

15th
Annual Report
2004-05




SEASONS[®]
FURNISHINGS LTD.

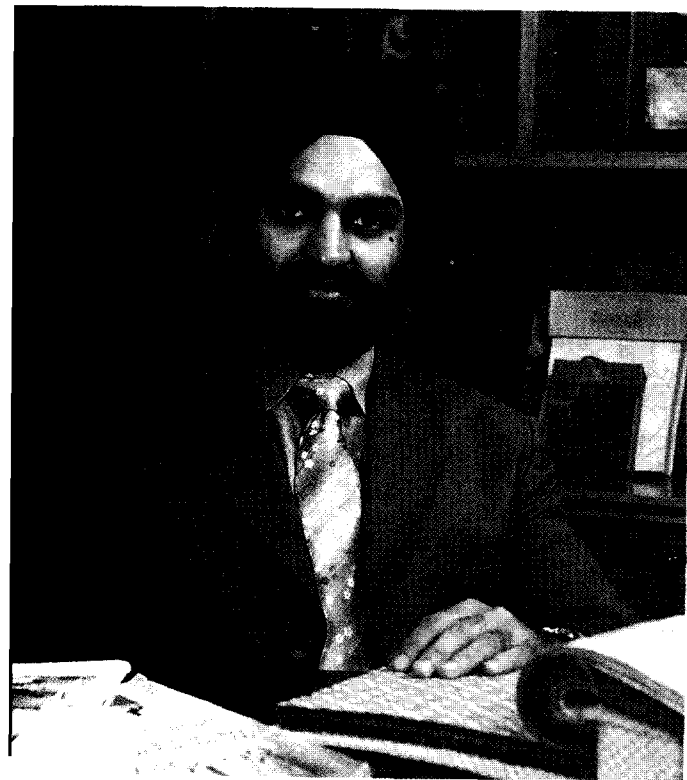




Flagship Store at New Delhi

Also presence at :-

- Mumbai • New York • Los Angeles • London • Dusseldorf
- Paris • Milan • Sydney • Singapore • Hong Kong • Montreal
- also available in 20 cities across in India



Mr. Mandeep Singh Wadhwa
Managing Director

SEASONS has always worn the crown of being a trendsetter in the house of furnishings that has redefined elegance with the perfect amalgamation of class and ethnicity. The unique spellbinding patterns that are set amidst a celebration of colours have always been the global favourite of those who prefer to give a designer touch to their interiors. A design-house with a talented team of designers who go to great extents just to ensure that every design, colour and thread woven, not only attracts the gaze of every connoisseur but also becomes a rage in the arena of furnishings.



BOARD OF DIRECTORS

Inderjeet S. Wadhwa	Chairman & Director
Mandeep S. Wadhwa	Managing Director
R.K. Gupta	Director
G.S. Harnal	Director

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COMPANY SECRETARY

Namrata Sharma

REGISTERED OFFICE

26, Feroze Gandhi Marg,
Lajpat Nagar-III,
New Delhi - 110 024

CORPORATE OFFICE

26, Feroze Gandhi Marg,
Lajpat Nagar-III,
New Delhi - 110 024

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 - 110 015

BANKERS

Oriental Bank of Commerce
South Extension - I
New Delhi

SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar - II
New Delhi - 110 024
Ph. : 29833777, 29847136

STOCK EXCHANGE LISTING

- The Delhi Stock Exchange Association Ltd.
- The Stock Exchange, Mumbai
- The Stock Exchange, Ahmedabad
- The Madras Stock Exchange Ltd.



NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of SEASONS FURNISHINGS LIMITED will be held on Friday, the 30th day of September, 2005 at Multi Purpose Community Centre, Khera Khurd, Alipur Block, Delhi - 110 082 at 1030 hrs. to Transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. G. S. Harnal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

RESOLVED THAT M/s. K.L. Datta & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period.

