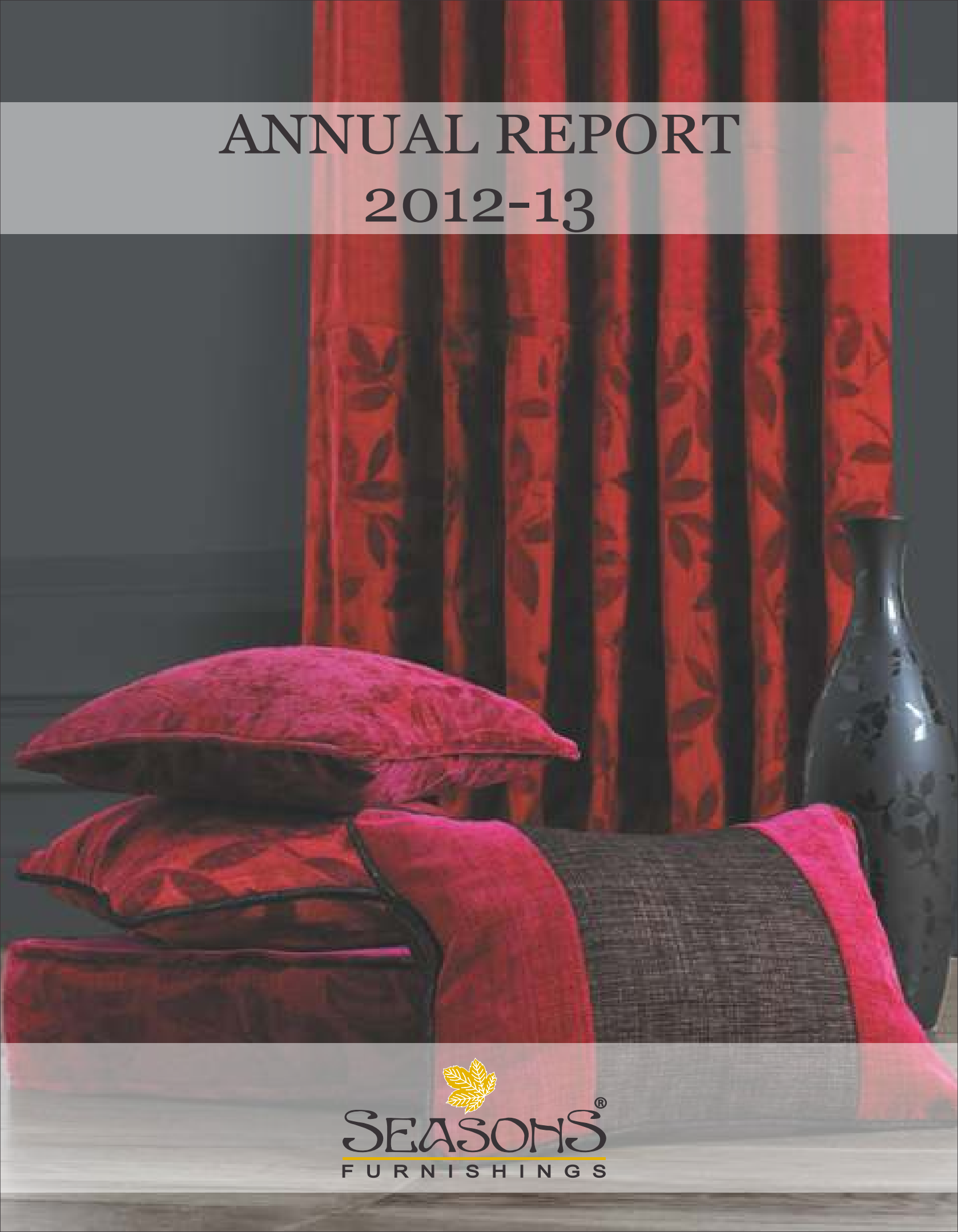


# ANNUAL REPORT

## 2012-13



# Seasons Furnishings Limited

## 23<sup>rd</sup> ANNUAL REPORT - 2012-13

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## BOARD OF DIRECTORS

**Mr. Inderjeet Singh Wadhwa**  
Chairman

**Mr. Mandeep Singh Wadhwa**  
Managing Director

**Mr. Kailash Chandra Mehra**  
Non executive Independent Director

**Mr. Bishan Dass Bhagat**  
Non executive Independent Director

### 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 Agent

**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

### Bankers

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

**IDBI Bank**  
III<sup>rd</sup> Floor, Indian Red Cross Society Building,  
1 Red Cross Road, New Delhi - 110001

### Auditors

**Statutory Auditors**  
Anuj Garg & Co.  
Chartered Accountants  
Karol Bagh, New Delhi - 110005

### Internal Auditors

Ashok Kantoor & Co.  
Chartered Accountant  
Karol Bagh, New Delhi-110005

### Companies Exclusive Showroom

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

### Company Secretary & Compliance Officer

**Mr. Prasenjit Kalita**  
B-18, Sector-5,  
Noida, Uttar Pradesh-201 301  
Tel: 0120- 4690000  
Fax: 0120- 4351485  
E-Mail ID: cs.sfl@seasonsworld.com



## **NOTICE**

**NOTICE** is hereby given that the 23rd Annual General Meeting of the Members of **SEASONS FURNISHINGS LIMITED** will be held at 10.30 A.M. on Monday, the 30<sup>th</sup> day of September, 2013 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, 2013, 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.  
"RESOLVED that Mr. Inderjeet Singh Wadhwa who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director of the Company."
3. To appoint M/s Anuj Garg & Co., Chartered Accountants, New Delhi, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and 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 Re-appointed as the Statutory Auditors of the Company, to hold the office of Auditors from the conclusion of this Annual General 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 the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions of Schedule XIII to the said Act and subject to the approval of Central Government or any statutory authority as may be required, Mr. Mandeep Singh Wadhwa, be and is hereby re-appointed as Managing Director of the Company, for a tenure of 3 years, with effect from 1st December, 2013 to 30th November, 2016 on the following terms:
  - 1) **Basic Salary:**  
Rs. 1,50,000/- per month with liberty to the Board/Remuneration Committee to increase the same as it may in its absolute discretion determine from time to time provided that the salary does not exceed Rs. 2,50,000/- per month during the tenure.
  - 2) **Perquisites:**
    - a) House Rent Allowance/Rent free unfurnished house accommodation up to a maximum of 50% of the Basic salary per month.
    - b) Reimbursement of expenses incurred on Gas, Electricity and Water subject to a limit of 10% of Salary.
    - c) Reimbursement of Medical expenses - actual expenditure for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
    - d) Provision of Company's car, mobile phone and telephone at residence for use on Company's business but use of car for personal purposes and long distance personal calls on mobile phone/telephone will be charged.
    - e) Any other perquisites as may be decided by the Board and/or the Remuneration Committee.
  - 3) Mr. Mandeep Singh Wadhwa shall also be eligible to the following perquisites which shall not be included in computation of the ceiling on remuneration specified above:
    - a) Company's contribution towards Provident Fund, Superannuation or Annuity Fund to be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.
    - b) Gratuity payable as per the provisions of the Gratuity Act, 1972.
    - c) Encashment of Leave at the end of the tenure.

**RESOLVED FURTHER THAT** the Board/Remuneration Committee be and is hereby authorized at its discretion from time to time to fix the actual remuneration and/or perquisites of Mr. Mandeep Singh Wadhwa and revise such remuneration and/or perquisites from time to time within the maximum limits specified as above. The Board/Remuneration Committee be and is hereby further authorized to vary/ modify/ amend any of the aforesaid terms and conditions, provided such variation/ modification/ amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

**RESOLVED FURTHER THAT** in the event of the approval of the Central Government stipulating any changes with respect to the payment of remuneration to Mr. Mandeep Singh Wadhwa, the Board/Remuneration Committee of the Board of the Company be and is hereby authorized to vary the remuneration in accordance therewith.

