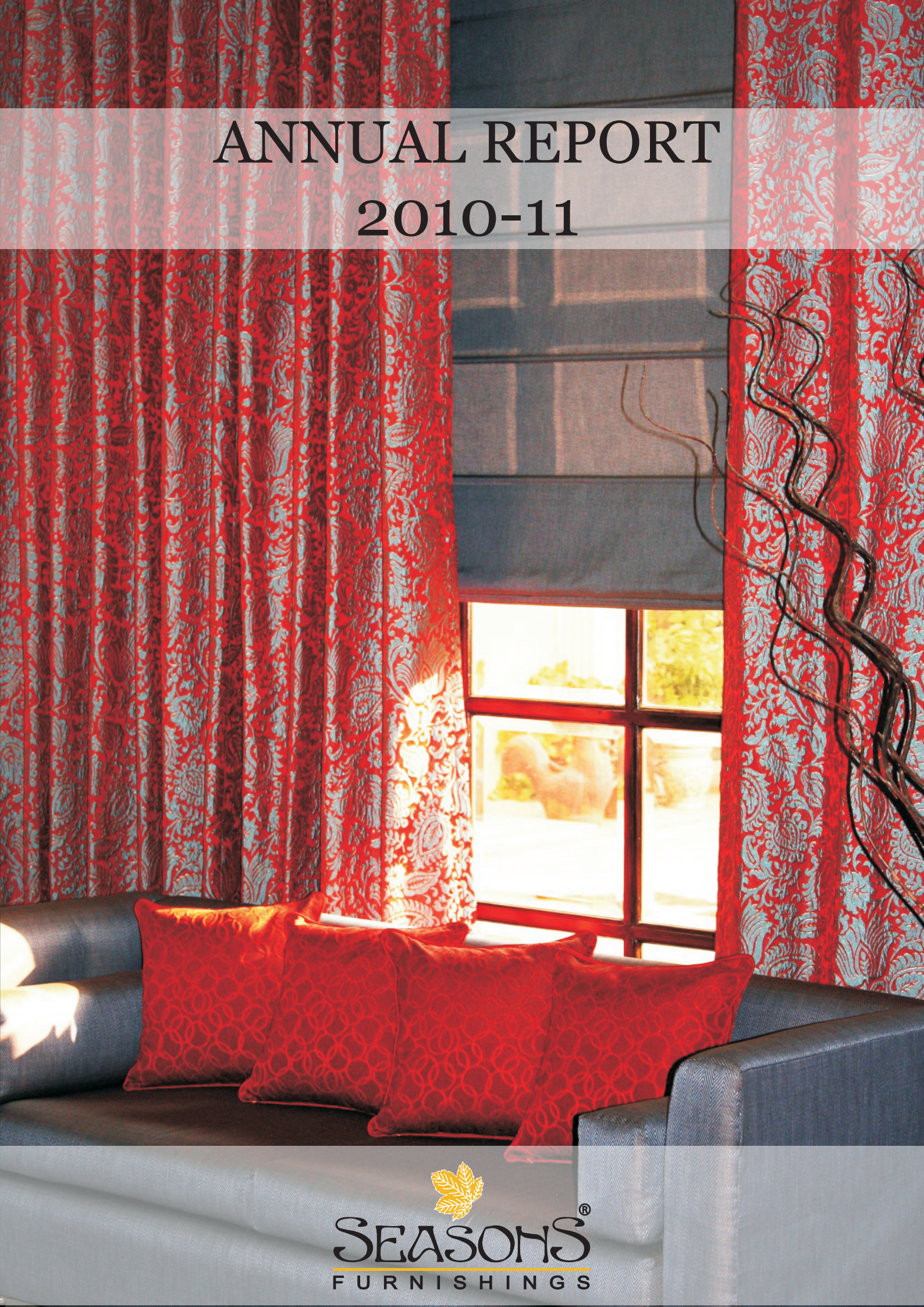


ANNUAL REPORT

2010-11



BOARD OF DIRECTORS

Mr. Inderjeet S Wadhwa
Chairman

Mr. Mandeep S Wadhwa
Managing Director

Mr. Girdhar S Harnal
Non executive Independent Director

Mr. Bishan D Bhagat
Non executive Independent Director

Mr. Prasenjit Kalita
Company Secretary

Registered Office
D-29, Ground Floor,
Defence Colony
New Delhi -110 024

Corporate Office
Seasons House
B-18, Sector-5,
Noida-201301 (U.P)

Registrar and Share Transfer Office
Skyline Financial Services (P) Limited
D-153 A, Okhla Industrial Area, Phase - I,
New Delhi - 110 020
Tel : 011-26812682,83
Fax : 011-26812684
E-Mail ID: admin@skylinerta.com

