



**SINGER**

SINGER INDIA LIMITED • ANNUAL REPORT 2013-14



*Trust*

*is the common thread that binds us*

## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULARS	FY 14	FY 13	FY 12	FY11
Total Revenue	24,335	19,692	15,593	11,891
EBITDA	996	1,001	922	705
Profit after Tax (PAT)	697	1,532	1,021	292
Share Capital	1,074	1,074	1,074	1,074
Reserves & Surplus	3,144	2,655	376	(646)
Net Block	1,150	1,188	209	245
Net Current Assets	3,068	2,542	1,241	184
EBITDA Margin	4.09%	5.08%	5.91%	5.93%
Net Profit Margin	2.86%	7.78%	6.55%	2.46%
EPS (Basic & Diluted) (in Rs.)	6.49	14.26	9.51	2.71

Previous years' figures have been regrouped/rearranged, wherever necessary to make them comparable with those of current year.

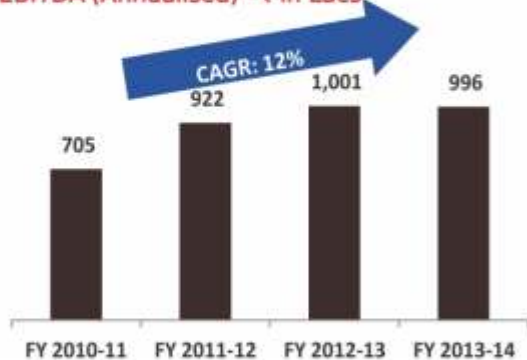
Revenue (Annualised) - ₹ in Lacs



Profit after Tax (Annualised) - ₹ in Lacs



EBITDA (Annualised) - ₹ in Lacs



Earnings per Share (Annualised) - in ₹



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## **Corporate Information**

### **BOARD OF DIRECTORS**

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

### **SECRETARY**

Mr. Ashish Srivastava

### **BANKERS**

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

### **REGISTERED & CORPORATE OFFICE**

A-26/4, 2nd Floor  
Mohan Cooperative Industrial Estate  
New Delhi - 110044  
Tel. : 91 11 40617777  
Fax. : 91 11 40617799  
Email: 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)



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## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

Your Directors have pleasure in presenting the Thirty Sixth Annual Report and the audited accounts for the year ended 30th June 2014.

### **FINANCIAL RESULTS**

**(Rs. in 'Lacs)**

	<b>For the year ended 30th June 2014</b>	<b>For the year ended 30th June 2013</b>
Sales & Services	<b>24,334.89</b>	19,691.73
Other Income	<b>164.14</b>	384.67
Total	<b>24,499.03</b>	20,076.40
Profit before finance cost, depreciation & impairment and tax	<b>995.65</b>	1,001.28
Finance cost	<b>8.05</b>	5.24
Depreciation, amortization and impairment	<b>67.46</b>	58.96
Profit before tax	<b>920.14</b>	937.08
Tax - Current and Deferred (Including adjustments related to earlier years) (Income)/Expenditure	<b>222.77</b>	(595.02)
Profit after tax	<b>697.37</b>	1,532.10
Balance brought forward	<b>1,520.24</b>	253.29
Accumulated Balance	<b>2,217.61</b>	1,785.39
Dividend	<b>161.15</b>	161.15
Dividend Tax	<b>32.22</b>	27.39
Transfer to General Reserve	<b>34.87</b>	76.61
Balance Carried Over	<b>1,989.37</b>	1,520.24

### **OPERATIONS**

Total revenue for the year ended 30th June 2014 increased by 22% to Rs. 244.99 crores from Rs.200.76 crores in the previous year. While domestic sewing revenue at Rs. 217.96 crores grew by 18% over prior year, the small appliances business, a relatively new business segment of your Company, at Rs. 22.37 crores grew by 77%. The small appliances business accounted for 9.3% of the total business of your Company in the year under review. The Company also started export of sewing machines during the year which amount to Rs. 3.01 crores (18,000 sewing machines)



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## **DIRECTORS' REPORT**

The Company's business strategy continues to be to expand small appliances business, while zealously protecting its core sewing business. Your Company is strengthening its organization, revamping customer care and logistics support. It is also increasing its product portfolio to prepare for future expansion. As a result the selling and administrative expenses have increased during the year.

The profit before tax and after tax for the year amounted to Rs. 9.20 crores (Rs. 9.37 crores in the previous year) and Rs. 6.97 crores (Rs. 15.32 crores in the previous year) respectively. In the year under review, lower other income at Rs. 1.64 crores as against Rs. 3.85 crores in the previous year and tax expense at Rs. 2.23 crores as against tax benefit of Rs. 5.95 crores in the previous year impacted profits.

The Company managed to remain almost debt free and could maintain sufficient liquidity to manage its working capital for expanding the business.

The Company would work on improving manpower productivity while simultaneously pursuing cost reduction programs to sustain growth with profitability.

### **DIVIDEND**

The Board of Directors, at their meeting held on 27th August, 2014 recommended a dividend of Rs. 1.50 per equity share of face value of Rs. 10 each for the financial year ended 30th June, 2014.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to the shareholders as on the close of business on 1st November, 2014. As per Income Tax Act, 1961, the tax on the dividend will be borne by the Company.

### **STATUS ON THE REHABILITATION SCHEME APPROVED BY THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)**

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in the hearing held on 28th February 2013 discharged your Company from the purview of SICA/BIFR.

The appeals filed by the Company and some of the unsecured creditors on the quantum of amount to be paid to them under the Scheme sanctioned by BIFR are pending adjudication before the Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR).

### **MANUFACTURING**

Operations of the Company's manufacturing Unit at Jammu re-started from 3rd July 2013. Production is progressing as per the target.

### **SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS**

As stated earlier, Himec India Limited and Singer India Trading Limited, the two wholly owned subsidiaries of the Company had filed for voluntary winding up under the provisions of the Companies Act, 1956. The liquidator appointed by the shareholders of Himec India Limited and Singer India Trading Limited has completed all formalities and filed his Report with the Official Liquidator. The matter is pending now with the Official Liquidator's office for filing the winding up petition in the High Court of Delhi. Therefore, the accounts of these companies have not been prepared.

### **DIRECTORS**

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

Mr. P. N. Sharma, Mr. Ajit Kumar, Mr. Deepak Sabharwal and Mrs. Madhu Vij are sought to be appointed as Independent Directors of the Company under Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 at the ensuing Annual General Meeting.

Tenure of Mr. Rajeev Bajaj, Managing Director of the Company will come to an end on 30th September, 2014. The Board of Directors in their meeting held on 27th August, 2014 has re-appointed Mr. Bajaj as Managing Director for a further period of three years effective from 1st day of October, 2014.

The profile of the Directors to be re-appointed and appointed have been given in the Corporate Governance Report.

The Board recommends the above re-appointment/appointments. Resolutions seeking your approval on these items along with the terms and conditions are included in the Notice convening the Annual General Meeting.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under the Listing Agreement with Stock Exchange is enclosed as Annexure A.





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## **DIRECTORS' REPORT**

### **FIXED DEPOSITS**

The Company has repaid all depositors along with interest due as per the directions of the Hon'ble Delhi High Court except for the unclaimed amount of Rs.2.55 lacs (Principal) and Rs.1.31 lacs (Interest) to 20 depositors who have not furnished the original deposit receipts or indemnities. These depositors have not claimed the amount despite reminders.

### **DEPOSITORY SYSTEM**

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) 99.55% of the total shareholding of the Company was held in dematerialized form as on 30th June, 2014.

### **AUDITORS AND AUDITORS' REPORT**

M/s Ray & Ray, Chartered Accountants, statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Notice under section 139 of the Companies Act, 2013 has been received from the auditors confirming their eligibility to act as Auditors of the Company.

The Auditors' in their report to the Members have qualified their opinion on Note 41 of the financial statement relating to remuneration paid/provided in respect of Non-executive Chairman, which is self explanatory.

### **DEVELOPMENT, 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 the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms a part of this Report.

### **EMPLOYEES**

Information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 1994 forming part of this report is annexed hereto.

The Directors wish to place on record their deep appreciation for the support and contribution made by all the employees of the Company.

### **INDUSTRIAL RELATIONS**

Industrial relations remained cordial and harmonious during the year.

### **CORPORATE GOVERNANCE**

As required under Clause 49 of the Listing Agreement, 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. The Company has set up Prevention of Sexual Harassment Committee and has taken all steps required to frame and implement the Whistleblower Policy and Risk Management Policy as a part of good governance.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) That the Directors had 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 the financial year and to the profit or loss of the Company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.

### **ACKNOWLEDGEMENT**

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

### **FOR AND ON BEHALF OF THE BOARD**

Place: New Delhi  
Date: 27<sup>th</sup> August, 2014

K. K. GUPTA  
CHAIRMAN



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## **DIRECTORS' REPORT**

### **ANNEXURE TO DIRECTORS' REPORT**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, AS REQUIRED UNDER THE COMPANIES(DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.**

#### **A. CONSERVATION OF ENERGY**

Provided voltage stabilizer to correct power factor and control variation in voltage fluctuation.