By order of the Board

MANDEEP S. WADHWA

Managing Director

Place : New Delhi

Dated : 30th June, 2005

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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 TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 26th September, 2005 to Friday, the 30th September, 2005 (both days inclusive).
3. M/s Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar – II, New Delhi – 110 024 is the Registrar and Share Transfer Agent of the Company for physical shares as well as depository interface with NSDL and CDSL.
4. Members are requested to intimate to the Company queries, if any, regarding these Accounts/Notice at least 7 days before the meeting to enable the management to keep the information ready at the meeting.
5. Members are requested to bring their copies of the Annual Report to the meeting and the Attendance Slip duly filled-in for attending the meeting.
6. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office on all working days except Saturdays, Sundays and Holidays between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
7. Member who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easy identification of attendance at the meeting.

By order of the Board

MANDEEP S. WADHWA

Managing Director

Place : New Delhi

Dated : 30th June, 2005

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the 15th Annual Report of your Company together with the audited accounts for the year ended on 31st March, 2005.

FINANCIAL PERFORMANCE

	2004-2005	2003-2004
	(Rs. in Lacs)	
Sales & Other Income	1916.00	1424.43
Profit Before Depreciation and Finance Charges	159.87	137.17
Finance Charges	60.00	50.96
Depreciation	65.60	57.20
Profit Before Tax	34.27	29.01
Provision for Tax		
– Current Tax	2.69	2.25
– Deferred	(2.10)	9.74
Profit after Tax	33.68	17.02
Add : Balance Of Profit Brought Forward	237.58	220.56
Balance available for appropriation	271.26	237.58
Balance carried to Balance Sheet	271.26	237.58

REVIEW OF OPERATIONS

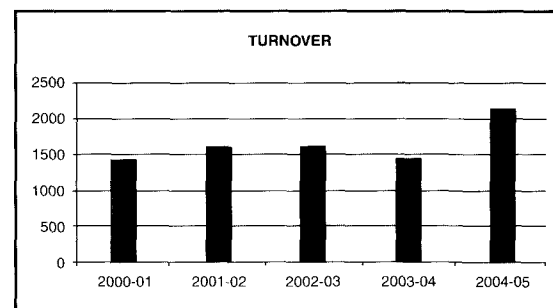
The sales during the year was Rs.1903.12 Lacs as against Rs.1407.05 Lacs in the previous year representing an increase of 35% . Also the profit before interest and depreciation stood at Rs.159.87 Lacs as against Rs.137.17 Lacs in the previous year. The Net profit was higher at Rs.33.68 Lacs as against Rs.17.02 Lacs in the previous year.

MANAGEMENT DISCUSSION & ANALYSIS

The year under review witnessed enhanced results and due to re-location of the retail outlet at New Delhi. The new retail outlet has begun operations at a new prominent, visible and spacious premises from June, 2004 and is expected to yield further good results in the coming financial year. The sales are higher as that of last year, primarily due to re-location of the retail outlet and enhanced project/institutional orders.

The Company during the year under review added a number of new clients and also introduced a new concept and range of home furnishing products and this will result in additional sales and improved bottomline in the financial year 2004-05.

The company is focused on Exclusive products, International and latest Design concepts, Colour coordination, customer service and retailing excellence. There is a continuous product enhancement through exclusivity and designer products. The Company regularly participates in the domestic exhibitions to showcase its exclusive products. The Company has launched a nationwide presence in major metro cities in view of increase in disposable income of all segments.



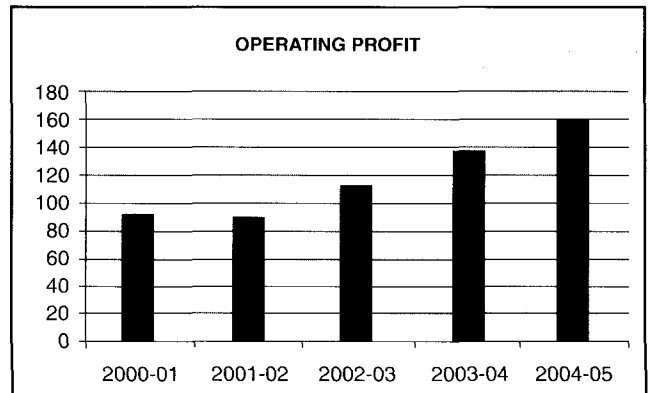


Employees are our greatest asset and potential involvement, commitment and teamwork are integral to our objective of productive culture.

