

16th Annual Report 2005 - 2006




SEASONS[®]
FURNISHINGS LTD.





Mandeep Singh Wadhwa
Managing Director



Inderjeet Singh Wadhwa
Chairman

Report Junction.com

Emphasis on Trends, designs and
colours and eco-friendliness differentiate

SEASONS from other furnishing
fabrics makes.

SEASONS[®]

FURNISHINGS LTD.

Board of Directors

Inderjeet S. Wadhwa
Chairman & Director

Mandeep S. Wadhwa
Managing Director

R.K. Gupta
Director

G.S. Harnal
Director

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
ICICI Bank
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 is hereby given that the 16th Annual General Meeting of the Members of SEASONS FURNISHINGS LIMITED will be held on Friday, the 29th day of September, 2006 at Multi Purpose Community Centre, Khera Khurd, Alipur, Delhi - 110 082 at 1045 hrs. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 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 Inderjeet S. Wadhwa 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 Board

Place : Noida
Dated : 28th June, 2006

MANDEEP S. WADHWA
Managing Director

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 Friday, the 22nd September, 2006 to Friday, the 29th September, 2006 (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. 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.

To The Members,

Your Directors have pleasure in presenting the 16th Annual Report of your Company together with the audited accounts for the year ended on 31st March, 2006.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

	2005-2006	2004-2005
Sales & Other Income	2570.68	1916.00
Profit before Dep. and Finance Charges	197.27	159.87
Finance Charges	66.70	60.00
Depreciation	77.93	65.60
Profit Before Tax	52.64	34.27
Provisions for Tax	11.53	0.59
Profit after Tax	41.11	33.68
Add: Balance of Profit Brought Forward	271.27	237.58
Balance available for appropriation	312.38	271.26
Balance carried to Balance Sheet	312.38	271.26

REVIEW OF OPERATIONS

During the year under review, the sales has increased to Rs. 2552.48 Lacs as compared to Rs. 1903.12 Lacs in the previous year i.e. up by Rs.649.36 Lacs representing an increase by 34 percent. The profit-before-tax has increased to Rs. 52.64 Lacs from Rs. 34.27 Lacs before considering the provisions for tax.

MANAGEMENT DISCUSSION & ANALYSIS

The year under review witnessed improved all round operations due to the sales and marketing efforts from the retail outlets as well as institutional orders. Further, new format of selling by adding dealers across the country also helped in boosting the sales.

The Company during the year under review added a number of new clients both in institutional and retail sector and also introduced a new concept and range of home furnishing products and this will further generate additional sales and bottom line in the coming years.

Further, the Company has already finalized retail space for 3 more retail outlets which will be opened in phased manners from April 2006 onwards. The new outlets will be under a new format of retailing and will offer international style, ambience and service quality

The Company leverages on the continuous product and service enhancement through exclusivity, coordinated and international designed products. The Company is regularly participating in the domestic exhibitions to showcase its exclusive products. The Company also plans to further enhance the nationwide presence in major metro cities in view of increase in disposable income of all segments.

The Company is determined to enhance the Employees skills as they 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. The implementation of ERP software has improved the internal controls and information flow across all levels.

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 31st March, 2006.

DIRECTORS

Shri Inderjeet S. Wadhwa retire by rotation and being eligible offer himself for re-appointment.

LISTING ARRANGEMENTS

The Companies securities are listed at the Delhi, Mumbai, Ahmedabad and Chennai Stock Exchanges. Further, the listing fees for all the above Stock Exchanges have been paid for the financial year 2005-06 and 2006-07.

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.

INDUSTRIAL RELATIONS

Your Directors gladly report that the Industrial Relations during the year under review remained 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. The observations contained in the Auditors Report are self-explanatory and, therefore, no comments are called for separately.

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.

By order of the Board

Place : Noida

INDERJEET S. WADHWA

Dated : 28th June, 2006

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, 2006.

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 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 market for products and services, and Export Plans.	The Company is continuing its efforts to earn foreign exchange.
2. (a) Total foreign exchange used.	Rs. 63.65 lacs
(B) Total foreign exchange earned.	Rs. 42.46 lacs

FORM A

Disclosure of particulars with respect to conservation of energy

A. POWER & FUEL CONSUMPTION

	Current Year	Previous Year
(a) Purchased		
Unit	287150	241236
Total Amount (Rs. Lacs)	18.27	15.62
Rate/Unit	6.36	6.47
(b) Own Generation Through Diesel Generator	25232	30717
Unit	4	4
Unit per Ltr. of diesel Oil Costs/Unit (Rs.)	7.20	6.57

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

- | | |
|---|--|
| 1. Specific areas in which R&D Carried out by the Company. | Innovative fabrics designs and new products development. |
| 2. Benefits derived as a result of the above R&D. | Increase in acceptability of new designs. |
| 3. Future Plan of action and patterns based on market feedback. | Continue to introduce latest fabrics designs |
| 4. Expenditure on R&D | |
| a. Capital | NIL |
| b. Recurring | NIL |
| c. Total | NIL |
| d. Total R&D expenditure as a percentage of total sales. | NIL |