#### **B. TECHNOLOGY ABSORPTION**

The required information in the prescribed form 'B' of the Companies Act (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Appendix.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The required information in respect of foreign exchange earnings and outgo is given below:

a) Foreign Exchange Earnings on exports (accrual basis)	Rs .301.38 Lacs
b) Foreign Exchange Outgo (accrual basis)	
- CIF value of imports of raw materials and components	NIL
- Finished goods	Rs. 3,537.16 Lacs
- Expenditure in foreign currency	Rs. 242.75 Lacs

### **APPENDIX FORM B**

#### **DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

##### **RESEARCH AND DEVELOPMENT (R & D)**

1. Specific Areas in which R & D carried out by the Company.	Nil
2. Benefits derived as a result of above R & D	N.A.
3. Future plan of action	N.A.
4. Expenditure on R & D	
- Capital	Nil
- Recurring	Nil
- Total	Nil
- Total R & D Expenditure as a percentage of total turnover	Nil

##### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts made towards technology absorption and innovation, in brief.	Nil
2. Benefits derived as a result of above efforts.	N.A.
3. Information in case of imported technology (imported during last five years).	
- Technology imports	N.A.
- Year of Import	N.A.
- Has technology been fully implemented	N.A.
- If not fully absorbed, area where this has not taken place, reason therefore and future plans of action.	N.A.





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## **DIRECTORS' REPORT**

Statement of employees pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975

**(A) Employees drawing Remuneration of not less than Rs.5 lacs per month and employed for full year**

- Not applicable

**(B) Employees drawing Remuneration of not less than Rs.5 lacs per month and employed for a part of the year**

- Not applicable

### **Annexure A MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **MANAGEMENT DISCUSSION**

##### **Industry Structure and Development**

The sewing machines and small appliances industry in India continues to be dominated by the small scale sector with imports of appliances largely from China. However, the sewing industry offers a lot of opportunity to grow particularly in the export markets. With the Government of India emphasizing on domestic manufacturing, we hope that both these industries would strengthen in future.

Even though sewing machine is a mature product line, the market continues to grow albeit at a very small rate of less than 3% per year. The Zig Zag and Electronic Sewing machines offer higher potential for growth with increasing awareness of this product amongst consumers who can afford to pay higher price for the added features.

Small appliances market offers a huge market in India with rising households and income levels.

##### **Outlook & Opportunities**

Considering the current market share of your Company, there is potential to increase its share both in straight stitch and Zig Zag segments.

The small appliances market, which is a large and growing market, offers tremendous opportunity to the Company to expand this business with its strong brand equity.

##### **Threats, Risks & Concerns**

The Company has identified following Risk areas in the Risk management policy.

1. Low growth of sewing machines market
2. Strong competition in all business segments
3. Sourcing
4. Foreign Exchange

Heads of Departments will be responsible for implementation of the Risk management policy as may be applicable to their respective areas of functioning. The Board of Directors of the Company and the Audit Committee of Directors will periodically review the risk management policy of the Company so that the Management controls the risk properly.

##### **Segment-wise Performance**

The Company's core business remains sewing machines. Though the Company has re-entered the small appliances business, segment-wise performance is not being given as small appliances business still accounts for less than 10% of the total business.



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## **DIRECTORS' REPORT**

### **Internal Control Systems and Adequacy**

The Company has adequate systems of internal controls for operations, optimum utilization of resources, effective monitoring and compliance with all applicable Rules. The internal control system is commensurate with the size and its nature of operations.

A firm of Chartered Accountants conducts internal audit on quarterly basis. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. The Committee also meets Company's Statutory Auditors and the Internal Auditors to ascertain their views on the adequacy of internal control systems and keep the Board of Directors informed of its major observations from time to time.

### **Financial Performance**

Sales and service Income of the Company increased by 23.6% in the financial year ended 30th June 2014 compared to the previous year ended 30th June, 2013. This came 1% from price inflation and the balance from better product mix/volumes. The Company posted a profit of Rs.6.97 crores after recording all exceptional items during the year ended 30th June 2014.

### **Prevention of Sexual Harassment**

The Company has constituted a Committee for prevention of sexual harassment at the workplace.

### **Corporate Social Responsibility (CSR)**

The Company has been associated with many Social Welfare Organizations through its shops and dealers network whereby sewing machines are distributed for the benefit of the underprivileged thus affording them the opportunity to earn their livelihood. The Company will expand this concept by opening skill development centers for women.

The Company has constituted a CSR committee consisting of three independent Directors assisted by the Managing Director of the Company to oversee implementation of this initiative.

### **Whistleblower Policy**

The Company has put in place a Whistleblower Policy. The Whistleblower Policy encourages people at large to bring to the Company's attention instances of unethical behavior, actual or suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact the Company's operations, business performance and/or reputation.

### **Human Resources**

The Company is committed to implement the highest standards of HR management principles and strict compliance with regulatory requirements at all times. The Company is making continuous efforts in respect of safety and proper education of the employees so as to attain the organisational goals effectively and efficiently.



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## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on code of governance

Your Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its working, and in all its interactions with its stakeholders including shareholders, employees, lenders and the government. The Company is committed to attain the highest standards of Corporate Governance.

The Board of Directors believes that Corporate Governance is the most powerful tool for achieving corporate excellence and presents a compliance report on the Corporate Governance pursuant to clause 49 of the Listing Agreement and the Company endeavours to adopt best practices of Corporate Governance.

### 1. Board of Directors

**1.1** As on 30th June 2014, the strength of your Company's Board is six. The Board has a Chairman (Non-Executive) and five members comprising of one Managing Director, one Non- Executive Director & three Non-Executive Independent Directors. All Directors are professionals from diverse fields having valuable experience in management, legal, administration and finance. Independent Directors do not have any material pecuniary relationship and have not entered into any transactions with the Company, its promoters and management which in the judgment of the Board may affect the independence of judgment of the directors.

The details of constitution of the Board and the number of directorships and committee memberships held in other companies as on 30th June 2014, and their attendance at the Board Meetings held during the period 1st July, 2013 to 30th June 2014 and at the last Annual General Meeting, are given below:

Sl. No	Name of Director	Category	No. of Board Meetings held during the year	No. of Board meetings attended	Attendance at the AGM held on 12 <sup>th</sup> November, 2013	No. of outside directorships*
1.	Mr. K. K. Gupta, (Chairman)	Non-Executive	6	5	Yes	1
2.	Mr. Rajeev Bajaj (Managing Director)	Executive	6	6	Yes	0
3.	Mr. Gavin Walker	Non-Executive	6	1	No	0
4.	Mr. Deepak Sabharwal	Non-Executive Independent	6	6	Yes	0
5.	Mr. P. N Sharma	Non-Executive Independent	6	4	Yes	3
6.	Mr. Ajit Kumar	Non-Executive Independent	6	6	Yes	1

\* Excluding foreign and companies registered under section 25 of the Companies Act, 1956.

Mrs. Madhu Vij was appointed as an additional director w.e.f. 27th August, 2014 and holds appointment until the ensuing Annual General Meeting of the Company. At the said meeting, we will be seeking approval of the members for her appointment as a non- executive independent director under Sections 149 and 152 of the Companies Act 2013.



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## **REPORT ON CORPORATE GOVERNANCE**

Mr. K. K. Gupta was appointed as a director on the Board of Zuari Global Limited w.e.f. 30th July, 2014 and as Director and Chairman of Audit Committee on Indian Furniture Products Limited w.e.f. 31st July, 2014.

- 1.2** The meetings of the Board of Directors are held at periodic intervals. During the year under review, 6(six) Board Meetings were held on 7th August, 2013, 27th August, 2013, 12th November, 2013, 4th February, 2014, 3rd March, 2014 and 30th April, 2014. The gap between two Board Meetings did not exceed four months.

- 1.3** As on 30th June, 2014, the Company was required to have an optimum combination with not less than one third of the Board of Directors comprising of independent directors. The Company had fully complied with the above requirement in the financial year ending 30th June 2014.

### **2. Code of Conduct**

- 2.1** The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with the applicable laws, rules and regulations. The Company had posted its Code of Conduct on the website of the Company as it believes that a good Corporate Governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risk.

- 2.2** All Directors have as on 30th June, 2014, filed the requisite declarations stating that:

- a) The disqualification contemplated under Section 164(2) of the Companies Act 2013 did not apply to them.
- b) The Code of Conduct for prevention of insider trading in its equity shares has been complied with.

- 2.3** The Company has framed the Code of Conduct and Ethics for members of the Board and Senior Management personnel of the Company. The Company takes great care that the members of the Board and Senior Management comply with the clauses of the code of conduct. The said Code of Conduct is also uploaded on the website of the Company. Declaration towards the confirmation that the code of conduct was followed is mentioned below. In addition, separate Code of Conduct for dealing in equity shares is also in place.

