24th ANNUAL REPORT
2013-14

SEASONS®
FURNISHINGS

Seasons Furnishings Limited

24th ANNUAL REPORT - 2013-14

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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
CIN: L36101DL1990PLC039238
Email : cs.sfl@seasonsworld.com
Website: www.seasonsfurnishings.com
Phone No. 011-47675000 Fax : 0120-4351485

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

Company's Exclusive Showroom
Seasons Club Class
D-29, Defence Colony
New Delhi -110 024

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 : 011-26812683
E-Mail ID: info@skylinerta.com
Website: www.skylinerta.com

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

Chief Financial Officer
Vineet Kumar Sharma

Company Secretary & Compliance Officer
S. K. Sachdeva

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure to present their 24th Annual Report along with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Total Income	**1718.80**	1857.69
Expenditures other than Interest Depreciation and Tax	**1577.6**	1821.18
Earnings Before Interest Depreciation and Tax (EBIDTA)	**141.20**	36.51
Interest and Finance charges	**94.09**	140.89
Depreciation	**45.02**	54.45
Profit before tax	**2.09**	(158.83)
Tax Expenses	**0.98**	(46.22)
Profit after Tax	**1.11**	(112.60)
Surplus Brought forward	**341.91**	454.51
Amount available for appropriation	**343.02**	341.91
Surplus/(deficit) carried to Balance sheet	**343.02**	341.91

REVIEW OF OPERATIONS

The total income of the Company during the financial year 2013-14 stands at ₹ 1718.80 lakhs as against ₹ 1857.69 lakhs in the previous financial year. The Company during the financial year 2013-14 earned profit before tax of ₹ 2.09 lakhs as against loss before tax of ₹ 158.83 in the previous financial year.

The lower profitability of the Company during the financial year was, inter alia, due to the occurrence of fire resulting in loss/damage to the assets of the company and the operations of the company were also hampered (insurance claim for the same is still pending for settlement), low turnover which is the result of slow demand in the market and high Inventory carrying costs.

Company is coming up with new plans, designs & strategies for greater consumer acceptance of the company's products & increased 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

In order to plough back profits for future requirements of funds of the company, your 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 thereunder.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

LISTING PARTICULARS

Equity shares of the Company are listed on Bombay Stock Exchange. The Company has paid the listing fees for the year 2014-15.

DIRECTORS

Mr. Kailash Chandra Mehra (DIN : 00128733) was appointed as Non-executive (independent) director of the Company in the AGM held on 29.9.2012.

Mr. Bishen Dass Bhagat (DIN : 03604991) was appointed as Non-executive (independent) director of the Company in the AGM held on 30.9.2011.

Your directors propose that Mr Kailash Chandra Mehra and Mr. Bishen Dass Bhagat be appointed as Independent Directors pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder and Schedule IV of the said Act to hold office for

a period of five consecutive years from the date of the AGM, subject to approval by the members in the ensuing Annual General Meeting and their office as Independent Director shall not be subject to retirement by rotation.

Necessary resolutions for the appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the notice of the ensuing AGM.

Your directors commend their appointments/re-appointments.

All the directors of the Company have confirmed that they are not disqualified from being appointed as director in terms of Section 274(1)(g) of the Companies Act, 1956 (Section 164 of the Companies Act, 2013).

Mr. Inderjeet Singh Wadhwa (DIN : 00007009) shall retire at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment.

Brief resume of the directors proposed to be appointed/reappointed, nature of expertise in specific functional areas and names of companies in which the person hold directorships / membership, shareholding is provided in Corporate Governance Report attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations from the Operating Management, confirm that:

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have, in selection of the accounting policies consulted the statutory Auditors 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 the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the Annual Accounts on a going concern.

AUDITORS

M/s Anuj Garg & Co., Chartered Accountants, New Delhi who are the retiring statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, it is proposed to appoint M/s Anuj Garg & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the 26th AGM to be held in the year 2016, subject to annual ratification by members at Annual General Meeting.

AUDITORS' REPORT

The Auditors' Report to the shareholders is enclosed with the Accounts for the year ended March 31, 2014. 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 as per Sec. 217(2A) of the Companies Act, 1956 and rules made thereunder.