Technology absorption, adaption and innovation:

- | | |
|---|----------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | |
| 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, following information may be furnished. | Not Applicable |
| a. Technology imported | N.A. |
| b. Year of Import | N.A. |
| c. Has technology been fully absorbed | N.A. |
| d. If not absorbed, areas Where this has to taken Place, reasons therefore and future plans of action | N.A. |

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors and the Management of the Company commit themselves to:

- To achieve the leadership position in our field
- To adhere for prudent corporate practices
- To adhere to conservative financial management policy

2. BOARD OF DIRECTORS

(i) **Composition :** The Board of Directors of the Company as on 31st March, 2006 consisted of:

S.No	Name of Director	Designation	Position
1.	Shri Inderjeet S. Wadhwa	Chairman & Director	Promoter-Non Executive
2.	Shri G.S Harnal	Director	Independent-Non Executive
3.	Shri R.K Gupta	Director	Independent-Non Executive
4.	Shri Mandeep S. Wadhwa	Managing Director	Promoter-Executive

(ii) Attendance at the meeting of the Board of Directors during the year and last Annual General Meeting and details of membership of Directors in Board Committees

- Six meetings of the Board were held during the financial year – 21st April, 2005, 4th June, 2005, 30th June, 2005, 22nd July 2005, 26th October, 2005, 28th January, 2006.
- The last Annual General Meeting was held on 30th September, 2005.

Name of the Director	No. of Board Meetings attended	Sitting Fees Paid Rs.	Whether attended AGM held on 30th Sept. 2005	Other Board Committees	
				Chairman	Member
Shri Inderjeet S. Wadhwa	6	15000	Yes		2
Shri G.S Harnal	6	15000	No		
Shri R.K Gupta	6	15000	Yes		2
Shri Mandeep S. Wadhwa	6	-	No		1

(iii) Information regarding Directors, pursuant to the Listing Agreement.

Shri Inderjeet S. Wadhwa, Director of the Company is retiring by rotation and being eligible has offered himself for reappointment. Shri Inderjeet S. Wadhwa has been a Director of the Company since inception. He is on the Board of Seasons Textiles Limited as Managing Director and Focus Merchandise Pvt. Ltd.

3. AUDIT COMMITTEE

Constitution

The terms of reference of the Audit committee has been set out in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Composition

Chairman : Shri G.S Harnal
Member : Shri Inderjeet S Wadhwa
Member : Shri R K Gupta

Meeting and Attendance

The details of meetings held during the year, and the attendance thereat, are as follows:

Dates of meeting : 30th June, 2005, 22nd July 2005, 26th October, 2005, 28th January, 2006.

<u>Name of the Member</u>	<u>No. of Meetings attended</u>
Shri G.S Harnal	4
Shri Inderjeet S Wadhwa	4
Shri R K Gupta	4

4. REMUNERATION COMMITTEE

Composition

The terms of reference of the Remuneration Committee has been set out in accordance with the

requirement of the Companies Act, 1956. The remuneration policy is performance based and in consonance with the Industry.

5. GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs

The last three Annual General Meetings were held at Multipurpose Community Centre, Khera Khurd, Alipur, Delhi – 110 082 as per details given below:

Date	Time	Venue of Meetings
Friday, 30th September 2005	10:30 A.M.	Multipurpose Community Centre, Khera Khurd, Alipur, Delhi-82
Thursday, 30th September 2004	10:30 A.M.	Multipurpose Community Centre, Khera Khurd, Alipur, Delhi-82
Tuesday, 30th September 2003	10:30 A.M.	Multipurpose Community Centre, Khera Khurd, Alipur, Delhi-82

There was no requirement for a postal ballot in any year.

6. DISCLOSURES

There were no materially significant related party transaction which had potential conflict with the interest of the Company at large. Please refer to Notes on Accounts for details in accordance with AS-18.

The Company has complied with the requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any other statutory authorities during the last three years.

The disclosure of accounting treatment wherever applicable have been made in the financial accounts for the year ended 31st March, 2006.

7. MEANS OF COMMUNICATION

(a) The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Financial Express and Jansatta newspapers.

(b) Management Discussion and Analysis Report forms part of the Report to the Directors.

8. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 29th September, 2006, 10.45 a.m.

Venue : Multipurpose Community Centre,
Khera Khurd, Alipur, Delhi

Financial Calendar :

Financial reporting for

Quarter ending June 30, 2006 : July, 2006

Quarter ending September 30, 2006 : October, 2006

Quarter ending December 31, 2006 : January, 2007

Quarter ending March 31, 2007 : June/July, 2007

Book Closure Dates : September 22, 2006 to September 29, 2006
(Both days inclusive)

LISTING ON STOCK EXCHANGES

The Equity shares of the Company are listed on the Stock Exchanges at – Delhi, Mumbai, Ahmedabad and Chennai. The Company confirms that it has paid Annual Listing Fees due to all the above Stock Exchanges for the year 2006-07.