Auditors

Statutory Auditors
K. L. Datta & Company
Chartered Accountant
C-121, Greater Kailash-I
New Delhi-110048

Internal Auditors
Ashok Kantoor & Co
Chartered Accountant
2659/2, Gurudwara Road
Karol Bagh, New Delhi-110005

Bankers

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

ICICI Bank,
34, Ground Floor,
Lajpat Nagar-II
New Delhi - 110024

Companies Exclusive Showrooms

Seasons Club Class
D-29, Defence Colony
New Delhi -110 024

21st ANNUAL REPORT - 2010-11

CONTENTS

Seasons Furnishings Limited

• Notice of the Annual General Meeting	3
• Directors' Report	5
• Management Discussion and Analysis	8
• Corporate Governance Report	10
• Auditors' Report	18
• Balance Sheet	21
• Profit & Loss Account	22
• Schedules and notes on Accounts.....	23
• Cash Flow Statement	33
• Balance Sheet Abstracts	34

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of SEASONS FURNISHINGS LIMITED will be held at 10.30 A.M. on Friday, the 30th day of September, 2011 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, 2011, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Inderjeet Singh Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Anuj Garg & Co., Chartered Accountants, New Delhi, as Statutory Auditors of the Company in place of M/s K L Datta and Co., the retiring auditor of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

"RESOLVED THAT M/s Anuj Garg & Co. Chartered Accountants, New Delhi, be and are hereby appointed as the Auditors of the Company, in place of M/s K L Datta and Company, Chartered Accountants, Alwar Rajasthan, to hold the office of Auditors from the conclusion of this Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by the Board."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as Special Resolution:
"RESOLVED THAT pursuant to Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956, Consent of the Members of the Company be and is hereby accorded for the appointment of Ms. Manjit Kaur, a relative (wife) of Mr. Mandeep Singh Wadhwa, Managing Director of the Company, to hold an office of place of profit as Vice President (Showroom) in the Company with effect from 11th April, 2011 at a monthly remuneration not exceeding of Rs. 50,000/- (Rupees Fifty Thousand only)."
5. To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as Special Resolution:
"RESOLVED THAT pursuant to Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956, by way of Special Resolution, Consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Jasmer Singh Wadhwa, a relative (son) of Mr. Inderjeet Singh Wadhwa, Director of the Company, to hold an office of place of profit as Executive (Domestic Sales) with effect from 14th April, 2011 at a monthly remuneration not exceeding of Rs. 35,000/- (Rupees Thirty five thousand only)."
6. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:
"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Mr. Bishan Dass Bhagat, who was appointed as an Additional Director by the Board of Director in their meeting dated 12.08.2011 be and is hereby appointed as a Director of the Company, liable to retire by Rotation."

By Order of the Board
for **Seasons Furnishings Limited**

Place: New Delhi
Date: 12.08.2011

(Prasenjit Kalita)
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 corporate office of the company not less than 48 hours before the scheduled time of the commencement of the meeting.**
- 2) The Register of Members and Share Transfer Register of the Company will remain closed from 21st September, 2011 to 30th September, 2011 (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) As per the Clause 49 of the Listing Agreement with the Stock Exchanges, a brief particulars of Mr. I S Wadhwa director of the Company who is retiring by rotation in the ensuing Annual General Meeting of the Company is given in the Corporate Governance Report published with the 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.
- 9) **The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing service of notice/documents including Annual Report by email to its members.**
Those who are holding shares in demat form may register their email address to their respective Depository Participants.
Those holding shares in physical form may register their email address with Registrar & Share Transfer Agent of the Company M/s Skyline Financial Services Pvt. Limited or to the Company Secretary at cs.sfl@seasonsworld.com or corporate office of the Company.

By Order of the Board
for **Seasons Furnishings Limited**
(Prasenjit Kalita)
Company Secretary

Place: New Delhi,
Date: 12th August, 2011

EXPLANATORY STATEMENT:

Item No. 3.

As per the provision of the section 224 of the Companies Act, 1956 every company is required to appoint Statutory Auditor to hold office from the Conclusion of the Annual General Meeting upto the conclusion of the next Annual General Meeting.

M/s K. L. Datta and Company, Chartered Accountant, the retiring auditor of the Company has expressed their inability to continue as Statutory Auditor of the Company due to their professional over commitment and has tendered their resignation.

The Company has received a notice from member alongwith a draft Resolution u/s 224 of the Companies Act, 1956, proposing the name of M/s Anuj Garg & Co., Chartered Accountant, New Delhi, informing & signifying his intention for such appointment. In terms of the provision of section 225 of the Companies Act, 1956, the appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of Ordinary resolution.