#### ***"I hereby confirm***

*The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the financial year ended 30th June, 2014"*

**Rajeev Bajaj**  
Managing Director

### **3. Audit Committee**

- 3.1** The Audit Committee was constituted in conformity with the requirement of Section 177 of the Companies Act 2013 read with clause 49 of the Listing Agreement with the Stock Exchange. The Audit Committee comprises of three non-executive independent directors namely Mr. P. N. Sharma, Mr. Deepak Sabharwal and Mr. Ajit Kumar. The Committee is chaired by Mr. P. N. Sharma.

- 3.2** Mr. Ashish Srivastava, Company Secretary acts as the Secretary to the Committee.

- 3.3** The Committee acts as a link between Statutory Auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to providing accurate, timely and proper disclosure and the integrity and quality of financial reporting. The Audit Committee reviews areas as specified under clause 49 of the Listing Agreement read with the provisions of section 177 of the Companies Act, 2013.





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## REPORT ON CORPORATE GOVERNANCE

### 3.4 Brief terms interalia include:

- Overseeing the Company's financial reporting, process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services.
- Reviewing with management the annual financial statement before submission to the Board.
- Reviewing the adequacy of internal audit functions.
- Discussing with internal auditors any significant finding and follow up on such issues.
- Reviewing the finding of any internal investigation by the internal auditors in matters where there is suspected fraud or a failure of internal control or regulatory system of a material nature and the reporting of such matters to the Board.
- Discussing with the External Auditor before the Audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any area of concern.
- Examining reasons for substantial default in the payment to depositors, shareholders (in case of non-payment of declared dividends) and creditors, if any.

### 3.5 The composition and attendance of the members of the Committee is as follows:

Name of Director	Number of meetings attended
Mr. P. N. Sharma, Chairman	4
Mr. Deepak Sabharwal	5
Mr. Ajit Kumar	5

During the financial year ended 30th June, 2014 the Audit Committee meetings were held five times, i.e. 27th August, 2013, 12th November, 2013, 4th February, 2014, 3rd March, 2014 & 30th April, 2014. The Audit Committee has fully complied with the requirements of clause 49 of the Listing Agreement. The Company has also complied with the relevant provision of Section 177 of the Companies Act, 2013 under which the committee should consist of at least three members of which two-third members out of the total members to the committee should be Independent Directors

## 4. Nomination and Remuneration Committee (Formerly known as Remuneration Committee)

The Company had a Remuneration Committee comprising of three non-executive independent directors has been renamed as "Nomination and Remuneration Committee" in accordance with the provisions of Section 178 of the new Companies Act, 2013.

### 4.1 The composition of the Committee is as follows.

Name of Director	Number of meetings attended
Mr. Ajit Kumar, Chairman	2
Mr. P. N. Sharma	1
Mr. Deepak Sabharwal	2



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## REPORT ON CORPORATE GOVERNANCE

**4.2** The Committee was constituted to review and recommend to the Board, the remuneration packages of the Executive Directors and such other matters as the Board may refer to the Committee from time to time. The terms of reference of the Nomination and Remuneration Committee and its role is as prescribed in sub section (3) and (4) of Section 178 of the Companies Act, 2013 and Clause 49 of the listing agreement.

**4.3** The Remuneration Committee met on 27th August, 2013 & 30th April, 2014.

**4.4** No remuneration, other than sitting fee for attending the meetings of Board and Committee are being paid to the Non-Executive Directors of the Company. However w.e.f. 01st day of January, 2012 Mr. K. K. Gupta, Non Executive Chairman of the Company being paid fixed annual retainership fee and other bonafide reimbursements/ benefits in terms of approved Members resolutions. Ministry of Corporate Affairs vide letter dated 31st July, 2014 has rejected the Company's application for approval of payment of fixed retainership fee and other bonafide reimbursement / benefits to Mr. K. K. Gupta, Non-Executive Director for the period 1st January, 2013 to 31st December, 2015 which was duly approved by the shareholders on 12th November, 2013. Mr. K. K. Gupta was paid a sum of Rs. 25.61 lacs (including Rs. 7.42 lacs for earlier years) and is holding the remuneration in trust of on behalf of the Company. The Company has made an application for re-consideration and review on 21st August, 2014 to Ministry of Corporate Affairs.

### 5. Remuneration policy

**5.1** Subject to the approval of the Board and of the Company in Annual General Meeting and such other approvals as may be necessary, the Whole-time Directors are paid remuneration as per the agreements entered into between them and the Company. The remuneration structures of Whole-time Directors comprise of salary & allowances, contribution to provident fund & perquisites.

**5.2** The details of the remuneration paid to Directors during the period from 1st July 2013 to 30th June 2014 are given below :

(In Lacs)

Name and Designation	Salary/ retainership fee (Rs)	Other Benefits (Rs)	Contribution to provident and Other funds (Rs)	Total (Rs)
Mr. K. K. Gupta (Non-Executive Chairman)	11.35*	8.19	-	19.54
Mr. Rajeev Bajaj (Managing Director)	55.35	1.79	1.69	58.83

\* includes sitting fee amount of Rs. 1.35 lacs.

The above figures do not include charge for gratuity and leave encashment as the Company's Liabilities in respect thereof has been valued by an Actuary and no employee-wise details of same is available.

The appointment of Mr. K. K. Gupta as an advisor of the Company can be terminated by 12 months notice. In case of Mr. Rajeev Bajaj, Managing Director the services can be terminated by 3 months notice or on payment of 3 month salary in lieu thereof.





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## REPORT ON CORPORATE GOVERNANCE

- 5.3** The Non-Executive Directors were paid sitting fee amounting to Rs. 20,000/- for attending meeting of Board of Directors and Rs. 5,000/- for all Committee meetings. The details of payment of Sitting Fees for the Period from 1st July 2013 to 30th June 2014 are given below:

Sl. No.	Name	Sitting Fee (Rs.In Lacs)
1.	Mr. K. K. Gupta	1.35
2.	Mr. Deepak Sabharwal	1.90
3.	Mr. P.N. Sharma	1.30
4.	Mr. Ajit Kumar	1.55

No Sitting fee was paid to the foreign director.

### **5.4 Equity shares held by the directors**

Mr. P. N. Sharma held 10 equity shares of the Company as on 30th June, 2014. 7 equity shares are held by wife of the Managing Director as first holder. No Directors other than the above directors held any shares in the Company as on 30th June, 2014.

- 5.5** The Company does not have any stock option scheme for its employees.

### **6. Stakeholders Relationship and Share Transfer Committee (formerly Shareholders/Investors Grievance and Share Transfer Committee)**

The Shareholders/Investors Grievance and Share Transfer Committee has been renamed as "Stakeholders Relationship and Share Transfer Committee"

- 6.1** The composition of the Committee and attendance is as follows:

Name of Director	Number of meetings attended
Mr. Deepak Sabharwal, Chairman	7
Mr. K. K. Gupta	7
Mr. P. N. Sharma	5

- 6.2** During the financial year ended 30th June 2014, Committee meetings were held seven times i.e. on 31st July, 2013, 11th September, 2013, 7th November, 2013, 20th December, 2013, 24th January, 2014, 27th March, 2014 & 30th April, 2014. The Company received 7 (seven) complaints from the Shareholders and all were resolved to the satisfaction of the Shareholders.

- 6.3** Mr. Ashish Srivastava, Company Secretary acts as the Secretary to the Committee.

- 6.4** The Company attends to the Shareholders grievances / correspondence expeditiously and normally reply is sent within a period of 10 days of receipt, except in cases of disputes or legal impediments. The designated e-mail ID as per clause 47(f) of the Listing Agreement for grievance redressal/ compliance officer for registering complaint by investors is [secretarial@singerindia.net](mailto:secretarial@singerindia.net).



**SINGER INDIA LIMITED**



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## REPORT ON CORPORATE GOVERNANCE

- 6.5** During the financial year ended 30th June 2014, Company received 190 shares for transfer from 12 parties, which were approved. There were no transfers pending as on 30th June 2014.

### **7. Corporate Social Responsibility Committee (CSR Committee)**

In accordance to the provisions of Section 135 of the Companies Act, 2013 read with all other applicable Rules, the "Corporate Social Responsibility Committee" has been constituted by the Board on 30th April, 2014.

The Committee comprises of Mr. P. N. Sharma as the Chairman of the Committee and Mr. Deepak Sabharwal and Mr. Rajeev Bajaj as Members to the Committee, majority of them being the Independent Directors.

### **8. Certificate from CEO & CFO**

Certificate from Mr. Rajeev Bajaj, Managing Director and Mr. S. C. Nagpal, Controller & GM-Accounts of the Company in terms of clause 49(V) of the Listing Agreement with the stock exchange for the financial year ended 30th June, 2014 was placed before the Board of Directors of the Company in its meeting held on 27th August, 2014.