There are no typical areas of risks outside the usual course of business foreseeable at the time. Internal control systems have been found to be adequate and are continuously improved.

DIVIDEND

After considering the profit and the need to conserve the resources, your Directors regret their inability to recommend payment of any dividend for the year.



PUBLIC DEPOSITS

The Company has not accepted/renewed any Public Deposits during the year ended 31 st March, 2005.

DIRECTORS

Shri G S Harnal, Director retire by rotation and being eligible offer himself for re-appointment.

LISTING ARRANGEMENTS

The Companies securities are listed at the Delhi, Mumbai, Ahmedabad and Madras Stock Exchanges. Further, the listing fees for all the above Stock Exchanges have been paid for the year 2005-2006.

AUDITORS

M/s. K.L. Datta & Company, Chartered Accountants, the Company's Auditors will retire at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished the requisite certificate under section 224 (1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, your directors confirm as under:

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

ISSUE OF WARRANTS ON PREFERENTIAL BASIS

The Company has issued 12,50,000 Warrants of Rs. 10 each with an option to convert into equal number of Equity Shares, aggregating to Rs. 125 lacs on preferential basis as per SEBI Guidelines. The proceeds of the issue will be utilized in the proposed expansion plans.



INDUSTRIAL RELATIONS

Your Directors gladly report that the Industrial Relations during the year under review remain cordial.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

ADDITIONAL INFORMATION

Information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is not applicable.

Annexure 'A' To this report gives the information in respect of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forms part of the Director's Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and continued support extended by the staff, bankers, investors and customers.

Place : New Delhi

Dated: 30th June, 2005

By order of the Board

INDERJEET S. WADHWA
Chairman & Director


ANNEXURE 'A' FORMING PART OF DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2005.

A.	Conservation of energy :-	
1.	Energy conservation measures taken.	The Company consumes energy for general lighting & air-conditioning at its showrooms and as such there is little scope for improvement. However, efforts will be made to conserve and save energy wherever applicable.
2.	Additional investment and proposals, if any, being implemented for reduction of consumption of energy.	Nil
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.	Nil
4.	Total energy consumption and per unit of production.	As per Form A
B.	Technology Absorption	Efforts made in technology absorption as per Form B
C.	Foreign Exchange Earning and Outgo	
1.	Activities relating to export initiatives taken to increase export development of new export market for products and services, and Export Plans.	The Company is continuing its efforts to earn foreign exchange.
2.	(a) Total foreign exchange used. (b) Total foreign exchange earned.	Rs. 6.40 lacs Rs. 0.80 lacs

FORM - A

Disclosure of particulars with respect to conservation of energy.

A. POWER & FUEL CONSUMPTION

	Current Year	Previous Year
(a) Purchased		
Unit	2,41,236	1,60,826
Total Amount (Rs. Lacs)	15.62	14.04
Rate/Unit	6.47	8.73
(b) Own Generation through diesel Generator	30717	31,800
Unit	4	4
Unit per Ltr. of Diesel Oil Cost/Unit (Rs.)	6.57	5.25



FORM B

Disclosure of Particulars with respect to technology absorption research and Development (R&D):

1.	Specific areas in which R&D Carried out by the Company	Innovative fabric designs and New product 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 fabric designs and patterns based on market feedback.
4.	Expenditure on R&D A. Capital B. Recurring C. Total D. Total R&D expenditure as a percentage total sales	Nil Nil Nil Nil

Technology absorption, adaptation and innovation:

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	No new technology has been imported.
2.	Benefits derived as a result of efforts e.g. product improvement, cost reduction, product development, import substitution.	Nil
3.	In case of improved technology imported during the last 5 years reckoned—From the beginning of the financial year, following information may be furnished. a. Technology imported b. Year of Import c. Has technology been fully absorbed d. If not absorbed, areas where this has not taken place, reasons therefore and future plans of action	Not Applicable N.A. N.A. N.A. N.A.