. 17,48,160/-

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. M. S. Wadhwa	Rs. 40,000/-
Mr. R. K. Gupta	Rs. 40,000/-
Mr. K. C. Mehra	Rs. 40,000/-
Mr. C. K. Tikku	Rs. 40,000/-
Mr. P. K. Hari	Rs. 10,000/-
Mr. B. K. Behera	Rs. 15,000/-

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, 2009

### 5. 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. During the year, four meetings of the investors Grievance Committee were held on 30/06/2008; 31/07/2008; 30/10/2008; 30/01/2009.

#### COMPOSITION

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

Name of the Members	Category
Mr. M. S. Wadhwa	Chairman (Non-executive Director).
Mr. I. S. Wadhwa	Member (Executive Director).

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

Number of Shareholders Complaints received during the period 01.04. 08 to 31.03.09	9
Number of Complaints attended/resolved	9
Number of pending complaints as on 31.03.09	Nil

During the financial year ended 31<sup>st</sup> March, 2009, four Shareholders'/ Investors' Grievance Committee Meetings were held on 30/06/2008; 31/07/2008; 30/10/2008 and 30/01/2009.

## 6. GENERAL BODY MEETING

Details of last three Annual General Meetings (AGMs)/Extra-ordinary General Meeting (EGM) are given as under

FINANCIAL YEAR	AGM DATE	LOCATION	Details of Special Resolution Passed
2005-2006	29.09.2006	Multi Purpose Community Centre, Alipur Block Delhi 110 082	—
2006-2007	29.09.2007	Multi Purpose Community Centre, Alipur Block Delhi 110 082	1. Shareholders approval for Reappointment of Mr. I S Wadhwa as Managing Director of the Company. 2. Appointment of Mr. Sumer S Wadhwa (directors relative) as an Executive.
2007-2008	30.09.2008	Multi Purpose Community Centre, Alipur Block Delhi 110 082	—

## 7. 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 or strictures 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 forms 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 procedures which is periodically reviewed by the Board.

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

The Chairman & Managing director Mr. I S 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 and Finance Head on the financial statements of the company have sufficient access to the audit committees as and when they desire.

## 8. MEANS OF COMMUNICATION

The quarterly results of the Company are published in leading and widely circulated English/Hindi national as per the requirements of the Listing agreement with the stock exchange. The results are also faxed to the Stock Exchanges where the company is listed. The results are also published in the prescribed Performa within 48 hrs. of the conclusion of the meeting of the Board in which they are considered.

## 8. GENENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

The 23<sup>rd</sup> Annual General Meeting is Scheduled as under:-

Date	:	30 <sup>th</sup> September, 2009
Day	:	Wednesday
Time	:	11.30 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, 2009	July, 2009
Unaudited Financial results for the quarter ended 30 <sup>th</sup> September, 2009	October, 2009
Unaudited Financial results for the quarter ended 31 <sup>st</sup> December, 2009	January, 2010
Unaudited Financial results for the quarter ended 31 <sup>st</sup> March, 2010	April, 2010

**iii. Book Closure Period**

19<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).

**iv. Listing ON Stock Exchange**

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

Stock Code: BSE 514264  
NSDL/CDSL – ISIN INE707B01010

Listing Fee for the year 2009-10 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 closing price quotations traded at BSE for the fiscal year 2008-2009.

DATE	HIGH (RS.)	Low (RS.)
April 2008	13.29	9.11
May 2008	12.50	10.00
June 2008	11.60	8.42
July 2008	11.35	8.10
August 2008	11.00	8.75
September 2008	10.70	8.47
October 2008	8.77	6.00
November 2008	6.26	5.41
December 2008	5.50	5.00
January 2009	5.10	4.50
February 2009	4.30	3.55
March 2009	4.27	3.00

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

M/s Skyline Financial Services Pvt Ltd.  
246, 1st floor Sant Nagar, East of Kailash, New Delhi-110 065.  
Tel.:011-26292682-83 Fax: 011-26292683  
E-Mail ID: admin@skylinerta.com

**vii. Share Transfer System**

Share transfer request received in physical form are registered within 15 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, 2009 is as follows:

Category	No. of shares held	% OF HOLDING
Promoters	941232	14.28
Financial Institutions	10055	0.15
Foreign Institution Investors	—	—
Bodies Corporate	776912	11.79
Indian Public	4531749	68.77
NRI/OCB	330352	5.01
<b>Grand Total</b>	<b>6590300</b>	<b>100.00</b>



The Distribution Schedule as on 31<sup>st</sup> March, 2009 is as under

No. of Equity shares held		Number of Shareholders		No. of Shares	
From	To	Number	% to Total	Number	% to Total
Upto	500	9933	91.51	1559467	23.66
501	1000	597	5050	488828	7.42
1001	2000	176	1.62	272304	4.13
2001	3000	49	0.45	121311	1.84
3001	4000	22	0.20	80518	1.22
4001	5000	20	0.18	96740	1.47
5001	10000	20	0.18	146406	2.22
10001 &	Above	37	0.34	3824726	58.04
	<b>TOTAL</b>	<b>10854</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. As on 31<sup>st</sup> March, 2009, the no. of shares held in dematerialized are given as under

Name of Depository	Number of Shares	% of total Issued Capital
National Securities Depository Limited	3250506	49.32
Central Depository Services (India) Limited	518680	7.87

**xi. Plant Location**

1. A-27 & 29 and B-18 Sector 5, Noida 201 301. (U.P.)
2. Plot No. 466-67 HSIIDC Industrial Estate Barhi, Sonapat (Haryana)

**xii. Address for correspondence**

Seasons Textiles Limited.  
B-18, Sector-5, Noida - 201 301 (U.P.)  
Tel. Nos (0120) 4066611, 4066666, Fax Nos (0120) 4351485

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of SEASONS TEXTILES LIMITED.