### **9. General Body Meetings**

#### **9.1 Annual General Meeting**

The last three Annual General Meetings of the Company were held as under: -

Year	Date	Time	Venue	No. of special resolution passed
2013	12th November, 2013	4.00p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Raod New Delhi-110003	3
2012	29th October, 2012	4.00p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Raod New Delhi-110003	1
2011	5th October, 2011	4.00p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Raod New Delhi-110003	2

#### **9.2 Postal ballot**

During the financial year ended 30th June, 2014, no resolution was passed through postal ballot.

### **10. Disclosures**

- 10.1** Risk assessment and its minimization procedures have been laid down by the Company and adopted by the Board in one of its meeting and are reviewed on periodical basis. There is a structure in place of identify and mitigating various identifiable risks faced by the Company from time to time. At the Meetings of the Board, these risks are reviewed and new risks are identified. After assessment, controls are put in place with specific responsibility of the concerned officer of the Company.
- 10.2** No money was raised by the Company during the financial year ended 30th June 2014.
- 10.3** A summary of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee Meetings.



**SINGER INDIA LIMITED**



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## **REPORT ON CORPORATE GOVERNANCE**

- 10.4** There was no material individual transaction during the financial year ended 30th June 2014, with the related parties which were not in the ordinary course of business.
- 10.5** All material transactions during the financial year ended 30th June 2014, either with the related parties or others was on commercial consideration.
- 10.6** There were no materially significant transactions during the financial year ended 30th June 2014 with the related parties such as the promoters, directors, key managerial personnel or relatives that could have potential conflict with the interest of the Company.
- 10.7** The mandatory disclosures of transactions with the related parties in compliances with the Accounting Standard AS – 18 is a part of this annual Report and disclosed in Notes to the Accounts in Note 46.
- 10.8** In preparing the Annual Accounts in respect of the financial year ended 30th June 2014 no accounting treatment was different from that prescribed.
- 10.9** All the Directors and other identified persons have observed and complied with the requirements of Code of Conduct for Prevention of Insider Trading in Equity Shares of the Company in accordance with Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.

### **11. Compliance by the Company**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years; hence no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authority on any matter related to capital markets, during the last three years.

### **12. Disclosure of accounting treatment**

The financial statements have been prepared to comply with the prescribed Accounting Standards and the relevant provisions of the Companies Act, 1956 ("the Act"). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### **13. Means of communication**

- Quarterly/ Half Yearly Disclosures: Quarterly and half yearly reports are not sent separately to the individual members. The Quarterly/Half Yearly Results are published in leading daily newspapers viz, "Indian Express"/ "Hindustan Times" in English and in "Jansatta"/ "Hindustan" in Hindi
- Annual Report: Annual Report containing inter-alia, Notice of Annual General Meeting, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to Members and others entitled thereto

### **14. Disclosure regarding Directors seeking appointment / reappointment as required under clause 49 (IV) (G) of the Listing Agreement entered into with Stock Exchanges.**

#### **i) Mr. Gavin Walker (DIN: 01216863)**

Mr. Gavin Walker (45) has a finance background and is President and CEO of Singer Asia Limited. Prior to joining Singer Asia Limited, Mr. Walker served as Managing Director and Chief Executive of private and public Companies in the United Kingdom and in South Africa. Earlier, he had served as Chief Executive Officer of Profurn Ltd, a South African Public Company that was a multi-brand retailer of electrical appliances and furniture with operations in 16 African Countries and Australia.



**SINGER INDIA LIMITED**



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## **REPORT ON CORPORATE GOVERNANCE**

**ii) Mr. Deepak Sabharwal (DIN: 00173116)**

Mr. Deepak Sabharwal (47) is an Advocate & Solicitor having expertise in Corporate Laws, Income Tax and other laws including Mergers and Acquisitions.

**iii) Mr. Ajit Kumar (DIN: 00106597)**

Mr. Ajit Kumar (72) is a BA, MA in English and ranked first position in the Punjab University. He was in Indian Administrative Services (IAS) and has held in the past the positions of Defence Secretary, Industry Secretary, Chairman of FIPB and Finance Secretary to the Government of India. He has over 39 years of high level administrative experience.

**iv) Paresh Nath Sharma (DIN: 00023625)**

Mr. P. N. Sharma (65) is a qualified FCS, FCA and CA from top Management Programme at Henly Business School, U.K. He is also on the Board of various Companies.

**v) Mrs. Madhu Vij (DIN: 00025006)**

Mrs. Vij (58) is a Professor in Faculty of Management Studies, University of Delhi and has in her credit specialization in the field of International Financial Management, Banking, Corporate Finance, Financial Accounting and Risk Management.

She also authored various articles and books on Financial and Management Accounting etc., speaker at various forums and successfully handled various administrative assignments.

**vi) Mr. Rajeev Bajaj (DIN: 02284467)**

Mr. Rajeev Bajaj (54) is a Fellow member of the Institute of Chartered Accountant of India as well as Fellow member of the Institute of Company Secretaries of India with over 30 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial.

**15. Management Discussion and Analysis.**

The Management Discussions and Analysis Report is a part of the annual report and is attached herewith as "Annexure 'A'".

**16. General shareholder information**

**16.1 Annual General Meeting**

Date : 12th day of November, 2014  
Time : 3:00 P.M.  
Venue : Sri Sathya Sai International Centre,  
Pragati Vihar, Bhisham Pitamah Marg,  
Lodhi Road, New Delhi-110003.



**SINGER INDIA LIMITED**



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## REPORT ON CORPORATE GOVERNANCE

### 16.2. Financial calendar

The financial year of the Company for the current year is of the twelve months period from 1st July, 2013 to 30th June, 2014.

For the financial year ended 30th June 2014 from 1st July, 2013 to 30th June, 2014, results were announced on:

First Quarter	:	12th November, 2013
Half yearly	:	4th February, 2014
Third Quarter	:	30th April, 2014
Fourth Quarter & Audited Results (1st July, 2013 to 30th June, 2014)	:	27th August, 2014

For the year ended 30th June 2015, results will be announced on:

First Quarter: Within 45 days from the close of quarter ending September, 2014.

Half yearly: Within 45 days from the close of quarter ending December, 2014.

Third Quarter: Within 45 days from the close of quarter March, 2015.

Fourth Quarter & Audited Annual Results (2014-15): Within 60 days from the close of quarter/ year ending June, 2015.

### 16.3 Dividend & Book closure date

The Board of Directors, at their meeting held on 27th August, 2014 recommended a dividend of Rs. 1.50 per equity share of face value of Rs. 10 each for the financial year ended 30th June, 2014. Dividend if approved by the Members, will be paid on or after 18th November, 2014. The register of members and share transfer register of the Company will remain closed from 1st day of November, 2014 to 12th November, 2014 (both days inclusive).

### 16.4 Listing on Stock Exchanges and Stock Code

Name of the stock exchange	Stock code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	505729

The International Security Identification Number (ISIN) of Singer India Limited on both NSDL and CDSL is INE638A01027

The Company confirms that it has paid annual listing fee to Bombay Stock Exchange Limited, Mumbai for the year 2014-2015.

The Status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
For the Financial year 2012-13	Lying in Unpaid Dividend Account	Yes	MCS Ltd. (Registrars and Transfer Agent)	Letter on Plain Paper

Company has hosted on its website the details of the unclaimed dividend for the Financial Year 2012-13. Shareholders who have not encashed their dividend warrants relating to the financial year 2012-13 are requested to contact M/s MCS Limited (Registrars and Transfer Agent).





**SINGER INDIA LIMITED**



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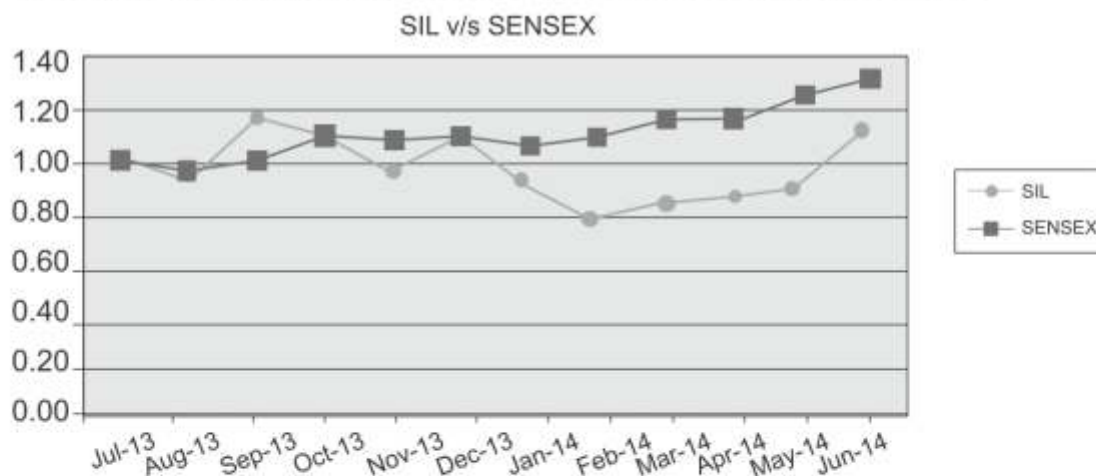
## REPORT ON CORPORATE GOVERNANCE