The Company has already received a certificate from M/s Anuj Garg & Co., Chartered Accountant stating that their appointment, if made will be within the limits specified in section 224(1B) of Companies Act 1956.

Item No. 4:

It is proposed to appoint Mrs. Manjit Kaur Wadhwa as Vice President (Showroom) to look after all the operations including sales and Admin in the Delhi Showroom of the Company at a monthly gross remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) with effect from 11th April, 2011, subject to the terms & conditions as may be determined and approved by members of the company.

In view of the applicability of the provisions of Section 314 of the Companies Act, 1956, the resolution requires prior approval of members of the company by means of special resolution.

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

Item No. 5:

It is proposed to appoint Mr. Jasmer Singh Wadhwa as Executive (Domestic Sales) to look after all the domestic sales through Dealership Network, Franchisees and Distributor(s) of the Company at a monthly gross remuneration of Rs. 35,000/- (Rupees Thirty five thousand only) with effect from 14th April, 2011, subject to the terms & conditions as may be determined and approved by members of the company.

In view of the applicability of the provisions of Section 314 of the Companies Act, 1956, the resolution requires prior approval of members of the company by means of special resolution.

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

Mr. Jasmer Singh Wadhwa is Bachelor of Commerce from Institute of Integrated Learning in Management, Lodhi Road, New Delhi.

Item No. 6:

The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Mr. Bishan Dass Bhagat as Part-time Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

Mr. Bishan Dass Bhagat is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned / interested in the proposed resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure to present their 21st Annual Report along with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

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

(Rs./Lacs)

Particulars	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Total Income	3541.58	3511.99
Expenditures other than Interest Depreciation and Tax	3279.64	3252.15
Earning Before Interest Depreciation and Tax(EBIDTA)	261.93	259.84
Interest and Finance charges	156.52	152.88
Depreciation	55.15	57.22
Profit before tax	50.26	49.73
Provision for Tax	6.91	13.72
Profit after Tax	43.35	36.02
Surplus Brought forward	409.76	373.74
Amount available for appropriation	453.11	409.76
Surplus/(deficit) carried to Balance sheet	453.11	409.76

The total income of the company during the year stands of Rs. 3541.58 Lacs as against Rs. 3511.99 Lacs in the previous year. The profit before tax during the year stands of Rs. 50.26 Lacs as against Rs. 49.73 Lacs. The profit after tax during the year stand of Rs. 43.35 Lacs as against Rs. 36.02 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, 2011.

FIXED DEPOSITS

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

DIRECTORS

Mr. Inderjeet Singh Wadhwa, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment and your Board of Directors recommend for the same.

Mr. Lakshmi Narain Gupta, the Non Executive Independent Director of the Company placed his resignation from the position of Directorship w.e.f 10.07.2011 due to his personal reasons. The Board appreciates the valuable contribution made by Mr. Lakshmi Narain Gupta during his tenure as Director of the company.

Mr. Bishan Dass Bhagat, Special Metropolitan Magistrate, (Retd.), New Delhi has been appointed as Additional Director of the Company by the Board of Director at its Meeting dated 12th August, 2011. The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Mr. Bishan Dass Bhagat as Part-time Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the accounting and financial reporting requirements under section 217(2AA) of the Companies (Amendment) Act, 2000, 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;
- 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.;

- c) the directors have taken proper and sufficient care 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;
- d) the annual accounts of the Company have been prepared on a going concern basis.

AUDITORS

The Company has received resignation from M/s K L Datta and Company, Chartered Accountants, Statutory Auditor of the Company, informing that due to their professional over commitment, they are not able to continue as Statutory Auditor of the Company.

The Company also received a notice from a member alongwith a draft Resolution u/s 224 of the Companies Act, 1956, proposing the name of M/s Anuj Garg & Co., Chartered Accountant, New Delhi, informing & signifying his intention for such appointment.

The Company has already received a certificate from M/s Anuj Garg & Co., Chartered Accountant stating that their appointment, if made will be within the limits specified in section 224(1B) of Companies Act 1956.

The Board recommends appointing of M/s Anuj Garg & Co., Chartered Accountants, as the Statutory Auditors of the Company in place of M/s K L Datta and Company, Chartered Accountants to hold office of the Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

AUDITORS REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the year ended March 31, 2011. 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 given at **Annexure-I** to this report.

MANAGEMENT DISCUSSION ANALYSIS

A separate Section on Management Discussion & Analysis is given covering the aspects of Operations and future prospects of the company is given at **Annexure- II** to this Report.

