

# CONTENTS

	Page
Corporate Information . . . . .	1
Directors' Report . . . . .	2-26
Corporate Governance Report . . . . .	27-38
Independent Auditor's Report . . . . .	39-46
Balance Sheet . . . . .	47
Statement of Profit & Loss. . . . .	48
Cash Flow Statement. . . . .	49
Notes to the Accounts. . . . .	50-75

## Corporate Information

### BOARD OF DIRECTORS

Mr. P.N. Sharma, Chairman  
 Mr. Deepak Sabharwal  
 Mr. Gavin Walker  
 Mrs. Madhu Vij  
 Mr. Rajeev Bajaj, Managing Director

### SECRETARY

Mr. Richin Sangwan

### BANKERS

Yes Bank Limited  
 The Jammu & Kashmir Bank Ltd.  
 ICICI Bank Limited

### REGISTERED & CORPORATE OFFICE

A-26/4, 2nd Floor  
 Mohan Co-operative Industrial Estate  
 New Delhi- 110044  
 Tel.: 91 11 40617777  
 Fax.: 91 11 40617799  
 E-mail: mail@singerindia.net  
 Toll Free : 1800 103 3474

### WORKS

Lane No. 4  
 SIDCO Industrial Estate  
 Jammu

Lane No. 2  
 SIDCO Industrial Estate  
 Phase II, Jammu

Please visit our website [www.singerindia.net](http://www.singerindia.net)

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirty Ninth Annual Report and the audited accounts for the financial year ending on 31<sup>st</sup> March 2017.

### FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	For the financial year (12 months) ended 31 <sup>st</sup> March 2017	For the nine months period ended 31 <sup>st</sup> March 2016
Sales & Services	37,270.14	23,939.59
Other Income	262.84	178.10
Total	37,532.98	24,117.69
Profit before finance cost, depreciation & impairment and Tax & Exceptional items	1,315.35	963.15
Finance cost	7.20	3.26
Depreciation, amortization and impairment	106.92	72.32
Profit before tax & Exceptional Items	1,201.23	887.57
Exceptional Items	-	-
Profit before tax	1,201.23	887.57
Tax - Current and Deferred (Including adjustments related to earlier years) (Income)/Expenditure	395.65	289.16
Profit after tax	805.58	598.41
Balance brought forward	2452.63	2237.32
Accumulated Balance	3258.21	2,835.73
Proposed Dividend (Refer notes to Accounts note 37)	-	268.58
Dividend Tax (Refer notes to Accounts note 37)	-	54.68
Transfer to General Reserve	-	59.84
Balance Carried Over	3258.21	2452.63

### OPERATIONS

The total revenue from operations recorded for the financial year ended 31<sup>st</sup> March 2017 (12 months) was Rs. 37,270 lacs as compared to Rs. Rs.23,940 lacs in the nine months period ended 31<sup>st</sup> March, 2016. The Sewing Machines and related accessories business at Rs 29,136 lacs accounted for 78 % (previous period 86 %) of the total revenue and the balance Rs 8,134 lacs came from the Domestic Appliances business which accounted for 22 % (previous period 14%) of the total revenue. Both these business verticals increased over the prior year and have sequentially grown in the

last six years ever since your Company had re-launched home appliances division. The increase in contribution of home appliances business to the total business is in line with the Company's strategy to grow this business as a lot of potential exists in this segment. The export business of sewing machines at Rs. 850 lacs accounted for 2.3 % of the total revenue of the Company and also increased significantly during the year under reporting.

The growth momentum was temporarily impacted to some extent with the demonetization of some the denominations of the currency in November 2016 particularly in the sewing machines segment where

## DIRECTORS' REPORT

sales remained under pressure for a while in certain regions. The Company responded quickly to educate our business partners to switch over to digital payments methods to revive the business.

The Company is continuing to strengthen its distribution as also to revamp its product range to increase its market share in both the product segments. Enhancing Customers delight has been a top priority of your Company in the recent past years. The after sales service set up has sufficiently been geared up to enhance the customers' satisfaction and work will remain in progress for improving this further simultaneously working on product quality up-gradation. The alternate channels like e-commerce and modern retail are simultaneously being focused to improve the visibility of our brand and presence. Many new products like increased range of air coolers and water heaters/ room heaters and electric fans were added to the product range in the home appliances during the year under reporting. Many more product offerings like micro wave ovens, items for personal grooming and other products in the Kitchen appliances segment are in offering to enhance the product portfolio in the home appliances segment.

The profit before tax and after tax for financial year ended 31<sup>st</sup> March 2017 amounted to Rs. 1201.23 lacs (Rs. 887.57 lacs in the previous period of nine months) and Rs.805.58 lacs (Rs. 598.41 lacs in the previous period of nine months) respectively. The home appliances division reduced its losses (before allocation of common expenses) from Rs. 182.34 Lacs in the period of 9 months ended 31<sup>st</sup> March 2016 to Rs.165.42 Lacs in the year under reporting.