### 16.5 Market price data

Monthly high/low quotations of shares traded of each month at Bombay Stock Exchange Limited, Mumbai during the financial year ended 30th June, 2014 are as follows:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
July 2013	107.95	77.70	January 2014	103.00	84.15
August 2013	111.85	78.00	February 2014	97.00	70.25
September 2013	110.00	80.15	March 2014	81.90	69.45
October 2013	116.35	96.10	April 2014	89.00	76.15
November 2013	104.75	82.25	May 2014	95.45	70.50
December 2013	105.90	87.20	June 2014	106.00	83.10

### 16.6 Performance of Company's equity shares in comparison to BSE SENSEX is given below:



### 16.7 Registrar and Transfer Agent

M/s MCS Limited, New Delhi are the registrar and share transfer agents of the Company for handling both electronic and physical shares. Shareholders are requested to contact the transfer agents for all share related work. The address of share transfer agents is given below:

M/s MCS Limited  
F – 65, First Floor, Okhla Industrial Area, Phase – I  
New Delhi – 110020  
Phone: 011 – 41406149 – 52, Fax: 011 – 41709881, Email: admin@mcsdel.com





**SINGER INDIA LIMITED**



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## REPORT ON CORPORATE GOVERNANCE

### 16.8 Share Transfer System

The shares of the company are traded in the compulsory dematerialized mode for all investors. The shares sent for transfer in physical form are registered within 10 days (if in order and complete in all respects) and the share certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same are confirmed to the respective depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

In compliance of the Listing Guidelines, every six months, practicing Company Secretary audits the system of transfers and a certificate to that effect is issued. Also, in compliance with the SEBI guidelines, a quarterly secretarial audit is being conducted by a practicing Company Secretary and the secretarial audit report is issued which, in turn, is submitted to the stock exchange. The said secretarial audit report is also placed before the Board from time to time.

### 16.9 Distribution of shareholding as on 30th June 2014

S. No	Shares		Shareholders		No. of shares	
	Range			% of		% of
			Number	Total	Number	Total
1	1	500	9745	95.66	396144	3.69
2	501	1000	205	2.01	161141	1.50
3	1001	2000	102	1.00	155604	1.45
4	2001	3000	42	0.41	106447	0.99
5	3001	4000	26	0.25	95081	0.88
6	4001	5000	18	0.18	87655	0.82
7	5001	10000	19	0.19	134290	1.25
8	10001	50000	17	0.17	301172	2.80
9	50001	100000	8	0.08	584719	5.44
10	100001	And above	5	0.05	8720882	81.18
	TOTAL		10187	100.00	10743135	100.00



**SINGER INDIA LIMITED**



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## REPORT ON CORPORATE GOVERNANCE

### Broad shareholding pattern - As on 30<sup>th</sup> June 2014

Category	No. of shares held	% age of shareholding
Singer (India) B. V., The Netherlands (Promoters)	8057351	75.00
Banks, Financial Institutions & Insurance Companies	121542	1.13
NRIs	15179	0.14
Indian Public	2549063	23.73
<b>TOTAL</b>	<b>10743135</b>	<b>100.00</b>

#### 16.10 Dematerialization of shares and liquidity

99.55% of the equity shares have been dematerialized up to 30<sup>th</sup> June, 2014. The shares of the Company can be dematerialized by the shareholders either with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited.

The Equity shares of the Company are listed with Bombay Stock Exchange Limited, Mumbai.

#### 17. Management Responsibility Statement

The Directors' Responsibility Statement in conformity with the requirement of the Companies, Act 1956 has been included in the Director's Report to the Shareholders. A Management Discussion and Analysis Report have been annexed to the Director's Report.

The Financial Accounts are in full conformity with the requirement of the Companies, Act 1956. These accounts reflect fairly the form and substance of transactions and present a true & fair view of the company's financial condition and the results of its operation.

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly.

Your Company has institutionalized a proper system to monitor internal control compliances for all important financial internal control processes.

The Company has a system of Internal Control which is reviewed, evaluated and updated on an ongoing basis. The Company has an Internal Audit system, which is commensurate with the size and nature of the business. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place. The Internal Auditor has conducted the periodic audit of system and procedures to provide reasonable assurance that the activities are conducted in a manner not prejudicial to the interest of the Company.



**SINGER INDIA LIMITED**



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## **REPORT ON CORPORATE GOVERNANCE**

### **18. Compliance Certificate of the Auditors.**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

### **19. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.**

Nil

### **20. Location of Plants**

1. Lane No. 4, SIDCO Industrial Estate, Jammu
2. Lane No. 2, SIDCO Industrial Estate, Phase II, Jammu

### **21. Address for Correspondence:**

Singer India Limited  
A 26/4, 2nd Floor,  
Mohan Cooperative Industrial Estate, New Delhi-110044,  
Email: mail@singerindia.net/secretarial@singerindia.net

**On behalf of the Board of Directors**

**K. K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, 27<sup>th</sup> August, 2014



**SINGER INDIA LIMITED**



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## CEO/CFO CERTIFICATION

The Board of Directors  
**Singer India Limited**

We, the undersigned, in our respective capacities as Managing Director and Controller & GM-Accounts of Singer India Limited ("The Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 30th June, 2014 and based on our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further states that to the best of our knowledge and belief there are no transactions entered by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We hereby declare that all the members of Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the company.
- (d) We are responsible for establishing and maintaining internal controls and evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in the internal control our financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

New Delhi  
27th August, 2014

**(Rajeev Bajaj)**  
Managing Director

**(Subhash C. Nagpal)**  
Controller & GM-Accounts

## Auditors' Certificate on compliance with the conditions of Corporate Governance under clause 49 of the listing agreements

To

The Members of  
Singer India Limited

We have examined the compliance of conditions of Corporate Governance by Singer India Limited for the year ended on 30th June, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to the examination of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RAY & RAY**  
Chartered Accountants  
Firm Registration no. 301072E

**(A. K. Sharma)**  
Partner  
Membership No. 80085

New Delhi  
27<sup>th</sup> August, 2014



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## SINGER INDIA LIMITED

### SECRETARIAL AUDIT REPORT

The Board of Directors  
Singer India Limited  
A-26/4, Mohan Cooperative Industrial Estate  
New Delhi – 110044

We have examined the registers, records and documents of Singer India Limited ("The Company") for the period commencing from 1st July 2013 to 30th June, 2014 for compliances of provisions of:

1. The Companies Act, 1956(the Act), Companies Act, 2013 to the extent applicable and the Rules made there under;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992(SEBI Act);
  - (a) Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (effective till 22nd October, 2011) and Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (effective from 23rd October, 2011)
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992
4. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder; and
5. The Listing Agreements entered into with Bombay Stock Exchange Limited(BSE)

Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanation given to us by the Company-

We report that the company has, in our opinion, complied with the provisions of the Act and the Rules made thereunder and with the Memorandum and Articles of Association of the Company, with regard to;

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of Register of Members;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) service of documents by the Company on its Members and the Registrar of Companies;
- (e) notice of Meetings of the Board and Committee thereof;
- (f) minutes of the meetings of the Board and Committees thereof including passing of resolutions by Circulation;
- (g) notice convening the 35th Annual General Meeting held on 12th Nov, 2013;
- (h) minutes of general meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required subject to point (k) below;
- (j) constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director;
- (k) payment of remuneration to the Directors including the Managing Director, Ministry of Corporate Affairs vide letter dated 31st July, 2014 has rejected the Company's application for approval of payment of fixed retainership fee and other bonafide reimbursement / benefits to Mr. K. K. Gupta, Non-Executive Director for the period 1st January, 2013 to 31st December, 2015

which was duly approved by the shareholders on 12th November, 2013. The Company has made an application for re-consideration and review on 21st August, 2014 to Ministry of Corporate Affairs.

- (l) appointment and remuneration of Statutory Auditors;
- (m) transfer and transmission of the company's shares;
- (n) form of Balance Sheet as prescribed under Part I of Schedule VI to the Companies Act 1956 and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (o) contracts, common seal, registered office and publication of name of the company; and
- (p) generally, all other applicable provisions of the Act and Rules made thereunder.

We further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct of the Company;
- (c) the Company has obtained all necessary approvals under the various provisions of the Act subject to point (k) above;
- (d) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed under that Act by the depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities issued by the Company.