We have examined the compliance of conditions of corporate governance by Seasons Textiles Limited, for the year ended on 31st March 2009, 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 K. L. Datta & Co.**  
Chartered Accountant

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

**V. K. Datta**  
Partner  
Membership No. 400-70466

## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, Inderjeet S. Wadhwa, Chairman & Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2009.

**For Seasons Textiles Ltd.**

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

**I. S. WADHWA**  
Chairman & Managing Director

## AUDITORS' REPORT

To,  
The Members  
**Seasons Textiles Limited**

1. We have audited the attached Balance Sheet of **SEASONS TEXTILES LIMITED** as at 31<sup>st</sup> March, 2009, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. We also state that these financial statements are the responsibility of the Company's management and our responsibility is to express an opinion on these financial statements based on our audit.
2. As far as the scope and basis of our opinion, we state that we have conducted our audit in accordance with auditing standards generally accepted in India and obtained reasonable assurance about whether the financial statements are free of material misstatements. Our audit includes, wherever necessary, examining on a test basis, the evidence supporting the amounts and disclosures in the financial statements and also including assessing adherence to the accounting principles 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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, proper books of account, as required by law have been kept by the Company so far as appears from our examination of books;
  - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) The Balance sheet, profit and loss account and the cash flow statement 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, 2009 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, 2009 from being appointed as a 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 gives a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For K. L. Datta & Co.**  
Chartered Accountant

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

**V. K. Datta**  
Partner  
Membership No. 400-70466

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to a programme of periodic verification in a phased manner which in our opinion is reasonable having regard to the size of the company and nature of fixed assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of the fixed assets during the current year.
- 2 (a) The inventory have been physically verified during the year by the management and Internal Auditors. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of account.
- 3 The Company has neither granted nor taken any loans to and from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there is generally adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our 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 need 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 In our opinion and according to the information and explanations given to us, the Company has not raised any deposit from Public, hence compliance of the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 is not applicable. We are informed that no order has been passed by the Company Law Board in this regard.
- 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 broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 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, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us no undisputed amount is payable in respect of Income Tax, Fringe Benefit Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us there are no dues of sales tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10 The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the year and in the immediately preceding year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has no debentureholders.
- 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 In our opinion, the Company is not a chit fund, nidhi, mutual benefit or a society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion 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, 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, there is no term loans applied during the year.
- 17 According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for long-term investments. No long-term funds have been used to finance short-term asset except permanent working capital.
- 18 In our opinion, 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 no debentures.
- 20 The Company has not raised any money through public issue during the year.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For K. L. Datta & Co.**  
Chartered Accountant

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

**V. K. Datta**  
Partner  
Membership No. 400-70466

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

		(RS.)	
	SCHEDULE	AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
SHARE CAPITAL	1	6,59,03,000	6,59,03,000
WARRANTS	1A	75,73,580	75,73,580
RESERVES & SURPLUS	2	11,51,44,110	10,69,28,512
<b>LOAN FUNDS</b>			
SECURED LOANS	3	20,03,84,646	11,06,25,481
UNSECURED LOANS	4	4,68,62,463	4,65,10,965
<b>DEFERRED TAX LIABILITY</b>		<b>4,50,65,088</b>	<b>4,54,72,553</b>
<b>TOTAL</b>		<b>48,09,32,887</b>	<b>38,30,14,091</b>
<b>APPLICATIONS OF FUNDS</b>			
FIXED ASSETS	5		
GROSS BLOCK		33,76,76,541	30,65,87,365
LESS DEPRECIATION		14,23,23,199	12,49,29,392
NET BLOCK		<u>19,53,53,342</u>	<u>18,16,57,973</u>
CAPITAL WORK IN PROGRESS		10,11,74,097	1,97,62,968
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
INVENTORIES	6	11,47,29,053	10,99,80,545
SUNDRY DEBTORS	7	8,92,16,472	8,35,74,158
CASH & BANK BALANCES	8	39,98,825	63,54,304
LOANS & ADVANCES	9	<u>1,62,81,502</u>	<u>2,19,91,400</u>
		22,42,25,852	22,19,00,407
LESS: CURRENT LIABILITIES & PROVISIONS	10	4,11,58,667	4,23,14,652
<b>NET CURRENT ASSETS</b>		<u>18,30,67,185</u>	<u>17,95,85,755</u>
<b>MISCELLANEOUS EXPENDITURE</b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	11	<u>13,38,263</u>	<u>20,07,395</u>
<b>TOTAL</b>		<b>48,09,32,887</b>	<b>38,30,14,091</b>
<b>NOTES ON ACCOUNTS AND ACCOUNTING POLICIES</b>	20		