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

Place: New Delhi  
Date: 12th August, 2013

(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 close from 23rd September, 2013 to 30th September, 2013 (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) 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](mailto:cs.sfl@seasonsworld.com) or corporate office of the Company.

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

Place: New Delhi  
Date: 14.08.2012

(Prasenjit Kalita)  
Company Secretary

## EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANIES ACT, 1956

### Resolution no 4:

Mr. Mandeep Singh Wadhwa, 43, a graduate in Commerce from Delhi University. He is working as Managing Director of Seasons Furnishings Limited. Mr. Mandeep Singh Wadhwa looks after the overall operations of the Company. He has having experience of more than 20 years in furnishing fabric and retail industry. Mr. Mandeep Singh Wadhwa was appointed as Managing Director of the Company w.e.f. 1st December, 1997 by the shareholders at its Annual General Meeting held on 25th September, 1997.

Except Mr. Mandeep Singh Wadhwa, no other Director of the Company is concerned or interested in the said resolution.

### ADDITIONAL INFORMATION IN TERMS OF SUB CLAUSE (iv) OF THE PROVISIO TO CLAUSE (B) OF SECTION (II) OF PART (II) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956

#### I. GENERAL INFORMATION

##### 1. Nature of Industry:

Seasons Furnishings Limited ("the Company") is into Furnishing Fabric Industry.

##### 2. Date or Expected Date of Commencement of Commercial Production:

The Company was incorporated on 16th February, 1990 under the Companies Act, 1956.

##### 3. Financial Performance For The Year Ended 31.03.2013

I. GENERAL INFORMATION	
1. Nature of industry	Trading & Export of Furnishing Fabrics and made-ups.
2. Date or expected date of commencement of commercial production	16th February, 1990
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

4. Financial performance based on given indicators	<div>(Rs. in Lacs)</div> <div>Year ended on 31.03.2013</div> <table> <tr><td>Total Income</td><td>1857.69</td></tr> <tr><td>Earnings Before Interest Depreciation and Tax (EBIDTA)</td><td>36.51</td></tr> <tr><td>Interest and Finance charges</td><td>140.89</td></tr> <tr><td>Depreciation</td><td>54.45</td></tr> <tr><td>Profit before tax</td><td>(158.83)</td></tr> <tr><td>Tax Expenses</td><td>(46.22)</td></tr> <tr><td>Profit after Tax</td><td>(112.60)</td></tr> <tr><td>Surplus Brought forward</td><td>454.51</td></tr> <tr><td>Amount available for appropriation</td><td>341.91</td></tr> <tr><td>Surplus/(deficit) carried to Balance sheet</td><td>341.91</td></tr> </table>	Total Income	1857.69	Earnings Before Interest Depreciation and Tax (EBIDTA)	36.51	Interest and Finance charges	140.89	Depreciation	54.45	Profit before tax	(158.83)	Tax Expenses	(46.22)	Profit after Tax	(112.60)	Surplus Brought forward	454.51	Amount available for appropriation	341.91	Surplus/(deficit) carried to Balance sheet	341.91
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Surplus Brought forward	454.51																				
Amount available for appropriation	341.91																				
Surplus/(deficit) carried to Balance sheet	341.91																				
5. Export performance and net foreign exchange collaborations	<div>As on 31.03.2013</div> <div>(Rs. in Lacs)</div> <table> <tr><td>Foreign Exchange Earning:</td><td>0.20 Lacs</td></tr> <tr><td>Foreign Exchange Outgo:</td><td>445.27 Lacs</td></tr> </table>	Foreign Exchange Earning:	0.20 Lacs	Foreign Exchange Outgo:	445.27 Lacs																
Foreign Exchange Earning:	0.20 Lacs																				
Foreign Exchange Outgo:	445.27 Lacs																				
6. Foreign investments or collaborators, if any.	No Foreign Collaboration or Investment																				
<b>II. INFORMATION ABOUT THE APPOINTEE</b>																					
1. Background details	Mr. Mandeep Singh Wadhwa, 43, a graduate in Commerce from Delhi University. He is the Managing Director of the Company. He has enriched experience of more than 20 years in furnishing fabric and retail industry. Mr. Mandeep Singh Wadhwa was appointed as Managing Director of the Company w.e.f. 1st December, 1997 by the shareholders at its Annual General Meeting held on 25th September, 1997.																				
2. Past remuneration	Salary: Rs. 1,50,000 - 25,000 - 1,75,000 per month. House Rent Allowance/Rent free unfurnished house accommodation up to a maximum of 50% of the salary per month. Reimbursement of expenses incurred on Gas, Electricity and Water subject to a limit of 10% of Salary. Reimbursement of Medical expenses - actual expenditure for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. Provision of Company's car, mobile phone and telephone at residence for use on Company's business but use of car for personal purposes and long distance personal calls on mobile phone/telephone will be charged. Contribution towards Provident Fund, Superannuation or Annuity Fund to be made as per rules of the Company Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of Leave at the end of the tenure.																				
3. Recognition or awards	N.A.																				
4. Job profile and his suitability	Mr. Mandeep Singh Wadhwa possesses rich experience in Marketing, Finance, Production, Management and Administration. He is actively taking part in the management of the day to day business of the Company looking after the marketing department and expansion of the business thorough participating in various fairs and exhibitions and meeting new clients.																				
5. Remuneration proposed	As provided in resolution above																				
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration the size of the business, the profile of Mr. Mandeep Singh Wadhwa, Managing Director of the Company, the responsibilities handling by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.																				