We further report that:

- (a) the Company has complied with the requirements under the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE);
- (b) the Company has complied with the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 effective till 22nd October, 2011) and Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(effective from 23rd October, 2011) including the provisions with regard to disclosure and maintenance of records required under the Regulations;
- (c) the Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

Place : New Delhi  
Date: 22nd August, 2014

For H.O. Gulati & Co.  
Company Secretaries

H.O. Gulati  
FCS CP No. 9337



**SINGER INDIA LIMITED**



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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SINGER INDIA LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Singer India Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the 'Act') read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Basis of Qualified Opinion**

Attention is drawn to the Note 41 regarding

Ministry of Corporate Affairs vide letter dated 31st July, 2014 has rejected the Company's application for approval of payment of fixed retainer-ship fee and other bonafide reimbursement / benefits to Mr. K. K. Gupta, Non-Executive Director for the period 1st January, 2013 to 31st December, 2015 which was duly approved by the shareholders on 12th November, 2013. Mr. K. K. Gupta was paid a sum of Rs. 25.61 lacs (including Rs. 7.42 lacs for earlier years) till 30.06.2014 and is holding the remuneration in trust of on behalf of the Company. The Company has made an application for re-consideration and review on 21st August, 2014 to Ministry of Corporate Affairs in this regard. The effect of the above observations is presently unascertainable.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us except for the effect of the matters described in the basis of Qualified Opinion paragraph, the financial statements give the information required by the Act read with General Circular 08/2014 dated 4.4.2014 issued by Ministry of Corporate Affairs in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014 and;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the





**SINGER INDIA LIMITED**



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## **INDEPENDENT AUDITORS' REPORT**

Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013;

- e. on the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014 from being appointed as a director in terms of clause(g) of Sub-Section(1) of Section 274 of the Companies Act, 1956 / Section 164(2) of the Companies Act, 2013.
- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For RAY & RAY  
Chartered Accountants  
Firm's Registration Number 301072 E  
(A.K. Sharma)  
Partner  
Membership Number 80085

Place: New Delhi  
Date: 27<sup>th</sup> August, 2014

### **Annexure To Independent Auditors' Report Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date**

1. a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets lying at its Jammu factory and other locations.
- b) The fixed assets were physically verified during the year by the management in accordance with a programme of verification which, in our opinion, provides for physical verification of major fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. a) The inventory (excluding stock in transit) has been physically verified by the management during the year. Stock in transit as at 30th June, 2014 have been verified with reference to subsequent receipt of goods or other relevant documents. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

- c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in books of account.
3. a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of sub-clause (a), (b), (c) and (d) of paragraph 4 (iii) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of sub-clause (e), (f) and (g) of paragraph 4 (iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us and having regard to the explanation that for some items purchased for which comparable alternative quotations are not available because of the nature / quality of such items and delivery schedules and for sale of certain goods/services which are for the buyers specialized requirements for which suitable alternative sources are not available for comparable quotations, there are generally adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services except for accounts of Trade Payables which are under process of review/reconciliation. Subject to the above, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal control system.
5. a) On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 do not exceed the value of Rs. 5 lacs in respect of any party in any one financial year. Accordingly, the provisions of sub clause (b) of paragraph 4 (v) of the Order are not applicable to the Company.



**SINGER INDIA LIMITED**



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## INDEPENDENT AUDITORS' REPORT

6. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the rules framed there under, to the extent applicable, had been complied with by the Company. The Hon'ble High Court of Delhi vide Order dated 19.01.2011 in relation to the Appeal filed against the Order of the Hon'ble Company law Board dated 25th June, 2009 on the composite scheme for repayment of deposits under section 58A and 58AA of the Companies Act, 1956 directing the Company to pay interest to all depositors at the contracted rate up to the date of maturity and thereafter @ 5% till the date of final installment before 31st March, 2011. The Company has re-paid all unpaid interest on fixed deposits except 20 depositors whose principal and interest accrued thereon of Rs. 3.86 lacs is pending settlement due to non-submission of the original Fixed Deposit Receipts / indemnities.
7. On the basis of the internal audit reports reviewed by us, we are of the opinion that, the coverage of internal audit carried out by a firm of Chartered Accountants is commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company. Accordingly, the provisions of paragraph 4 (viii) of the Order are not applicable to the Company.
9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax/ sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Though there have been instances of non deduction of tax at source.
- Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- b) According to information and explanations given to us, there are no other undisputed amount payable in respect of provident fund, investor education & protection fund, income tax, employees state insurance, wealth tax, value added tax/ sales tax, custom duty, service tax, excise duty, cess and other statutory dues which were outstanding at the period end for period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, there are no dues of wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute other than disputed income tax, value added tax/sales tax and excise duty as indicated below:

Name of Statute	Nature of Dues	Year	Forum before which dispute pending	Amount (Rs. in lacs)
Value Added Tax / Sales Tax of various States	Sales Tax	2008-09	First Appellate Authority, Delhi	14.11
	Sales Tax	2005-06	VAT Tribunal, Delhi	1.82
	Sales Tax	1992-93, 2002-03, 2007-08	First Appellate Authority, West Bengal	9.94
	Sales Tax	1995-96	Appellate Tribunal, West Bengal	14.79
	Sales Tax	2009-10	First Appellate Authority, West Bengal	1.00
	Sales Tax	2010-11	First Appellate Authority, West Bengal	13.04
	Sales Tax	1992-93, 1996-97, 2004-05	First Appellate Authority, Maharashtra	39.62
	Sales Tax	2002-03	First Appellate Authority, Goa	0.13
	Sales Tax	2000-01	First Appellate Authority, Cochin	0.43
	Sales Tax	2003-04, 2004-05, 2011-12	First Appellate Authority, Cochin	48.21
	<b>Total</b>			<b>143.09</b>
Central Excise Act	Excise Duty	2005-06	Appellate Authority, Delhi	60.38
	<b>Total</b>			<b>60.38</b>



**SINGER INDIA LIMITED**



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## **INDEPENDENT AUDITORS' REPORT**

10. The Company has no accumulated losses as at 30th June, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debentures holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4 (xii) of the Order is not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 4 (xiii) of the Order is not applicable to the Company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, paragraph 4 (xv) of the Order is not applicable to the Company.
16. The Company did not have any term loans outstanding during the year. Accordingly, the provisions of paragraph 4 (xvi) of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies/ firms covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (xviii) of paragraph 4 of the aforesaid order are not applicable to the Company.
19. The Company has not issued debentures during the year under audit. Accordingly, the provisions of clause (xix) of paragraph 4 of the aforesaid Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the period. Accordingly, the provisions of paragraph 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books of account carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management except for fraud on the Company through misappropriation of current assets (net) aggregating to Rs. 18.50 lacs by employees were noticed & reported which have been adjusted / provided for.

**For Ray & Ray**  
Chartered Accountants  
Firm Registration no. 301072 E

**(A. K. Sharma)**  
Partner  
Membership No. 080085

Place: New Delhi  
Date : 27<sup>th</sup> August, 2014



**SINGER INDIA LIMITED**



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**BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2014**

		(Amount in 'Lacs)	
		As at 30th June	
	Note	2014 (Rupees)	2013 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	1074.31	1,074.31
Reserves and Surplus	4	3,143.81	2,654.92
		4,218.12	3,729.23
<b>Non - Current Liabilities</b>			
Other Long-Term Liabilities	5	67.38	84.38
Long-Term Provisions	6	99.35	70.16
		166.73	154.54
<b>Current Liabilities</b>			
Short - Term Borrowings	7	16.21	-
Trade Payables	8	1,643.63	1,107.87
Other Current Liabilities	9	1,304.01	1,110.71
Short-Term Provisions	10	970.34	960.62
		3,934.19	3,179.20
		8,319.04	7,062.97
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		1,146.97	1,183.52
Intangible Assets		3.42	4.06
		1,150.39	1,187.58
Non-Current Investments	12	-	-
Deferred Tax Assets (Net)	13	830.21	1,052.98
Long-Term Loans and Advances	14	491.31	274.69
Other Non-Current Assets	15	13.83	-
		1,335.35	1,327.67
<b>Current Assets</b>			
Inventories	16	2,463.67	2,064.72
Trade Receivables	17	1,878.59	1,318.27
Cash and Bank Balances	18	1,168.49	928.79
Short-Term Loans and Advances	19	293.11	218.17
Other Current Assets	20	29.44	17.77
		5,833.30	4,547.72
		8,319.04	7,062.97

Significant Accounting Policies &  
Notes to the Accounts

1 to 54

This is the Balance Sheet referred to in our report of even date

**for Ray & Ray**

Chartered Accountants

**For and on behalf of the Board of Directors**

**A. K. Sharma**

Partner

Membership no. 80085

Firm's Registration Number 301072E

New Delhi, 27<sup>th</sup> August, 2014

**Ashish Srivastava**

Company Secretary

**Subhash Chand Nagpal**

Controller and GM-Accounts

**K. K. Gupta**

Chairman

**Rajeev Bajaj**

Managing Director



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## SINGER INDIA LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2014