As per our report of even date

For **K. L. Datta & Co.**  
Chartered Accountants

For and on behalf of the Board

**V.K.Datta**  
Partner  
Membership No. 400-70466

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

**Mandeep S. Wadhwa**  
Director

**Sachin Gupta**  
Company Secretary

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

		(RS.)	
	SCHEDULE	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
<b>INCOME</b>			
INCOME FROM OPERATIONS	12	36,09,31,976	34,13,93,767
INCREASE/(DECREASE) IN STOCK	13	(75,58,401)	86,99,205
OTHER INCOME	14	43,81,319	32,15,084
<b>TOTAL</b>		<b>35,77,54,894</b>	<b>35,33,08,056</b>
<b>EXPENDITURE</b>			
COST OF MATERIALS	15	20,19,73,133	19,05,06,654
MANUFACTURING OVERHEADS	16	5,67,95,088	7,29,83,870
ADMINISTRATIVE & OTHER OVERHEADS	17	2,28,15,291	1,65,63,598
SELLING & DISTRIBUTION OVERHEADS	18	2,30,03,238	2,19,52,884
FINANCIAL OVERHEADS	19	2,46,89,475	2,18,31,895
DEPRECIATION		1,85,86,318	1,62,62,737
<b>TOTAL</b>		<b>34,78,62,543</b>	<b>34,01,01,638</b>
PROFIT BEFORE TAX		98,92,351	1,32,06,418
LESS PROVISION FOR TAXATION		15,07,834	14,96,287
		83,84,517	1,17,10,131
LESS INCOME TAX PAYMENT FOR EARLIER YEAR		32,561	0
		83,51,956	1,17,10,131
LESS PROVISION FOR FRINGE BENEFIT TAX		5,43,823	4,91,172
		78,08,133	1,12,18,959
LESS PROVISION FOR DEFERRED TAX		(4,07,465)	41,95,268
NET PROFIT AFTER TAX		82,15,598	70,23,691
ADD BALANCE BROUGHT FORWARD FROM LAST YEAR		8,14,76,828	7,69,53,137
AMOUNT AVAILABLE FOR APPROPRIATION		8,96,92,426	8,39,76,828
TRANSFER TO GENERAL RESERVE		25,00,000	25,00,000
PROFIT CARRIED TO BALANCE SHEET		8,71,92,426	8,14,76,828
		8,96,92,426	8,39,76,828
EARNING PER SHARE BASIC		1.25	1.07
<b>NOTES ON ACCOUNTS AND ACCOUNTING POLICIES</b>	20		

As per our report of even date

For K. L. Datta & Co.  
Chartered Accountants

For and on behalf of the Board

V.K.Datta  
Partner  
Membership No. 400-70466

Inderjeet S. Wadhwa  
Chairman & Managing Director

Mandeep S. Wadhwa  
Director

Sachin Gupta  
Company Secretary

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

**SCHEDULES '1' TO '11' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
12000000 EQUITY SHARES OF Rs.10 EACH (PREVIOUS YEAR 12000000 EQUITY SHARES)	12,00,00,000	12,00,00,000
ISSUED SUBSCRIBED AND PAID UP 6590300 EQUITY SHARES (PREVIOUS YEAR 6590300) OF Rs.10/- EACH FULLY PAID UP IN CASH	6,59,03,000	6,59,03,000
<b>TOTAL</b>	<b>6,59,03,000</b>	<b>6,59,03,000</b>
<b>SCHEDULE 1A : WARRANTS</b>		
WARRANTS CONVERTIBLE INTO EQUITY SHARES	75,73,580	75,73,580
<b>TOTAL</b>	<b>75,73,580</b>	<b>75,73,580</b>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
CAPITAL RESERVE	30,33,500	30,33,500
GENERAL RESERVE		
OPENING BALANCE	1,49,18,184	1,24,18,184
ADD TRANSFERRED DURING THE YEAR	25,00,000	25,00,000
	1,74,18,184	1,49,18,184
SHARE PREMIUM	75,00,000	75,00,000
PROFIT & LOSS ACCOUNT	8,71,92,426	8,14,76,828
<b>TOTAL</b>	<b>11,51,44,110</b>	<b>10,69,28,512</b>
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>(A) TERM LOAN(S)</b>		
(i) INDUSTRIAL DEVELOPMENT BANK OF INDIA INTT.ACCRUED AND DUE ON IDBI LOAN	11,33,67,922	3,35,00,000
	10,882	54,409
(ii) ICICI BANK LTD	27,92,128	18,30,458
(iii) KOTAK MAHINDRA PRIMUS LTD	52,25,919	41,45,630
<b>(B) WORKING CAPITAL LOANS / LIMITS</b>		
CANARA BANK	7,89,87,795	7,10,94,984
<b>TOTAL</b>	<b>20,03,84,646</b>	<b>11,06,25,481</b>

**SECURITY**

1. Term Loan(s) from IDBI are secured by way of first charge / mortgage on all immovable properties both present and future and also first charge by way of hypothecation on all movables (save and except book debts) including movable machinery, machinery spares, tools and accessories (except vehicles purchased under hire purchase) both present and future subject to charges created by bankers of the company in respect of raw material, semi-finished, finished goods, consumable stores and other movables for securing working capital requirements/ finance in the ordinary course of business.
2. Loans from ICICI BANK & KOTAK MAHINDRA PRIMUS LTD are secured against hypothecation of respective vehicle/Assets purchased under such respective Hire Purchase Agreements.
3. The Working Capital Loans from CANARA BANK are secured against hypothecation of stocks, stores & book debts, and, also by way of second charge on all the fixed assets of the company both present and future.
4. In addition, all the above loans are personally guaranteed by the Company's Promoter Director(s).

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
LOAN FROM DIRECTORS/PROMOTERS IN PURSUANCE OF STIPULATION BY IDBI.*	1,12,00,000	80,00,000
LOAN FROM BANK	2,57,23,630	53,25,509
INTER CORPORATE LOAN	99,38,833	3,31,85,456
<b>TOTAL</b>	<b>4,68,62,463</b>	<b>4,65,10,965</b>

\* The amount has been brought in by the Promoters / Directors by way of unsecured loans in pursuance of stipulation of Industrial Development Bank of India. (While sanctioning and disbursing term loans.)