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides drawing remuneration for holding position as Managing Director of the Company and holding equity shares in the Company, he has no other pecuniary relationship with the Company. He is a relative of Mr. Inderjeet Singh Wadhwa (Director) & Mrs. Manjit Kaur Wadhwa (Vice President) of the Company.
<b>III. OTHER INFORMATION</b>	
1. Reasons of loss or inadequate profits 2. Steps taken or proposed to be taken for improvement 3. Expected increase in productivity and profits in measurable terms.	1. Low turnover which is the result of slow demand in the market, 2. High Inventory carrying cost, and 3. Old Pattern/ Designed Stocks which were not in demand were sold in bulk at a marginal profit Which resulted in fall in profit in the last Financial Year.
1. Steps taken or proposed to be taken for improvement	Optimal utilization of the resources available with the Company, by using advanced design & marketing strategy, Company is being constantly making efforts to improve its position in the furnishing fabric industry.
2. Expected increase in productivity and profits in measurable terms.	With the steps and strategy as mentioned above, the Company will be able to improve its turnover and profitability.
<b>IV. DISCLOSURES :</b>	
1. The shareholders of the company shall be informed of the remuneration package of the managerial person. 2. The following disclosures shall be mentioned in the Board of directors' report under the heading "Corporate Governance", if any, attached to the annual report : - i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors ii. Details of fixed component and performance linked incentives along with the performance criteria; iii. Service contracts, notice period, severance fees; iv. Stock option details if any	Details given in the Corporate Governance section of this Report  Details given in the Corporate Governance section of this Report Details given in the Corporate Governance section of this Report  N.A. N.A.



## DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure to present their 23rd Annual Report along with the Audited Accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

The Highlights of Financial Results for the Year under review are as given below:

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
Total Income	1857.69	3083.27
Expenditures other than Interest Depreciation and Tax	1821.18	2821.95
Earnings Before Interest Depreciation and Tax (EBIDTA)	36.51	261.32
Interest and Finance charges	140.89	198.05
Depreciation	54.45	54.48
Profit before tax	(158.83)	8.78
Tax Expenses	(46.22)	7.38
Profit after Tax	(112.60)	1.39
Surplus Brought forward	454.51	453.11
Amount available for appropriation	341.91	454.51
Surplus/(deficit ) carried to Balance sheet	341.91	454.51

The total income of the Company during the financial year 2012-13 stands at Rs. 1857.69 Lacs as against Rs. 3083.27 Lacs in the previous financial year 2011-12. The Company during the financial year ended 2012-13 incurred loss before tax of Rs. 158.83 against profit before tax of Rs. 8.78 lacs in the previous financial year ended 2011-12. The loss after tax during the financial year stands of Rs. 112.60 Lacs as against profit after tax Rs. 1.39 Lacs in the previous financial year.

