



19th Annual Report 2008 - 2009


SEASONS[®]
FURNISHINGS LIMITED

BOARD OF DIRECTORS

Inderjeet S. Wadhwa

Chairman

Mandeep S. Wadhwa

Managing Director

R.K. Gupta

Director

G. S. Harnal

Director

L. N. Gupta

Director

Company Secretary & Compliance Officer

Pramod Pd. Kothari

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

Company's Exclusive Showrooms

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

Shop No.1-2, Ground Floor,
MGF Plaza, Mehrauli-Gurgaon Road,
Gurgaon (Haryana)

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

pramod@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

YES Bank
South Ext. Part-II,
New Delhi - 110 049

19th ANNUAL REPORT - 2008-09

CONTENTS

Seasons Furnishings Limited

• Notice for the Annual General Meeting	3
• Directors' Report	4
• Management Discussion and Analysis	6
• Corporate Governance Report	8
• Auditors' Report	15
• Balance Sheet	18
• Profit & Loss Account	19
• Cash Flow Statement	29
• Balance Sheet Abstracts	30

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

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of **SEASONS FURNISHINGS LIMITED** will be held at 10.30 A.M. on Wednesday, the 30th 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 31st 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. L N Gupta, 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 Furnishings Limited**

Place : New Delhi
Date : 27th June, 2009

Pramod Pd Kothari
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 19th September, 2009 to 30th 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 L.N. Gupta 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 Furnishings Limited**

Place : New Delhi
Date : 27th June, 2009

Pramod Pd Kothari
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 19th Annual Report along with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

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

Particulars	(Rs./Lacs)	
	Year Ended 31 st March, 2009	Year Ended 31 st March, 2008
Total Income	3811.53	3357.01
Expenditure other than Interest and Depreciation	3560.40	3115.63
Interest and Finance charges.	141.73	114.69
Depreciation	59.17	61.20
Profit before tax	50.23	65.49
Provision for Tax		
Tax Expenses : Rs. 18.22 Lacs		
Deferred Tax : Rs. 18.25 Lacs	36.47	30.37
Profit after Tax	13.76	35.12
Surplus Brought forward	359.98	324.86
Amount available for appropriation	373.74	359.98
Surplus/(deficit) carried to Balance sheet	373.74	359.98

REVIEW OF OPERATIONS

The total income of the company during the year stands of Rs. 3811.53 Lacs as against Rs. 3357.01 Lacs in the previous year. The profit before tax during the year stands of Rs. 50.23 Lacs as against Rs. 65.49 Lacs in the previous year, the profit after tax during the year stands of Rs. 13.76 Lacs as against Rs. 35.12 Lacs.

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 plough back profits for future requirements of the company your Directors do not recommend any dividend for the year ended 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. L. N. Gupta retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment and your Board of Directors recommend for the same.

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:

- That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial Year and of the profit and loss account of the Company for that period.;
- 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;
- 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.

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
for **Seasons Furnishings Limited**

Place : New Delhi
Date : 27th June, 2009

I. S. Wadhwa
Chairman

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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.

a. Conservation of energy

Since the company has not undertaken any manufacturing activity this information is not applicable. Still it endeavors to save the energy wherever possible at all level of operation.

b. Technology Absorption

As per Form B.

c. Foreign Exchange Earnings and Outgo

The foreign exchange earning/outgo during the year are as under

	Current Year	Previous Year
Foreign Exchange Earning	20.72 Lacs	Nil
Foreign Exchange Outgo	235.35 Lacs	158.66 Lacs

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

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

- | | |
|--|-----|
| b. Recurring | NIL |
| c. Total | NIL |
| d. Total R&D expenditure as a percentage of total sales. | NIL |

Technology absorption, adoption and innovation:

- | | |
|---|------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | NIL |
| 2. Benefits derived as a result of efforts e.g. product improvement, cost reduction, product development, import substitution, etc. | NIL |
| 3. In case of improved technology imported during the last 5 years reckoned from the beginning of the financial year. | N.A. |

For and on behalf of the Board
for **Seasons Furnishings Limited**

Place : New Delhi
Date : 27th June, 2009

I. S. Wadhwa
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

COMPANY OVERVIEW

Seasons Furnishings Limited (SFL) has been promoted by Late Shri Nanak Singh Wadhwa, Shri Inderjeet Singh Wadhwa, Shri Mandeep Singh Wadhwa and Seasons Textiles Limited in the year 1990. The Company came with its Initial Public Offer in the year 1994. The Employees strength of the Company is around 150 and the affairs of the Company are managed professionally. The Company is progressing well under the able leadership of Shri Inderjeet Singh Wadhwa, Chairman and Shri Mandeep Singh Wadhwa, Managing Director of the Company. During the fiscal 2008-09 the turnover of the Company was Rs. 3774.37 Lacs. SFL is a widely held Public Limited company of Seasons Group. As on 31st March, 2009 the number of shareholders of the Company was 4033 and its shares are listed on Stock Exchanges at Mumbai, Delhi, Ahmedabad, and Chennai.