**SCHEDULE 5 : FIXED ASSETS**

S. No.	DESCRIPTION (1)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01/04/2008 Rs. (2)	ADDI- TIONS Rs. (3)	DELE- TIONS Rs. (4)	AS AT 31/03/2009 Rs. (5)	AS AT 01/04/2008 Rs. (6)	FOR THE YEAR Rs. (7)	WRITTEN BACK Rs. (8)	AS AT 31/03/2009 Rs. (9)	AS AT 31/03/2009 Rs. (10)	AS AT 31/03/2008 Rs. (11)
1	LAND & SITE DEVELOPMENT	13,98,475	1,56,05,634	0	1,70,04,109	0	0	0	0	1,70,04,109	13,98,475
2	BUILDING	1,40,35,010	0	0	1,40,35,010	61,78,049	4,68,770	0	66,46,819	73,88,191	78,56,961
3	PLANT & MACHINERY	23,49,76,362	4,93,370	0	23,54,69,732	9,44,84,847	1,23,13,022	0	10,67,97,869	12,86,71,863	14,04,91,515
4	ELECTRICAL FITTING	33,90,856	0	0	33,90,856	11,72,161	1,61,064	0	13,33,225	20,57,631	22,18,695
5	FURNITURE & FIXTURE	23,24,240	0	0	23,24,240	17,88,090	1,07,560	0	18,95,650	4,28,590	5,36,150
6	VEHICLES	1,30,21,290	77,58,350	43,17,164	1,64,62,476	34,25,877	13,97,787	11,92,511	36,31,153	1,28,31,323	95,95,413
7	OFFICE EQUIPMENTS & OTHERS	21,36,552	92,746	0	22,29,298	10,09,397	1,01,162	0	11,10,559	11,18,739	11,27,155
8	DATA PROCESSING EQUIPMENT	3,52,68,510	1,14,56,240	0	4,67,24,750	1,68,59,335	40,36,365	0	2,08,95,700	2,58,29,050	1,84,09,175
9	TUBE WELL	36,070	0	0	36,070	11,636	588	0	12,224	23,846	24,434
	<b>TOTAL</b>	<b>30,65,87,365</b>	<b>3,54,06,340</b>	<b>43,17,164</b>	<b>33,76,76,541</b>	<b>12,49,29,392</b>	<b>1,85,86,318</b>	<b>11,92,511</b>	<b>14,23,23,199</b>	<b>19,53,53,342</b>	<b>18,16,57,973</b>
	PREVIOUS YEAR 31.03.2008	29,24,03,876	1,41,83,489	0	30,65,87,365	10,86,66,655	1,62,62,737	0	12,49,29,392	18,16,57,973	
	CAPITAL WORK IN PROGRESS									10,11,74,097	1,97,62,968

(RS.)

	AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008
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**SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES****INVENTORIES**

(AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)

RAW MATERIAL	7,79,72,561	6,56,65,652
STOCK IN PROCESS	11,01,599	17,27,784
SPARE PARTS (STOCK)	5,76,788	1,24,924
FINISHED GOODS	3,50,78,105	4,24,62,185
<b>TOTAL</b>	<b>11,47,29,053</b>	<b>10,99,80,545</b>



	AS AT 31 <sup>ST</sup> MARCH, 2009	AS AT 31 <sup>ST</sup> MARCH, 2008
(RS.)		
<b>SCHEDULE 7 : SUNDRY DEBTORS</b>		
<b>(UNSECURED BUT CONSIDERED GOOD BY THE MANAGEMENT)</b>		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	6,68,530	47,01,910
OTHERS	8,85,47,942	7,88,72,248
<b>TOTAL</b>	<b>8,92,16,472</b>	<b>8,35,74,158</b>
<b>SCHEDULE 8 : CASH &amp; BANK BALANCES</b>		
CASH IN HAND	2,88,584	45,326
BALANCES WITH SCHEDULED BANKS IN CURRENT ACCOUNT IN FIXED DEPOSITS (MARGIN MONEY)	35,69,928	53,19,903
	1,40,313	9,89,075
<b>TOTAL</b>	<b>39,98,825</b>	<b>63,54,304</b>
<b>SCHEDULE 9 : LOANS &amp; ADVANCES</b>		
<b>(UNSECURED BUT CONSIDERED GOOD AND RECOVERABLE)</b>		
ADVANCE RECOVERABLE IN CASH OR IN KIND OR FOR VALUE THEREOF TO BE RECEIVED.	1,35,23,045	1,96,34,443
SECURITY DEPOSIT(S)	27,58,457	23,56,957
<b>TOTAL</b>	<b>1,62,81,502</b>	<b>2,19,91,400</b>
<b>SCHEDULE 10 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
a) TOTAL OUTSTANDING DUE TO SMALL SCALE INDUSTRIAL UNDERTAKINGS	0	0
b) TOTAL OUTSTANDING DUE TO CREDITORS OTHER THAN SMALL SCALE INDUSTRIAL UNDERTAKING	1,21,77,628	1,24,95,966
OTHER LIABILITIES	2,48,25,327	2,77,99,549
SECURITY DEPOSITS	28,00,000	17,00,000
<b>SUB TOTAL</b>	<b>3,98,02,955</b>	<b>41,995,515</b>
<b>PROVISIONS</b>		
PROVISION FOR GRATUITY	8,43,146	6,10,195
PROVISION FOR TAXATION (NET)	3,38,333	(4,23,751)
FRINGE BENEFIT TAX PAYABLE	1,74,233	1,32,693
<b>SUB TOTAL</b>	<b>13,55,712</b>	<b>3,19,137</b>
<b>TOTAL</b>	<b>4,11,58,667</b>	<b>4,23,14,652</b>
<b>SCHEDULE 11 : MISCELLANEOUS EXPENDITURE</b>		
<b>(To the extent not written off or adjusted)</b>		
DEFERRED REVENUE EXPENDITURE	13,38,263	20,07,395
<b>TOTAL</b>	<b>13,38,263</b>	<b>20,07,395</b>