		(Amount in 'Lacs)	
		Year ended 30th June	
	Note	2014 (Rupees)	2013 (Rupees)
<b>INCOME</b>			
Revenue from Operations	21	24,334.89	19,691.73
Other Income	22	164.14	384.67
<b>Total Income</b>		<b>24,499.03</b>	<b>20,076.40</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	23	731.56	131.74
Purchases of Stock in Trade	24	19,022.31	15,732.48
Changes in Inventories of Finished Goods & Work-in-progress	25	(371.60)	(136.42)
Employee Benefits Expense	26	1,036.03	690.19
Finance Cost	27	8.05	5.24
Depreciation and Amortisation Expense	28	67.46	58.96
Other Expenses	29	3,085.08	2,657.13
<b>Total Expenses</b>		<b>23,578.89</b>	<b>19,139.32</b>
<b>Profit Before Tax</b>		<b>920.14</b>	<b>937.08</b>
<b>Tax Expense</b>			
Current Tax	30	-	-
Deferred Tax		222.77	(595.02)
		<b>222.77</b>	<b>(595.02)</b>
<b>Profit for the year</b>		<b>697.37</b>	<b>1,532.10</b>
Basic & Diluted Earnings per Share (in Rupees) Face Value	47	6.49	14.26
Significant Accounting Policies & Notes to the Accounts	1 to 54		

This is the Statement of Profit & Loss referred to in our report of even date

For and on behalf of the Board of Directors

for Ray & Ray

Chartered Accountants

**A. K. Sharma**

Partner

Membership no. 80085

Firm's Registration Number 301072E

New Delhi, 27<sup>th</sup> August, 2014

**Ashish Srivastava**

Company Secretary

**Subhash Chand Nagpal**

Controller and GM-Accounts

**K. K. Gupta**

Chairman

**Rajeev Bajaj**

Managing Director



**SINGER INDIA LIMITED**



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## CASH FLOW STATEMENT

	(Amount in 'Lacs)	
	2014 (Rupees)	2013 (Rupees)
<b>A. Cash flow from operating activities :</b>		
Profit before tax	920.14	937.08
Adjustments for:		
Gratuity	(39.09)	43.24
Leave Encashment	21.35	23.54
Superannuation	0.51	0.18
Provision / Write off : Debts & Advances	23.06	4.28
Depreciation	67.46	58.96
Interest Income	(36.14)	(63.32)
Provision / Liabilities Written Back	(35.62)	(221.86)
Loss on Sale / Discard of Assets (net)	4.48	2.31
Unrealised Foreign Exchange (Gain) / Loss	(0.11)	0.89
Finance Cost	8.05	5.25
Operating profit before Working Capital Changes	934.09	790.54
Adjustments for:		
Trade and Other Receivables	(706.01)	(695.11)
Inventories	(398.95)	(156.16)
Trade and Other Payables	800.49	148.49
Cash Generated from Operations	629.62	87.76
Payment of Direct Taxes	(204.58)	(161.19)
Net Cash from Operating Activities	425.04	(73.43)
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(50.57)	(105.94)
Sale of Fixed Assets	0.71	1.55
Interest Received	38.40	68.29
Changes in Other Bank Balances	(40.49)	137.22
Net Cash generated from Investing Activities	51.95	101.12
<b>C. Cash Flow from Financing Activities :</b>		
Short-Term Borrowings	16.21	-
Dividend Paid	(161.15)	-
Tax on Dividend Paid	(27.39)	-
Interest Paid	(1.55)	(2.27)
Net Cash used in Financing Activities	(173.88)	(2.27)
Net Increase/(Decrease) in Cash / Cash Equivalent (A+B+C)	199.21	25.42
Cash and Cash Equivalent as at the beginning of the year	745.99	720.57
Cash and Cash Equivalent as at the end of the year	945.20	745.99

### Notes:

- (1) The Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) - 3.  
 (2) Previous period's figures have been regrouped / reclassified and / or rearranged wherever necessary to conform to the current year's grouping and classifications.

This is the Cash Flow Statement referred to in our report of even date

For RAY & RAY  
Chartered Accountants

For and on behalf of the Board of Directors

A. K. Sharma  
Partner  
Membership No. 80085  
Firm's Registration no. 301072E

K. K. Gupta  
Chairman

Rajeev Bajaj  
Managing Director

Ashish Srivastava  
Company Secretary

Subhash Chand Nagpal  
Controller and GM-Accounts

New Delhi, 27<sup>th</sup> August, 2014





**SINGER INDIA LIMITED**



## NOTES TO THE ACCOUNTS

### 1. Corporate Information

Singer India Limited ('the Company') is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of trading / manufacturing in sewing machines and also conducts limited trading in small appliances, household / consumer durables. The Company has also undertaken contract manufacturing of sewing machines.

### 2. Significant Accounting Policies

#### (a) Basis of Preparation

These Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis, except for certain tangible assets which are carried at revalued amounts. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the Companies Act, 2013 (The 2013 Act) [which continue to be applicable in respect of Section 133 of the Companies Act 2013 (The 2013 Act) in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] and the relevant provisions of the 1956 Act / 2013 Act as applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### (b) Use of Estimates

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reporting amounts of income and expenditure during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised in the period the same is determined

#### (c) Tangible Fixed Assets

Fixed Assets are stated at cost (or revalued amount as the case may be), less accumulated depreciation and impairment losses, if any. Cost

comprises the purchase price / cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition, construction and installation to bring the asset to its working condition for its intended use. Wherever assets are revalued, amount added on revaluation based on approved valuer's report is disclosed separately as required by the Companies Act, 1956. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized.

#### (d) Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on straight line basis over their estimated useful lives. Computer Software is amortised over a period of thirty six months is done on the straight line method.

#### (e) Impairment of Assets

Regular review is done to determine whether there is any indication for impairment in carrying amount of the Company's fixed assets. If any indication exists, an assets recoverable amount is estimated based on internal / external factors. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### (f) Investments

Long term investments are stated at cost. Provision for diminution in value, other than temporary, is made in the accounts. Earnings on investments are accounted for when the right to receive payment is established.

#### (g) Inventories

Inventories (Finished Goods and Work-in-progress) are valued at lower of cost or net realisable value, on the basis of physical verification carried out by the management. Cost is arrived at on FIFO basis and includes appropriate portion of allocable overheads. Cost of finished



**SINGER INDIA LIMITED**



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## NOTES TO THE ACCOUNTS (Contd.)

goods includes excise duty. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost necessary to make the sale. Raw Materials are valued at cost (FIFO basis). Goods in transit are valued at cost. Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

### (h) Warranties

Product warranty costs are determined using reasonable estimates based on costs incurred in the past and are provided for in the year sale is made. Contractual obligations in respect of warranties includes estimates made for the products sold by the Company which are covered under free replacement warranty on manufacturing defects / breakages etc. in respect of sewing machines and household consumer durables / small appliances and are accrued at 1% of sales to cover future costs.

### (i) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factory and branches and as on the Balance Sheet date.

### (j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of goods is recognized when all significant risk and rewards of the ownership are transferred to the buyer as per the terms of sales which coincides with the despatch of the goods. Revenue is recorded net of value added tax / sales tax, returns and gross of excise duty, if any. Interest income is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable and is stated at gross. Export incentive are accounted on accrual basis.

### (k) Depreciation

Depreciation is provided on a straight-line basis at the per annum rates (with the corresponding useful life) specified below:

Assets	Percentage	Estimated useful life in years
Building	3.34%	30 years
Plant and machinery	4.75% to 25%	4 years to 21 years
Vehicles	25%	4 years
Office equipment	20%	5 years
Furniture and fixtures	20%	5 years
Computers	33.33%	3 years
Leasehold improvements	33.33%	3 years

Assets costing less than Rs. 5,000/- per unit are depreciated at the rate of 100%. Depreciation on additions is provided on prorata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is provided up to the date on which such assets are sold/disposed off. Leasehold improvements represent renovation in new shops opened.

The difference between depreciation calculated and provided on the revalued amount of fixed assets and depreciation calculated on the original cost of fixed assets is recouped from Revaluation Reserve.

### (l) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight-line basis over the lease term.

### (m) Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.



**SINGER INDIA LIMITED**



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## **NOTES TO THE ACCOUNTS (Contd.)**

### **(n) Employees Benefits**

Short Term Employee Benefit is recognized as an expense in the Statement of Profit and Loss of the year in which related service is rendered. Post employment and other Long Term Employee Benefits are provided in the Accounts in the following manner:

- i) **Gratuity:** Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India, as per the Company's Scheme. Provision / write back, if any is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following projected Unit Credit Method and is treated as liability.
- ii) **Leave Encashment:** As per independent actuarial valuation as at the Balance Sheet date following projected Unit Credit Method in accordance with the requirements of Accounting Standard AS-15 on 'Employee Benefit' is included in provisions.
- iii) **Provident Fund:** Liability on account of Provident Fund (Pension) for employees is a defined contribution wherever contributions are made to a fund administered by Government Provident Fund Authority.

For employees, Provident Fund administered by a Recognised Trust, is a Defined Benefit Plan (DBP) wherein the employee and the Company make monthly contributions. Pending the issuance of Guidance Note from the Actuarial Society of India, actuarial valuation is not carried out and the Company provides for required liability at year end, in respect of the shortfall, if any, upon confirmation from the Trustees of such fund.

### **(o) Research and development**

Research and development expenses of revenue nature are charged to the Statement of Profit & Loss in the year in which they are incurred.