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.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Your Company follows the 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 is included in the Annual Report. A certificate from the practicing Company Secretary regarding compliance with the Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is also annexed to the report on corporate governance.

VIGIL MECHANISM

As per Sec. 177(9) of the Companies Act, 2013, applicable Rules and the Listing Agreement, the company has established a vigil mechanism (whistle blower policy) for their directors and employees to report their genuine concerns. The vigil mechanism provide for adequate safeguards against victimisation of persons who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in accordance with the Companies Act, 2013, applicable rules and Listing Agreement.

CASH FLOW STATEMENT

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

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and continued co-operation received from the Banks, Government Authorities, Customers and Shareholders. 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 smooth running of company's business & operations.

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

Place : New Delhi
Dated : 11th August, 2014

(Inderjeet Singh Wadhwa)
Chairman

Annexure-I

"FORM- A"

Disclosure of particulars with respect to Conservation of Energy

a. Conservation of energy:-

Since the company is not undertaking any manufacturing activity this information is not applicable to your Company. 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 turnover	NIL

Technology absorption, adaptation 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 imported 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:

	As on 31.03.2014 (₹ In Lacs)	As on 31.03.2013 (₹ In Lacs)
Foreign Exchange Earning:	**1.09 Lacs**	0.20 Lacs
Foreign Exchange Outgo:	**545.73 Lacs**	445.27 Lacs

MANAGEMENT DISCUSSION & ANALYSIS

COMPANY OVERVIEW

Seasons Furnishings Limited (SFL) was incorporated on 16th February, 1990 and promoted by Late Shri Nanak Singh Wadhwa, Shri Inderjeet Singh Wadhwa, Shri Mandeep Singh Wadhwa. SFL is one of the pioneer companies 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 concept to sell its products. The Company is regularly participating in fairs and exhibitions to keep itself abreast with the latest trends and customers' taste as also to showcase 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 exclusively designed products.

As on date Seasons Furnishings Limited is having Pan India presence through its 7 (Seven) showrooms including showrooms operated through its franchisees located in Delhi, Gurgaon, Mumbai, Bangalore, Hyderabad and Chandigarh and shop in shop counters in all major cities throughout the country. Every care is made to provide quality products, service and excellent ambience at all Seasons' outlets.

OVERVIEW OF THE ECONOMY

The year under review was challenging in many respects for business. The global economy continued to witness slower economic growth despite modest recovery in the US led by housing and consumer sectors. The economies of India and China were forced to tighten liquidity to control inflation, resulting in a demand slow-down. Global events also had a dampening impact on the Indian economy - deceleration in industrial output and lower exports weakened India's economic.

With a clear mandate in the recently held Parliament Elections, the new government is expected to implement wide ranging economic reforms without many of the impediments faced by the erstwhile coalition government. The same sentiment is reflected in the buoyancy on the stock exchange and the rupee has already strengthened against the US dollar and other currencies. The new Government is expected to evolve a growth-focused agenda and improve the regulatory environment in the country.

INDUSTRY STRUCTURE & DEVELOPMENTS

The Textile Industry in India is one of the largest segments of the Indian economy accounting for over one fifth of the country's industrial production. It provides direct employment to many million people.

The Home Furnishings Industry in India falls under the purview of the textile industry. Indian home furnishings manufacturers and home furnishings exporters offers a spectacular range of bedspreads, furnishing fabrics, curtains, rugs, durries, carpets, placemats, cushion covers, table covers, linen, kitchen accessories, made-ups, bed spreads, bath linen, and other home furnishings accessories to the nation as well as to the world. Manufacturers of Home Furnishings from India, whether floor coverings, kitchen linen, bath linen, cushion covers, bed spreads, curtains etc. create a rage in the international markets.

With the increasing textile industry in the country, the furnishing fabric market will also continue to flourish. The home furnishing market is anticipated to witness huge demand with the booming real-estate projects like hotels, hospitals, commercial and big residential apartments.

OPPORTUNITIES & THREATS

- Tremendous boom in retail as a result of change in consumption pattern and private incomes.
- More and more shifting of the customer towards branded products.
- Growing real-estate projects is expected to bring more demand in the market for furnishing fabric and related products;
- Increased disposable income, especially among the middle class along with the already existing high end customers will fuel the retail boom. Our priority categories of product range are expected to continue to witness healthy growth.