**SCHEDULES '12' TO '19' ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31<sup>ST</sup> MARCH, 2009**

(RS.)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
<b>SCHEDULE 12 : INCOME FROM OPERATIONS</b>		
DOMESTIC SALES	22,13,01,988	18,05,92,463
EXPORT SALES	13,41,64,953	15,07,36,516
EXPORT INCENTIVES	54,65,035	1,00,64,788
<b>TOTAL</b>	<b>36,09,31,976</b>	<b>34,13,93,767</b>
<b>SCHEDULE 13 : INCREASE/ (DECREASE ) IN STOCK</b>		
<b>STOCK AT CLOSE</b>		
FINISHED GOODS	3,50,78,105	4,24,62,185
STOCK IN PROCESS	11,01,599	17,27,784
STORES & SPARES	5,76,788	1,24,924
	<b>3,67,56,492</b>	<b>4,43,14,893</b>
<b>LESS STOCK AT COMMENCEMENT</b>		
FINISHED GOODS	4,24,62,185	3,25,96,524
STOCK IN PROCESS	17,27,784	29,10,958
STORES & SPARES	1,24,924	1,08,206
	<b>4,43,14,893</b>	<b>3,56,15,688</b>
<b>INCREASE/(DECREASE) IN STOCK</b>	<b>(75,58,401)</b>	<b>86,99,205</b>
<b>SCHEDULE 14 : OTHER INCOME</b>		
SUNDRY BALANCE WRITTEN BACK	9,03,644	10,56,976
MISCELLANEOUS	34,77,675	21,58,108
<b>TOTAL</b>	<b>43,81,319</b>	<b>32,15,084</b>
<b>SCHEDULE 15 : COST OF MATERIALS CONSUMED</b>		
OPENING STOCK (YARN)	6,56,65,652	6,18,92,798
ADD. PURCHASES		
YARN	11,13,06,496	15,50,98,568
FABRIC	10,29,73,546	3,91,80,940
	<b>27,99,45,694</b>	<b>25,61,72,306</b>
LESS CLOSING STOCK (YARN)	7,79,72,561	6,56,65,652
<b>TOTAL</b>	<b>20,19,73,133</b>	<b>19,05,06,654</b>
<b>SCHEDULE 16 : MANUFACTURING OVERHEADS</b>		
POWER & FUEL	91,88,025	87,26,832
JOB WORK CHARGES	2,57,65,518	4,34,92,277
DESIGN	53,666	3,15,066
CONSUMABLE STORES & SPARES	89,440	17,04,176
CARRIAGE INWARD	4,43,441	7,83,520
WAGES & BONUS	1,19,21,570	85,60,705
CONTRIBUTION TO PF & OTHER FUND	14,87,305	10,83,033
GRATUITY	6,30,674	2,23,449
LABOUR WELFARE	2,89,351	3,34,638
INSURANCE	3,38,608	6,07,035
REPAIRS TO PLANT & MACHINERY	55,50,773	59,76,830
REPAIR & MAINTENANCE (OTHERS)	10,36,717	11,76,309
<b>TOTAL</b>	<b>5,67,95,088</b>	<b>7,29,83,870</b>

(RS.)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
<b>SCHEDULE 17 : ADMINISTRATIVE &amp; OTHER OVERHEADS</b>		
SALARIES & PERQUISITES	59,61,795	35,94,239
CONTRIBUTION TO PROVIDENT FUND & OTHER	7,93,761	5,93,034
GRATUITY	3,57,367	1,27,081
DIRECTORS SALARIES & PERQUISITES	16,16,490	16,20,000
RENT, RATES & TAXES	9,42,442	8,32,416
COMMUNICATION	8,77,943	11,31,688
PAYMENT TO AUDITORS	1,29,231	1,15,015
LEGAL & PROFESSIONAL	15,64,243	17,10,658
INTERNAL AUDIT FEE	1,65,450	1,12,360
COST AUDIT FEE	13,483	13,483
TRAVELLING & CONVEYANCE	22,75,949	9,70,799
PRINTING & STATIONERY	6,95,341	7,65,380
BOOKS & PERIODICALS	30,460	63,348
SECURITY SERVICE CHARGES	4,53,025	5,32,700
MISCELLANEOUS	18,46,792	11,90,596
VEHICLE RUNNING & MAINTENANCE	11,56,354	10,18,741
OFFICE MAINTENANCE & OTHERS	2,00,757	3,50,573
DIRECTOR'S SITTING FEES	1,85,000	1,87,500
INSURANCE	9,31,887	10,45,259
LOSS ON SALE OF FIXED ASSETS	12,24,653	0
STAFF WELFARE	2,41,508	3,02,443
LISTING FEE	56,611	53,750
CHARITY & DONATION	1,43,701	1,23,301
DEFERRED REVENUE EXPENSES WRITTEN OFF	6,69,132	12,914
PRIOR PERIOD EXPENSES	2,81,916	42,819
SUNDRY BALANCES WRITTEN OFF	0	53,501
<b>TOTAL</b>	<b>2,28,15,291</b>	<b>1,65,63,598</b>
<b>SCHEDULE 18 : SELLING &amp; DISTRIBUTION OVERHEADS</b>		
ADVERTISEMENT & PUBLICITY	1,35,953	40,343
COMMISSION ON SALES	97,36,388	93,93,150
COURIER CHARGES	19,74,002	22,97,978
PACKING & FORWARDING	24,48,826	32,31,461
CARRIAGE OUTWARD	21,11,753	26,96,400
TRAVELLING	4,30,419	9,09,893
SAMPLING & PRODUCT PROMOTION	21,18,902	8,40,473
BUSINESS PROMOTION	1,32,166	1,90,837
EXHIBITION EXPENSES	11,87,589	13,92,303
OTHER SELLING EXPENSES	27,27,240	9,60,046
<b>TOTAL</b>	<b>2,30,03,238</b>	<b>2,19,52,884</b>
<b>SCHEDULE 19 : FINANCIAL OVERHEADS</b>		
INTEREST ON TERM LOANS	12,07,738	18,23,694
INTEREST ON BANK LOANS	1,28,19,438	1,17,77,005
INTEREST ON OTHER LOANS	59,83,623	29,25,525
BANK CHARGES & COMMISSION	18,85,526	14,86,461
FINANCE CHARGES	27,93,150	38,19,210
<b>TOTAL</b>	<b>2,46,89,475</b>	<b>2,18,31,895</b>