BUSINESS OVERVIEW

SFL is one of the pioneer company in organized sector which market exclusively designed furnishing fabric, made-ups and life style products to institutional as well as retail customers. The Company not only sell products but sell a concepts to sell its products'. Seasons Stores also display and sell products which are complementary on furnishing as whole like wall papers, carpets and furniture etc. Every care is made to provide quality products, service and excellent ambience at our outlets. The Company has been regularly participating in fairs and exhibitions to keep itself abreast with the latest trends and customers' taste as also to show case its products. Besides, the Company has its own Design Studio, continuously engaged in creating new and innovative designs. The in House Design Studio helps the company to market its exclusive designed products.

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 Corporate Office of the company has been shifted to B-18, Sector - 5, NOIDA, where the Seasons Textiles Limited, Flagship Company has allocated the space for the company.
- The Delhi Show Room of the Company has shifted to 61, Ring Road(Ground floor), Lajpat Nagar- III, New Delhi 110 024.
- The Company has exclusive showrooms under the name of Club Class at New Delhi and Gurgaon (Haryana).
- The modes of operation of Mumbai and Bangalore Showrooms have been changed and are running through the franchise.
- The products of the company are available across the country through 45 Retail Shop-in-Shop outlets.
- Now the products of the Company are available at 9 (Nine) stores of Lifestyle International Private Limited across the country.
- The Company has posted a growth of 14.32% in sales despite the fact that the company has been reeling under recession pressures because of the fall in consumer spending, though due to stringent market conditions the net profit percentage in terms of turnover has been declined.

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

Financials

(Rs./Lacs)

S. No.	Particulars	As on 31.03.2009	As on 31.03.2008
1.	Authorised Equity Share Capital	1200	1200
2.	Paid Up Share Capital	639.39	639.39
3.	Warrants convertible into equity shares	78.49	78.49
4.	Reserves & Surplus	400.04	386.28
5.	Secured & Unsecured Loans	1112.98	990.32
6.	Deferred Tax Liability	160.91	142.66
7.	Fixed Assets	573.49	608.00
8.	Capital Work in progress	150.83	175.35
9.	Sundry debtors	972.34	852.41
10.	Inventories	727.75	679.78
11.	Net Current Assets	1350.77	1309.42

Operational Results

(Rs./Lacs)

S. No.	Particulars	As on 31.03.2009	As on 31.03.2008	Increase (%)	Decrease (%)
1.	Income from Operations	3774.37	3324.07	13.55	
2.	Other Income	37.16	32.94	12.81	
3.	Expenditure excluding Interest, Depreciation and Tax	3560.40	3115.63	14.28	
4.	Earning before Interest Depreciation & Tax	251.13	241.38	4.04	
5.	Interest	141.73	114.69	23.58	
6.	Depreciation	59.17	61.20		3.32
7.	Profit before Tax	50.23	65.49		23.30
8.	Provision for Tax	36.47	30.37		
9.	Net Profit	13.76	35.12		

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.	Purchase	2459.46	1985.48	23.87	
3.	Administrative and other Overheads	940.10	946.48		0.58
4.	Selling and distribution overheads	208.80	200.07	4.36	
5.	Financial Overheads	141.73	114.69	23.58	
6.	Depreciations	59.17	61.20		3.32

OUTLOOK: ISSUES AND RISKS

Global economy has witnessed strong recessionary pressures in the later part of the year 2008-09 and expected to continue in the current year as well. Although the signs of recovery are seen. The Company will be now putting up intensive and aggressive marketing approach by expending customer base to reduce the recessionary impact. With So many new developments in the pipeline, the Company is constantly on the lookout for business partners to make its products available in all corners of India.

COMPETITION

As far as domestic market is concerned the entrepreneurs in unorganized sector in furnishing business have always posed a challenge to the Company. However, we follow the stringent checks on quality and this help us to maintain consistency in the quality of all our products. Like apparels, in home furnishings too, designs and trends keep changing very fast. The key success lie in reinventing all the time. We have to introduce new prints, new designs every day keeping in mind the varied taste of consumers and also to stay ahead of competition.

MANAGEMENT RISK

The Company has a well defined Risk Management Policy to identify major risks and their timely mitigation to protect the present and futures performance of the company. The risks are broadly classified as market led business risk, financial risk, change of trends and designs. During the year under review, special attention was given on managing market led business risk and financial by proper planning of products procurement and controlling inventories. The working capital management has also received its due attention to reduce rising interest cost.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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:

- Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- 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 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 Non 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 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 Promoter Non Executive Chairman	4	Yes	1	1	
Mr. M. S. Wadhwa Executive Managing Director	4	No	1	1	1
Mr. R. K. Gupta Independent Non Executive Director	4	Yes	2	1	—
Mr. L. N. Gupta Independent Non Executive Director	4	No	—	—	—
Mr. G. S. Harnal Independent Non Executive Director	4	Yes	—	—	—

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. L N Gupta
Date of Birth	01.09.1963	13.07.1932
Date of appointment	05.08.1986	30.07.2007
Expertise in specific areas	Finance, Accounts, Taxation & Law.	Management and Administration.
Directorship in other Companies	1. Seasons Textiles Limited. 2. Advance Business Consultants Ltd.	
Committee Memberships/Chairmanships in other companies	Audit Committee: Seasons Textiles Ltd. : Member	

Notes: Only Audit Committee and Shareholder's Grievance Committee of public company 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 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:

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