However, consumer demand could get impacted due to severe inflationary pressure as the products of our company form a part of discretionary spend basket. Fluctuation in the foreign exchange may further affect the prices for the products. There is always a cheap competition in the market from the unorganized sector in the same business.

INDUSTRY OUTLOOK:

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.

The industry is witnessing all-round growth in the global scenario, which is coupled with gradual rise in demand in the housing and infrastructure. Changing life styles and people's acumen to opt for sophisticated standards are the key factors in its growth pattern too. These factors will help the Company to achieve its projected growth for the future. The Company's continued thrust in retail segment aimed at ensuring a horizontal growth and to extend its reach to the untapped segments has helped in achieving its long term goals which will lead the Company to the consolidation phase later. The Company's expansion plans in the retail foray will greatly help the Company to improve margins, overall return on the capital and eventually shareholders value.

The Company remains apprehensive about possible changes in government policies, which will help to control the inflation affecting the purchasing power of consumers. Foreign exchange volatility is expected to be under control resulting in reduction in the prices of raw materials and finished goods. Market volatility and fluctuating prices of materials are key concerns, which are to be addressed appropriately at crucial stages to ensure projected growth.

INTERNAL CONTROL:

The Company has suitable and adequate system of Internal Control commensurating to its size and nature of operations primarily to ensure that - the assets are safeguarded against loss from unauthorized use or disposition; the transactions are authorised, recorded and reported correctly and the Code of conduct, Policies and applicable statutes are duly complied with.

The Company has established a methodical system of Annual Budgeting and Management Information System (MIS). In addition, administrative and HR activities of the Company are also brought within this purview. The financial results of the Company are reviewed by the Audit Committee every quarter. The composition and role of Audit Committee can be found in the Corporate Governance Report in the Annual Report.

The Company has appointed Internal Auditor to examine the adequacy, relevance and effectiveness of Internal Control Systems. The Top Management and the Audit Committee of the Board review the findings and recommendations of the internal auditor.

FINANCIAL PERFORMANCE: **(₹ in Lacs)**

S. No.	Particulars	As on 31.03.2014	As on 31.03.2013
1	Authorised Equity Share Capital	**1200**	1200
2	Paid Up Share Capital	**739.39**	739.39
3	Reserves & Surplus	**447.80**	446.68
4	Long Term Borrowings	**226.15**	255.39
5	Deferred Tax Liability	**83.38**	98.36
6	Fixed Assets	**211.10**	253.95
7	Capital Work in progress	**29.33**	72.83
8	Long Term Loans & Advances	**94.91**	109.06
9	Deferred Revenue Expenditure	**230.27**	258.19
10	Net Current Assets	**931.10**	845.79

Operational Results: **(₹ in Lacs)**

S. No.	Particulars	As on 31.03.2014	As on 31.03.2013
1	Income from Operations	**1701.89**	1685.74
2	Other Income	**16.91**	171.95
3	Earnings before Interest Depreciation & Tax (EBIDTA)	**141.20**	36.51
4	Profit before Tax	**2.09**	(158.83)
5	Tax expenses	**0.98**	(46.22)
6	Net Profit	**1.11**	(112.60)

Comparison chart- Expenditure **(₹ in Lacs)**

S. No.	Particulars	As on 31.03.2014	As on 31.03.2013
1	Purchase of stock -in –trade	**1164.29**	1070.58
3	Employee Benefit Expenses	**163.20**	163.05
4	Financial Costs	**94.09**	140.89
5	Other Expenses	**351.79**	366.22
6	Depreciation	**45.02**	54.45

HUMAN RESOURCES

Company has acquired fresh talent during the year for some of the critical leadership positions based on business requirements. Industrial relations continue to be harmonious. Competency framework based on critical success factors required for achieving high performance has been developed for all management levels.

RISK AND CONCERNS:

In every business activity risk is inherent and your management is aware about the risk related to the business activity of your Company. Your Company is having a well - defined Risk Management Policy to identify major risks and their timely mitigation to protect the present and future performance of the company. The risks are broadly classified as market led business risk, risk related to foreign exchange, financial risk, change in trends and designs. The working capital management also received its due attention to reduce rising interest cost.