## ANNEXED TO AND FORMING PART OF THE ACCOUNTS

### SCHEDULE 20 : NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2009

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

##### B. FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation.

##### C. INVENTORIES

**Finished goods** : Finished goods are valued at lower of cost or net realisable value. Cost is determined using First in First out (FIFO) method.

**Stock-in-process** : Stock-in-process is valued at cost, if any.

**Raw Materials** : Raw materials/consumables/designs are valued at cost. Cost is determined using FIFO Method.

##### D. DEPRECIATION

Depreciation on fixed assets has been provided on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.

##### E. SALES

Sale of goods is recognised on despatches to customers for both, domestic sales as well as export sales and is inclusive of Export Incentives. (wherever applicable).

##### F. EMPLOYEES RETIREMENT AND OTHER BENEFITS

Contributions in respect of gratuity are made to the Life Insurance Corporation of India as per the actuarial valuation given by LIC.

Leave encashment benefits payable to employees are accounted for on payment basis, as per rules of the Company.

##### G. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the exchange rates prevalent on the date of transaction. Monetary assets and monetary liabilities related to foreign currency transactions remaining unsettled at the end of the year are worked out at the exchange rate prevalent on the last day of the financial year and exchange difference is charged to Profit & Loss Account.

##### H. TAXATION

Provision for tax for the year comprises estimated current income-tax determined to be payable in respect of taxable income. Deferred tax being the tax effect of timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

##### I. PROVISION FOR DOUBTFUL DEBTS

The company does not make provision for doubtful debts, and follow the practice of writing off bad debts, as and when determined.

##### J. BORROWING COST

Borrowing cost that are directly attributable to the acquisition, constructions or production of qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense during the period in which they are incurred.

#### II. NOTES ON ACCOUNTS

##### 1. Contingent Liabilities not provided for in respect of

- a) Bills and cheques discounted Rs.96,55,098/- (Previous Year Rs. 2,50,22,909/-)
- b) Guarantee given by Canara Bank on behalf of the Company and remaining outstanding as at 31st March, 2009 Rs.4,21,240/- (Previous Year Rs. 4,21,240/-).
- c) Guarantees given by the Company and remaining outstanding as on 31st March, 2009 to YES Bank Ltd for loans granted to Seasons Furnishings Limited Rs.8,00,00,000/- (Previous Year Rs.8,00,00,000/- to YES Bank).

##### 2. Capital Works in progress relates to installation of Plant & Machinery for expansion cum modernisation project at Barhi, Sonapat, Haryana.

##### 3. Various Debit and Credit balances appearing under the various heads are subject to confirmation by the respective parties. Necessary, adjustments,

if any, will be made in the books of accounts, as and when the statement of accounts/ balance confirmation are received from the parties.

4. In terms of AS-28 and as certificate issued by the management, there is no impairment of Fixed Assets of the company.

**5. Deferred Tax**

In accordance with AS-22, the reversal of deferred tax liability (on account of timing difference) for the current year amounting to Rs.4,07,465/- has been recognised and accordingly charged to Profit and Loss Account.

6. The Company has not received any information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

**7. Payment to Directors by way of Remuneration**

(RS.)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
Salary	11,88,000	12,00,000
Perquisites	4,17,600	4,20,000
P.F. and other funds	1,42,560	1,44,000
<b>Total</b>	<b>17,48,160</b>	<b>17,64,000</b>

Computation of profit under section 349 of the Companies Act, 1956

(RS./LACS)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
Computation of profit under section 349 of the Companies Act, 1956		
Profit before taxation as per profit and loss account	98.92	132.06
Add : Directors remuneration	16.06	16.20
Directors sitting fees	1.85	1.87
Loss on sale of Assets	12.25	30.16
	0.00	23.32
<b>Total</b>	<b>129.08</b>	<b>150.13</b>

8. Payment made to and provisions made for Auditors in various capacities during the year are as follows

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
<b>a. As Auditors</b>		
For Statutory Audit	60,000	60,000
For Tax Audit	20,000	20,000
<b>b. As Auditors and in any other Capacity</b>		
Taxation matters	10,000	10,000
Certifications /Other Charges	39,231	25,015
<b>Total</b>	<b>1,29,231</b>	<b>1,15,015</b>

9. Instalments Paid during the year to Banks and other Financial Institutions Rs.2,26,45,701/- (Previous Year Rs.1,82,43,617/-).