CORPORATE GOVERNANCE

Your Company follows principles of effective Corporate Governance to consider the interest of all the stakeholders. 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 report on Corporate Governance as per Clause 49 of the Listing Agreement and the certificate from M/s Garima Mahawar & Associates, Company Secretaries, New Delhi is given at **Annexure –III** as part of the Director's 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 & untiring services of the employees at all levels, which has contributed to the growth of Companies business.

For and on behalf of the Board of Directors
Seasons Furnishings Limited

Place : New Delhi
Dated : 12th August, 2011

(Shri Inderjeet Singh Wadhwa)
Chairman

Annexure-I

“FORM- A”

Disclosure of particulars with respect to Conservation of Energy

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.

“FORM B”

b. Technology Absorption:-

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. |

c. Foreign Exchange Earnings and Outgo:-

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

	Current Year (2010-11)	Previous Year (2009-10)
Foreign Exchange Earning:	99.84	0.00 Lacs
Foreign Exchange Outgo:	366.5	226.36 Lacs

Annexure –II

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 100 and the affairs of the Company are managed professionally. The Company is progressing well under the able leadership of Shri Inderjeet Singh Wadhwa as Chairman and Shri Mandeep Singh Wadhwa as Managing Director of the Company. SFL is a widely held Public Limited company of Seasons Group. The total shareholder base of the Company as on 31st March, 2011 is stand at 4107 and its shares are listed on Stock Exchanges at Mumbai 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 sells 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 help the company to market its exclusive designed products.

As on date Seasons Furnishings Limited is having pan India presence through its 5 (five) showrooms located in Delhi, Mumbai, Bangalore, Hyderabad and Chandigarh and dealers all over the country. Company has also appointed distributor for the sale of its product and to have a better presence in the home furnishing fabric market in India.

The key financial data of the Company for the year 2010-11 vis-à-vis 2009-10 is as under:

Financials:

(Rs. in Lacs)

S. No.	Particulars	As on 31.03.2011	As on 31.03.2010
1.	Authorized Equity Share Capital	1200.00	1200.00
2.	Paid Up Share Capital	639.39	639.39
3.	Reserves & Surplus	557.89	514.54
4.	Secured & Unsecured Loans	1387.91	1034.90
5.	Deferred Tax Liability	164.54	166.94
6.	Fixed Assets	500.66	504.42
7.	Capital Work in progress	75.33	138.83
8.	Sundry debtors	1063.83	1163.70
9.	Inventories	1338.56	894.37
10.	Net Current Assets	1874.43	1427.22

Operational Results:

(Rs./Lacs)

S. No.	Particulars	As on 31.03.2011	As on 31.03.2010	Increase (%)	Decrease (%)
1.	Income from Operations	3531.00	3479.52	1.47	
2.	Other Income	10.57	32.47		67.44
3.	Earning before Interest Depreciation & Tax (EBIDTA)	261.93	259.84	0.80	
4.	Interest	156.52	152.88	2.38	
5.	Depreciation	55.15	57.22		3.62
6.	Profit before Tax	50.26	49.73	1.06	
7.	Provision for Tax	6.91	13.72		49.63
8.	Net Profit	43.35	36.02	20.35	

Comparison chart- Expenditure
(Rs. in Lacs)

S. No.	Particulars	As on 31.03.2011	As on 31.03.2010	Increase (%)	Decrease (%)
1.	Purchase	2853.34	2197.22	29.86	
3.	Administrative and other Overheads	691.88	911.40		24.08
4.	Selling and distribution overheads	178.60	310.14		42.41
5.	Financial Overheads	156.52	152.88	2.38	
6.	Depreciations	55.15	57.22	3.62	

OUTLOOK:

Home furnishings refer to the different kinds of linen, furniture, fittings, flooring and a plethora of other accessories used for decorating and beautifying our homes. It includes a wide range of bedspreads, furnishing fabrics, curtains, rugs, durries, carpets, placemats, cushion covers, table covers, bed spreads, bath linen and much more.

India is one of the leading producers and exporters of home furnishings from bed, bath, kitchen linen to window dressing, carpets and rugs. India is the world leader in carpet exports, with a 36% market share.

The global home furnishing retail industry is pegged at 502.9 billion \$US. Europe has the biggest share of this with 49.3% followed by the US at 22.4% and Asia-Pacific at 20.9% India is becoming the number one supplier in most categories striving to produce eco friendly products. No banned substances are used in production of home furnishings in India.

The domestic market for home furnishing is at 9300 Crores with the organized sector forming just 6% of this. Due to the rising incomes of the middle class, the domestic market has got a big boost in sales. The growth drivers in the domestic segment are the rapid urbanization and retail impetus to the home furnishing segment.

ISSUES AND RISKS:
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 successes 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 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.