Market related Risk:

As far as domestic market is concerned your Company is operating in a highly competitive environment both from big and organized sector as well as from small unorganized sector. However, we follow the stringent checks on quality and this help us to maintain consistency in the quality of all our products. The Company is hopeful that by constantly bringing in new designs, collections and with new concepts through innovation and employing new marketing strategies will greatly help it in mitigating the adverse impact apprehended.

Foreign Exchange:

With respect to foreign exchange exposures, following steps are being taken to limit the risk of adverse exchange rate movement :

a) In respect of export sales, in case we are able to predict the foreign exchange fluctuation trends, we determine our price accordingly and

b) In respect of import of capital goods, whenever we make a contract, the liability is freezed keeping in view the future position of foreign exchange fluctuation.

Government Policy:

The Company remains apprehensive about possible changes in government policies, which might adversely affect the purchasing power of consumers. Market volatility and fluctuating prices of materials are key concerns, which are to be addressed appropriately at crucial stages to ensure projected growth. Adopting suitable strategies depending upon the nature of change so as to retain the market share and profit margin could minimise adverse impact of change in Government policies and fiscal measures.

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.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Seasons Furnishing Limited (SFL) is committed to the principle of good corporate governance in order to achieve the long-term viability of the business keeping in mind the fair and ethical business and corporate practices and transparency in its dealings and continously endeavours to reivew, strenghten and upgrade its systems and processes so as to bring in transparency and efficiency in its business. Your Company is fully complaint with the requirements undre Clause 49 of the Listing Agreement. The Company's Corporate Goverance philosophy is based on the fair and transparent disclosure of issues related with the Company's business, financial performance, and other matters of stakeholders' interest. Your Company is committed to adhere to the norms of Corporate Goverance on a consistent basis for meeting all its obligations towards the stakeholders.

At Seasons Furnishings Ltd. corporate governance is a value-based framework to manage our Company affairs in a fair and transparent manner. This framework is used to maintain accountability in all our affairs. Our corporate governance philosophy is based on the following principles.

- Satisfy the spirit of the law and not just the letter of the law.
- Be transparent and maintain a high degree of disclosure levels.
- Have a simple and transparent corporate structure driven solely by business needs.

Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders.

Given below is the report on Corporate Governance as per Clause 49 of the Listing Agreement.

1. BOARD OF DIRECTORS:

The Board of Directors is headed by Mr. Inderjeet Singh Wadhwa as Non – Executive Chairman. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. Half of the Board comprises Independent & Non-executive Directors. The management of the Company is headed by Mr. Mandeep Singh Wadhwa as Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long-term objectives of enhancing stakeholders' values are met.

1.1 Composition of the Board:

The Board comprises of four Directors. The names and categories of Directors, the number of Directorships and Committee positions held by them in other public limited companies are given below. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors as per the limit set by Clause 49 of the Listing Agreement.

1.2 Information on Board of Directors and attendance along with directorship and other details in other Companies:

Name and designation / Category	Whether attended	No. of Board	Number of other Boards or Board Committees in which he is a Member or Chairperson		
	AGM held on 30th September 2013	Meetings attended during 2013-14	Company Directorship	Committee Membership**	Committee Chairmanship**
Mr. I. S. Wadhwa, Non-executive Chairman	YES	4	1	1	0
Mr. M. S. Wadhwa, Managing Director	YES	3	1	1	1
Mr. B. D.Bhagat, Non- executive Independent Director	No	4	0	0	0
Mr. K. C. Mehra, Non- executive Independent Director	Yes	4	2	2	1

Notes: ** Excludes alternate directorship, directorship in private limited companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956.*
*** Audit Committee and Stakeholders Relationship Committee (formerly Shareholder's Grievance Committee) of public company are considered for the purpose of Committee positions.*

1.3 Numbers of Board Meetings Held along with dates of Meetings:

During the year under review, the Board of Directors met Four times as follows :

a) 21st May, 2013
b) 12th August, 2013
c) 13th November, 2013
d) 11th February, 2014