### INDUSTRIAL RELATIONS

Industrial relations remained cordial and harmonious during financial year ended 31<sup>st</sup> March 2017.

### CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company.

### DIVIDEND

The Board of Directors, at their meeting held on 18th May, 2017 recommended a dividend of Rs 3.5 per equity share of face value of Rs. 10 each for the financial year ended 31<sup>st</sup> March, 2017.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to the shareholders as on the close of business on 07th July 2017.

### AMOUNT TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company had transferred Rs.23,110 on 16th September, 2016 and Rs 2,81,012 on 02nd March, 2017 pursuant to the provisions of section 125 of Companies Act, 2013.

### FIXED DEPOSITS

The unclaimed and unpaid amount of Fixed Deposits as on 31<sup>st</sup> March 2017 was Rs. 25,000 (Principal) and Rs.9,249 (Interest) to one depositor who has not furnished his original deposit receipts or indemnities. The depositor had not claimed the amount despite reminders. This balance amount will be deposited with the Investor Education and Protection Fund of the Central Government within the prescribed time in the current financial year.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any loan, or given any guarantee or provided any security and/or made investments and thus the compliance of Section 186 of the Companies Act, 2013 is not applicable.

### SUBSIDIARY COMPANIES

Singer India Trading Limited, the wholly owned subsidiary of the Company, had filed for voluntary winding up under the provisions of the Companies Act, 1956. The liquidator appointed by the shareholders of Singer India Trading Limited has completed all formalities and filed his report with the Official Liquidator. The winding up matter of Singer India Trading Limited is pending with the Official Liquidator as of now.

### DEPOSITORY SYSTEM

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). 99.58% of the total shareholding of the Company was held in dematerialized form as on 31<sup>st</sup> March 2017.

## DIRECTORS' REPORT

### DIRECTORS

Mr. Gavin Walker retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

The profile of the Director to be re-appointed has been given in the notice of the Annual General Meeting (AGM). The Board recommends the above re-appointment. Resolution seeking your approval on this item along with the terms and conditions are included in the Notice convening the Annual General Meeting.

### CORPORATE GOVERNANCE

As required under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "the Listing Regulations"), a separate report on Corporate Governance is enclosed as a part of this Annual Report, duly certified by M/s Ray & Ray, Chartered Accountants, the Auditors of the Company, confirming the compliance of the conditions of Corporate Governance.

### DECLARATIONS BY INDEPENDENT DIRECTORS

Your Company had received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under provisions of the Listing Regulations.

Independent Directors are familiarized with their roles, rights and responsibilities as well as with the nature of industry and business model through induction program at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The terms & conditions of appointment of Independent Directors can be accessed at <http://www.singerindia.net/investor-relations/independent-directors/>

### DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of Compliance certificates received from the executives of the Company & subject to the disclosures in the annual accounts & also on the basis of the discussions with the Statutory Auditors/Internal Auditors

of the Company from time to time your Directors make the following statements, pursuant to Section 134 (3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the profit of the Company for the twelve months period ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit(s) to provide reasonable assurance that the Company's established policies and procedures have been followed.

### BOARD EVALUATION

In compliance with the Companies Act, 2013 and Regulation 17 of Listing Regulations, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties &

## DIRECTORS' REPORT

obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

The evaluation criteria of the Company can be accessed at <http://www.singerindia.net/investor-relations/policies-codes/>

### NOMINATION AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration paid to the Directors and the Senior Management is as per the Managerial Remuneration Policy of the Company. Brief details of the Managerial Remuneration Policy are provided in the Corporate Governance Report.

The Nomination & Remuneration Policy of the Company can be accessed at <http://www.singerindia.net/investor-relations/policies-codes/>

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems and procedures designed to effectively control the operations at its various functions. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures which have also been reviewed/modified by a firm of Chartered Accountants to further enhance the control aspects. Planned periodic reviews are carried out by Internal Audit covering operations and their findings are reviewed by the management and by the Audit Committee of the Board of Directors. The Company also migrated to ERP platform ( Microsoft Navision ) during the year under review as a process to enhance its controls and management information system.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies & Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Control and Systems followed by the Company.

### RISK MANAGEMENT

The Company has laid down a well defined Risk Management Policy to identify the risks associated with the business of the Company on a periodical basis and review the minimization programs to mitigate them. More details are given in the Management Discussions and Analysis report in the Annual Report.

The Risk Management Policy of the Company can be accessed at <http://www.singerindia.net/investor-relations/policies-codes/>

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report. The Annual Report on CSR activities provided in Annexure 3 to this Report. The CSR Policy of the Company can be accessed at <http://www.singerindia.net/empowerment/>

During the year under review, the Company had taken an initiative to run skill development centers for the benefit of the underprivileged women & men whereby they are being trained to develop their skills in the field of sewing, embroidery work and other related work to make them self-proficient and independent working member of their family.