10. Previous Year's figures have been regrouped/ recasted/ rearranged, wherever necessary.

11. Additional information required by para 3 to (4D) of part-II of schedule VI to the Companies Act, 1956 is and under

**CAPACITY, PRODUCTION, PURCHASES, SALES, CONSUMPTION AND STOCKS**

PARTICULARS	UNIT	YEAR ENDED	YEAR ENDED
		31 <sup>ST</sup> MARCH, 2009	31 <sup>ST</sup> MARCH, 2008
<b>A) Installed Capacity</b>			
Automatic Shuttleless Looms (Imported)	(Nos.)	25	25
Printing Machine	(Nos.)	1	1

B. INSTALLED CAPACITY/PRODUCTION CAPACITY AND ACTUAL PRODUCTION					
PARTICULARS	INSTALLED CAPACITY			ACTUAL PRODUCTION	
	UNIT	YEAR ENDED 31-03-2009	YEAR ENDED 31-03-2008	YEAR ENDED 31-03-2009	YEAR ENDED 31-03-2008
Fabric (On Imported Looms) "as certified by the Management"	Mtrs.	13,88,000	13,88,000	8,94,414	11,15,767

PARTICULARS	UNIT	YEAR ENDED 31 <sup>ST</sup> March 2009		YEAR ENDED 31 <sup>ST</sup> March 2008	
		QTY.	(RS.)	QTY.	(RS.)
<b>C) OPENING STOCKS</b>					
Fabric	Mtrs.	1,94,033	4,24,52,457	1,82,232	3,25,80,868
Madeups	Pcs.	256	9,728	412	15,656
Stock in Process (Yarn/Fabric)		—	17,27,784	—	29,10,958
Spare Parts		—	1,24,924	—	1,08,206
<b>D) CLOSING STOCKS</b>					
Fabric	Mtrs.	1,81,988	3,50,73,887	1,94,033	4,24,52,457
Madeups	Pcs.	111	4,218	256	9,728
Stock in Process (Yarn/Fabric)		—	11,01,599	—	17,27,784
Spare Parts		—	8,18,687	—	1,24,924
<b>E) SALES</b>					
Fabric	Mtrs.	11,20,506	35,54,66,941	12,50,066	33,13,28,979
<b>F) PURCHASES</b>					
Fabric	Mtrs.	2,14,047	10,29,73,546	1,46,100	3,91,80,940
<b>G) CONSUMPTION</b>					
Raw Material					
Yarn	Kgs	4,58,525	9,89,99,587	6,11,853	15,13,25,714

Quantitative break up in respect of sales is given for items, which individually in value are accounted for more than 10% of total sales. No such details are being given in respect of raw material components since consumption of no single raw material or component constitutes more than 10% of the total value of raw material consumed.

**12. EARNING IN FOREIGN CURRENCY**

Export of goods calculated on FOB basis Rs.13,41,64,953/- (previous year Rs.15,07,36,516/-)

13. EXPENDITURE IN FOREIGN CURRENCY

(RS.)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
Travelling	2,63,072	8,19,059
Commission on Sales	86,39,976	65,76,254
Spare Parts	10,92,358	4,35,532
Foreign Bank Charges	5,74,295	4,52,520
Exhibition Expenses	4,49,876	7,12,204
Others	4,81,270	2,46,000
Design Expenses	53,666	3,04,901
<b>Total</b>	<b>1,15,54,513</b>	<b>95,46,470</b>

14. VALUE OF IMPORT ON CIF BASIS

(RS.)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
Advance for Capital goods	3,69,71,225	56,90,000
Fabrics	16,84,567	—

15. EARNING PER SHARE (EPS)

(RS.)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
Profit available to equity shareholders	82,15,598	70,23,691
Weighted average — Number of Equity shares	65,90,300	65,90,300
EPS (Basic and diluted) Rupees per share	1.25	1.07
Nominal Value of Share	Rs.10	Rs.10

16. GRATUITY

As per Company policy the calculation of gratuity amount provided in Profit & Loss A/c is based on actuarial valuation given by LIC.

17. 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., N.S.Properties Pvt Ltd., S9 Home Pvt. Ltd.

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

**Relatives:** Tej Kaur, Neelam Wadhwa

b) Transactions with related Parties

(RS./LACS)

NATURE OF TRANSACTIONS	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009			YEAR ENDED 31 <sup>ST</sup> MARCH, 2008		
	Associates companies	Key management personnel	Relative	Associates companies	Key management personnel	Relative
1. Sales and other Income	1625.53	—	—	1237.77	—	—
2. Purchases of stores/fabrics	276.56	—	—	4.85	—	—
3. Expenditure on services	—	—	6.60	—	—	6.60
4. Outstanding balances						



(RS./LACS)

NATURE OF TRANSACTIONS	YEAR ENDED 31ST MARCH, 2009			YEAR ENDED 31ST MARCH, 2008		
	Associates companies	Key management personnel	Relative	Associates companies	Key management personnel	Relative
Debtors	570.30	—	—	387.63	—	—
Creditors (for modernisation Project)	—	75.00	24.50	—	43.00	24.50
Creditors (others)	87.50	—	—	87.50	—	—
5. Security Deposits	—	—	8.00	—	—	8.00
6. Managerial remuneration	—	17.48	—	—	17.64	—

As per our report of even date

**For K. L. Datta & Co.**  
Chartered Accountants

For and on behalf of the Board

**V.K.Datta**  
Partner  
Membership No. 400-70466

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

**Mandeep S. Wadhwa**  
Director

**Sachin Gupta**  
Company Secretary

Place : New Delhi  
Date : 27<sup>th</sup> June, 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