The negative profitability of the Company during the last financial year was due to:

1. low turnover which is the result of slow demand in the market,
2. high Inventory carrying cost, and
3. old Pattern/ Designs which were not in demand were sold in bulk at a marginal profit which resulted in fall of profit.

Company is coming up with new plan, design & strategy for greater consumer acceptance & profitability in the near future.

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

Keeping in mind the negative profit of the Company, Directors have not recommended any dividend for the year.

### 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.

### ISSUE OF EQUITY SHARES THROUGH PREFERENTIAL ISSUE:

To finance working capital requirements of the Company, the shareholders of the Company in its meeting dated 21.01.2013 approved issue of 10,00,000 (Ten Lacs) fresh equity shares of Rs. 10/- each on preferential basis to the promoters of the Company and the same has been allotted on 5th of February, 2013.

### UTILIZATION OF PROCEEDS RECEIVED FROM PREFERENTIAL ALLOTMENT

Your Company has raised Rs. 1,00,00,000/- (Rupees One Crore) through the allotment of 10,00,000 (Ten Lacs Only) fresh equity shares of face value of Rs. 10/- by way of preferential issue.

The Company has utilized the proceeds of Rs. 1,00,00,000/- (Rupees One Crore) raised through preferential issue for the purpose of working capital requirements.

## LISTING PARTICULARS

Equity shares of the Company are listed on Bombay Stock Exchange having nation-wide trading terminal. The Company has paid the listing fees up to 2013-14. Company during the financial year 2012-13 issued 10,00,000 (Ten Lacs) lacks new equity shares on preferential basis to the promoters. The fresh equity shares have also been listed on Bombay Stock Exchange.

## DIRECTORS

At the ensuing Annual General Meeting, Mr. Inderjeet Singh Wadhwa who retires by rotation and being eligible has been recommended by the Board for re-appointment.

Brief resume of the director proposed to be reappointed, nature of expertise in function of areas and names of directorships / membership held in other Companies, shareholding and trusteeship is provided in Corporate Governance Report attached to this report.

## 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 has 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.;
- 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;
- the annual accounts of the Company have been prepared on a going concern basis.

## AUDITORS

M/s Anuj Garg & 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, 2013. There are no adverse qualifications in the audit report. As regards observations in the annexure to the report, the report is self - explanatory and gives factual position which does not require further clarifications.

## 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 AND 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

The Company has been scrupulously following the Corporate Governance norms prescribed by the Securities and Exchange Board of India (SEBI) 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. The Report on the status of the Compliance of Corporate Governance Guidelines of SEBI, is attached at **Annexure-III** to this Report.

## CASH FLOW STATEMENT

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith.

## OPEN OFFER TO THE SHAREHOLDERS

The promoters of the Company, Mr. Mandeep Singh Wadhwa & Mrs. Manjit Kaur Wadhwa (Acquirers) along with PAC Mr. Inderjeet Singh Wadhwa, Mrs. Neelam Wadhwa, Mrs. Tej Kaur, Mrs. Manjit Kaur, M/s N S Properties Pvt. Ltd. & Mandeep Singh Wadhwa (HUF) made Open Offer to the shareholders of the Company to acquire 19,22,414 Nos of equity shares constituting 26% of the paid up capital of the Company at an offer price of Rs. 10/- each subsequent to the execution of Share Purchase Agreements to acquire 13,12,100 Nos of Equity shares of the Company.

Total numbers of 17,57,529 equity shares were tendered by the shareholders as against the Open Offer up to for 19,22,414 numbers equity shares. Consequent to the acquisition of shares through Share Purchase Agreement followed by Open Offer the promoters shareholding in Seasons Furnishings Limited increased from 24.33% to 65.85%.