The Company had spent Rs.35.73 Lacs during the financial year ended 31<sup>st</sup> March 2017 on these skill development centers.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under the Listing Regulations forms part of this report and annexed thereto.

### OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

## DIRECTORS' REPORT

The Company had adopted a policy for prevention of Sexual Harassment of Women at workplace and had set up a Committee for implementation of said policy. During the financial year ended 31<sup>st</sup> March, 2017, the Company had not received any complaint of harassment.

The Prevention of Sexual Harassment Policy of the Company can be accessed at <http://www.singerindia.net/investor-relations/policies-codes/>

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 are provided in Annexure 2 of the report.

### RELATED PARTIES TRANSACTIONS

All the related party transactions of the Company are reviewed by the Audit Committee and presented to the Board on a quarterly basis. These transactions were at arm's length basis and in the ordinary course of business and are in compliance with the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Listing Regulations. There were no materially significant related party transactions entered into by the Company. Hence Form AOC-2 under these rules is not applicable to the Company. Moreover the disclosures relating to related parties are explained in Note 41 in the Notes to Accounts attached to the Balance sheet.

The policy of the Company on Related Party Transactions can be accessed at <http://www.singerindia.net/investor-relations/policies-codes/>

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. During the Financial year ended 31<sup>st</sup> March, 2017 under review, there were no cases pertaining to whistle blower policy.

The said policy of the Company can be accessed at <http://www.singerindia.net/about-us/policy/>

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

### IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

### STATUS OF APPEALS OF UNSECURED CREDITORS UNDER THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) REHABILITATION SCHEME

The Order passed by the Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) dated 22.12.2015 in respect to the litigation with the unsecured creditors is in appeals before the Hon'ble Delhi High Court / Supreme Court. Meanwhile the Company has amicably settled out of the Court with seven parties out of these nine litigating parties.

### STATUTORY AUDITORS AND AUDITORS' REPORT

As per requirement of Section 139 of Companies Act 2013 there is a proposal to appoint M/s B S R & Co, as the Statutory Auditors of the Company in place of existing auditors, M/s Ray & Ray, Chartered Accountants who are due for retirement at the ensuing Annual general meeting of the Company. The Company has received a Certificate from the proposed Auditors to the effect that the appointment, if made, would be within the limits prescribed under Section 141(g) of the Companies Act 2013. The said appointment as the Statutory Auditors required the approval of the shareholders, the same has been sought in the ensuing Annual General Meeting.

The report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, the Company had appointed Mr. H O Gulati, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2017 is provided as



## DIRECTORS' REPORT

Annexure-1. There were no qualifications, reservation or adverse remarks given by Secretarial Auditor of the Company.

### INTERNAL AUDIT

During the financial year ended 31<sup>st</sup> March, 2017, your Company has engaged the services of M/s S S Kothari Mehta & Company, Chartered Accountants, as Internal Auditors to carry out the Internal audit of the Company. The reports of the Internal Auditors, along with comments from the management are placed for review before the Audit Committee. The Audit Committee in consultation with the Statutory Auditors also scrutinizes the audit plan and the adequacy of Internal controls.

### PARTICULARS OF EMPLOYEES

No employee of the Company was drawing remuneration of Rupees one crore two lacs or more, if employed for full year or Rupees eight lacs and fifty thousands or more if employed for part of the year, so information required under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable on the Company.

Information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 4 to this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in Annexure 5 to this Report.

### ACKNOWLEDGEMENT

The Directors place on record their appreciation for the assistance and co-operation received from the Government of J & K, SINGER, the Company's valued customers, members, investors, employees, bankers, suppliers and dealers/distributors.

For and on behalf of the Board of Directors of  
**SINGER INDIA LIMITED**

**Place: New Delhi**

**Date: 18<sup>th</sup> May 2017**

**P N Sharma**

**CHAIRMAN**



## **DIRECTORS' REPORT**

### **Annexure - 1**

#### **FORM No. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2017**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Singer India Limited

A-26/4, 2nd Floor, Mohan Cooperative Industrial Estate

New Delhi-110044

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SINGER INDIA LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **SINGER INDIA LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by **SINGER INDIA LIMITED** for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
  - (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

**DIRECTORS' REPORT**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not Applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not Applicable
  - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015.
- (vi) The other laws as informed by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
- (a) The Employees State Insurance Act, 1948;
  - (b) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
  - (c) The Air (Prevention and Control of Pollution) Act, 1981;
  - (d) The Water (Prevention and Control of Pollution) Act 1974;
  - (e) The Factories Act, 1948;
  - (f) The Payment of Gratuity Act 1972;
  - (g) The Payment of Bonus Act, 1965;

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards I & II issued by the Institute of Company Secretaries of India which is applicable from 1st July, 2015.
- The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015)

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For H.O. Gulati & Co.  
Company Secretaries

Date: 18<sup>th</sup> May, 2017  
Place: New Delhi

Hari Om Gulati  
FCS-5462, CP No.9337

**Note:** - This Report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.