(RS.)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009	YEAR ENDED 31 <sup>ST</sup> MARCH, 2008
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	98,92,351	1,32,06,418
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	1,85,86,318	1,62,62,737
INTEREST INCOME	(12,29,171)	(12,62,236)
LOSS ON SALE OF FIXED ASSETS	12,24,653	—
MISCELLANEOUS EXPENDITURE	6,69,132	(20,07,395)
INTEREST / FINANCE CHARGES	2,46,89,475	2,18,31,895
	<b>4,39,40,407</b>	<b>3,48,25,001</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>5,38,32,758</b>	4,80,31,419
<b>ADJUSTMENT FOR :</b>		
TRADE AND OTHER RECEIVABLES	67,584	(2,06,91,550)
INVENTORIES	(47,48,508)	(1,24,72,059)
TRADE PAYABLES	(16,68,551)	1,20,41,379
	<b>(6,349,475)</b>	<b>(2,11,22,230)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>4,74,83,283</b>	2,69,09,189
INTEREST/FINANCE CHARGES PAID	(2,46,89,475)	(2,18,31,895)
FRINGE BENEFIT TAX PAID	(3,69,590)	(3,58,479)
DIRECT TAXES PAID	(12,02,062)	(19,20,038)
	<b>(2,62,61,127)</b>	<b>(2,41,10,412)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,12,22,156</b>	27,98,777
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(11,68,17,469)	(1,74,17,950)
SALE OF FIXED ASSETS	19,00,000	—
INTEREST RECEIVED	12,29,171	12,62,236
NET CASH USED IN INVESTING ACTIVITIES	<b>(11,36,88,298)</b>	(1,61,55,714)
<b>C. CASH FLOW FORM FINANCING ACTIVITIES</b>		
PROCEEDS FROM BORROWINGS	13,73,41,239	3,35,96,033
REPAYMENT OF BORROWING	(4,72,30,576)	(2,28,46,292)
WARRANTS CONVERTIBLE INTO EQUITY SHARES	—	75,73,580
NET CASH USED IN FINANCING ACTIVITIES	<b>9,01,10,663</b>	1,83,23,321
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>(23,55,479)</b>	49,66,384
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<b>63,54,304</b>	13,87,920
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<b>39,98,825</b>	<b>63,54,304</b>

**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.

**For K. L. Datta & Co.**

For and on behalf of the Board

Chartered Accountants

**V.K.Datta**

Partner

Membership No. 400-70466

Place : New Delhi

Date : 27<sup>th</sup> June, 2009

**Inderjeet S. Wadhwa**

Chairman & Managing Director

**Mandeep S. Wadhwa**

Director

**Sachin Gupta**

Company Secretary

### AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Seasons Textiles Limited for the year ended March 31,2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the various Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date.

**For K. L. Datta & Co.**

Chartered Accountants

Place : New Delhi

Date : 27<sup>th</sup> June, 2009

**V.K.Datta**

Partner

Membership No. 400-70466

**PART-IV BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I) Registration Details	Registration No. : 24058	State Code : 055
	Balance Sheet Date : 31/03/2009	
II) Capital Raised During the year (Amount in Rs. Thousands)	Public Issue : NIL	Right Issue : NIL
	Bonus Issue : NIL	Private Placement : NIL
III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	Total Liabilities : 480933	Total Assets : 480933
	<b>Sources of Funds :</b>	
	Paid up Capital : 65903	Reserves & Surplus : 115144
	Secured Loans : 200385	Unsecured Loans : 46862
	Share Warrants Application Money : 7574	
	Deferred Tax Liability : 45065	
	<b>Application of Funds :</b>	
Net Fixed Assets : 296528	Investments : 0	
Net Current Assets : 183067	Misc. Expenditure : 1338	
Accumulated Losses : NIL		
IV) Performance of the Company (Amount in Rs. Thousand)	Turnover & Other Income : 365313	Total Expenditure : 355421
	Profit Before Tax : 9892	Profit/After Tax : 8216
	Earning per Share : 1.25	Dividend Rate % : Nil
V) Generic Names of three Principal Products/Services of the Company (as per monetary terms)	A. Item Code No.(ITC Code) : 5210 Product Description : WOVEN FABRICS OF COTTON MIXED WITH MANMADE FIBRES	
	B. Item Code No.(ITC Code) : 5514 Product Description : WOVEN FABRIC OF SYNTHETIC STAPLE FIBRES	

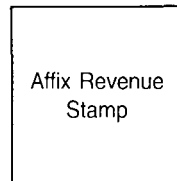
**SEASONS TEXTILES LIMITED**  
**Regd. office:** 61, Ring Road (Ground Floor),  
 Lajpat Nagar-III, New Delhi - 110 024

**FORM OF PROXY**

L.F. No.		No. of Shares	
D.P. ID*		Client ID*	

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 23<sup>rd</sup> Annual General Meeting of the Company to be held at the 11.30 A.M. on Wednesday, the 30<sup>th</sup> day of September, 2009 at Royal Vatika, Main Bus Stand Khera Khurd, Alipur Block, Delhi - 110 082, and any adjournment thereof.

Signed this.....day of.....2009.



**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:** 61, Ring Road (Ground Floor),  
 Lajpat Nagar-III, New Delhi - 110 024

**ATTENDANCE SLIP**

L.F. No.		No. of Shares	
D.P. ID*		Client ID*	

I/We hereby record my/our presence at 23<sup>rd</sup> Annual General Meeting of the Company at 11.30 A.M. on Wednesday, the 30<sup>th</sup> day of September, 2009 at Royal Vatika, Main Bus Stand Khera Khurd, Alipur Block, Delhi - 110 082.

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

**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.



61 Ring Road (Ground Floor), Laxmi Nagar III, New Delhi - 110 024

Registered Office

B - 18, Sector - 5, Noida - 201 301 (U.P.)

Corporate Office

**SEASONS**  
TEXTILES LIMITED