### **(p) Taxes on Income**

Income Tax is accounted for in accordance with Accounting Standard on "Accounting for Taxes on Income" notified pursuant to the Companies (Accounting Standards) Rules, 2006.

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credits against which future income tax liability is adjusted and is recognized as an asset in the Balance Sheet.

Deferred Tax is provided and recognized on timing differences between taxable income and accounting income subject to prudential consideration. Deferred Tax Asset on unabsorbed depreciation and carry forward of losses are recognized when there is virtual certainty about availability of future taxable income to realize such assets.

### **(q) Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when there is a present legal or statutory obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow or resources are provided for.

Contingent Assets are not recognized in the Financial Statements.

### **(r) Earnings per share**

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### **(s) Events after the Balance Sheet date**

Events occurring after the date of the Balance Sheet which affect the financial position to a material extent are taken into cognizance.



**SINGER INDIA LIMITED**



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**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs)	
	As at 30th June	
	2014	2013
	(Rupees)	(Rupees)
<b>3. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
15,000,000 (2013 - 15,000,000 Shares) Equity Shares of Rs. 10 each	1,500.00	1,500.00
500,000 (2013 - 500,000 Shares) Preference Shares of Rs. 100 each	500.00	500.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
10,743,135 (2013 - 10,743,135 Shares) Equity Shares of Rs. 10 each	1,074.31	1,074.31
	<b>1,074.31</b>	<b>1,074.31</b>

**Notes**

**a) Reconciliation of Equity Shares**

	As at June 30, 2014		As at June 30, 2013	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,743,135	1,074.31	10,743,135	1,074.31
Issued during the year	-	-	-	-
At the end of the year	10,743,135	1,074.31	10,743,135	1,074.31

**b)** The Company's Authorised Capital comprises of two class of shares. The Equity shares have a par value of Rs. 10 each and Preference shares have a par value of Rs. 100 each. No Preference Shares have been issued.

**c) Terms / Rights attached to the Equity Shares**

The Company has at present one class of shares i.e. equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend if any, is proposed by the Board of Directors & is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Shareholder's holding more than 5% of Equity shares at the end of the year in the Company**

Name of the shareholders	As at June 30, 2014		As at June 30, 2013	
	Number of shares	%	Number of shares	%
Singer (India) B.V. Netherlands The Holding Company	8,057,351	75.00	8,057,351	75.00

As per the records of the Company, including its register of shareholders / members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e)** 9,177,900 Equity Shares of Rs. 10 each were allotted through preferential basis as fully paid up to Singer (India) B.V. Netherlands the Holding Company consequent to compliance with the scheme of rehabilitation sanctioned by the Hon'ble BIFR. Out of which 8,27,900 Equity Shares of Rs. 10/- each were allotted by converting 10% amount borrowed from them in form of external commercial borrowing.





**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Amount in 'Lacs)  
As at 30th June  
2014 2013  
(Rupees) (Rupees)

**4.**

**RESERVES AND SURPLUS**

Securities Premium

As per last account

122.50 122.50

Revaluation Reserve:(Note 37.1 & 37.2)

As per Last Account

935.57 -

Additions during the year

- 935.57

Less : Transferred to Statement of Profit & Loss

(15.11) -

920.46 935.57

General Reserve :

As per last Account

76.61 -

Add : Transferred from Statement of Profit & Loss

34.87 76.61

111.48 76.61

**Surplus in Statement of Profit & Loss:**

As per last account

1,520.24 253.29

Add: Profit during the year as per Statement of Profit and Loss

697.37 1,532.10

Less : Appropriations

Transferred to General Reserve

(34.87) (76.61)

Proposed Dividend on Equity Shares (Note 39)

(161.15) (161.15)

Tax on proposed dividend on Equity Shares

(32.22) (27.39)

Balance at the end of year

1,989.37 1,520.24

3,143.81 2,654.92

**5.**

**OTHER LONG TERM LIABILITIES**

Security Deposit

12.07 12.73

Other Liabilities

55.31 71.65

67.38 84.38

**6.**

**LONG TERM PROVISIONS**

Provision for Employees Benefits:

Leave Encashment

99.35 70.16

99.35 70.16

**7.**

**SHORT TERM BORROWINGS**

Loans Repayable on Demand

16.21 -

From Banks - Cash Credit

16.21 -

The loan from J & K Bank is secured by hypothecation of stocks and book debts of Jammu unit and mortgage of leasehold rights of building and land at Jammu. The rate of interest is base rate +3%.





**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>8.</b>		
<b>TRADE PAYABLES</b>		
Total Outstanding dues of Micro Enterprises & small Enterprises (Note 34.1 & 34.2)	86.51	111.32
Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,557.12	996.55
	<b>1,643.63</b>	<b>1,107.87</b>
<b>9.</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance from Customers	149.58	54.57
Unclaimed matured Fixed deposits and interest Accrued thereon*	3.86	3.86
Unclaimed Fractional Shares	0.23	0.23
Due to Singer Asia Limited - an Associate Company	6.26	4.47
Unpaid Dividend	0.78	-
Other Payables:		
Contribution payable towards Gratuity fund	10.95	50.04
Superannuation	2.61	2.10
Liability for Capital Expenditure	2.85	11.28
Security Deposit	67.63	55.94
For Selling Expenses	561.98	566.60
For Other Expenses	330.43	224.95
Statutory Dues	166.85	136.67
	<b>1,304.01</b>	<b>1,110.71</b>

Note : There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

\* The amount is pending settlement due to non-submission of Original Fixed Deposit receipts by public despite reminders.

**10.**

**SHORT TERM PROVISIONS**

Leave Encashment	4.25	12.09
Proposed Dividend on Equity Shares	161.15	161.15
Tax on Dividend	32.22	27.39
Income Tax (Net of payments)	15.40	20.32
Contingencies *	757.32	739.67
	<b>970.34</b>	<b>960.62</b>

\* Contingencies includes

		Opening Balance	Addition	Deletion/ Reversal	Closing Balance
<b>Legal &amp; Statutory Matters #</b>	<b>2014</b>	<b>156.80</b>	<b>17.46</b>	<b>43.22</b>	<b>131.04</b>
	2013	149.91	12.71	5.82	156.80
<b>Contractual Matters in the Course of Business **</b>	<b>2014</b>	<b>385.95</b>	-	-	<b>385.95</b>
	2013	385.95	-	-	385.95
<b>Employees Related Matters #</b>	<b>2014</b>	-	-	-	-
	2013	241.23	-	241.23	-
<b>Product Warranties</b>	<b>2014</b>	<b>196.92</b>	<b>43.41</b>	-	<b>240.33</b>
	2013	156.64	40.28	-	196.92
<b>Total</b>	<b>2014</b>	<b>739.67</b>	<b>60.87</b>	<b>43.22</b>	<b>757.32</b>
	2013	933.73	52.99	247.05	739.67

\*\* The dispute between the Company and some of the Unsecured Creditors on the quantum of the payment to be made to them under the Sanctioned Scheme of the Hon'ble BIFR dated 28th April 2008 read with an amendment vide their order dated 24th February 2011 is still pending before the Hon'ble AAIFR. The Company however continues to carry the additional provision of Rs. 385.95 made in earlier year under Contingencies by way of abundant accounting prudence while vigorously contesting the matter before the Competent Authorities.

# The above matters are under litigation / negotiation and the timing of the cash flows cannot be currently determined.



**SINGER INDIA LIMITED**



**NOTES TO THE ACCOUNTS (Contd.)**

**11.1.  
Fixed Assets - Tangible**

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 30 June 2013	Additions	Sales / Adjustments	Cost as at 30 June 2014	As at 30 June 2013	For the year	Sales / Adjustments	As at 30 June 2014	As at 30 June 2014	As at 30 June 2013
Leasehold Land	628.65	-	-	628.65	1.46	9.74	-	11.20	617.45	627.19
Building (on Leasehold Land)	608.48	-	-	608.48	186.26	15.23	-	201.49	406.99	422.22
Plant & Machinery	1,095.35	13.68	5.76	1,103.25	1,013.46	29.29	2.58	1,040.17	63.08	81.89
Office Equipments	39.43	8.16	3.79	43.80	20.68	6.67	3.31	24.04	19.76	18.75
Computers	54.48	12.19	3.16	63.51	38.06	10.71	2.83	45.94	17.57	16.42
Furniture & Fixtures	31.84	4.42	3.00	33.26	24.54	3.67	2.99	25.22	8.04	7.30
Leasehold Improvements	11.96	10.82	1.60	21.20	2.23	5.32	0.43	7.12	14.08	9.75
<b>Total</b>	<b>2,470.21</b>	<b>49.27</b>	<b>17.33</b>	<b>2,502.15</b>	<b>1,286.69</b>	<b>80.63</b>	<b>12.14</b>	<b>1,355.18</b>	<b>1,146.97</b>	<b>1,183.52</b>
<b>2013</b>	<b>1,445.15</b>	<b>1,036.71*</b>	<b>11.65</b>	<b>247.021</b>	<b>1,236.26</b>	<b>58.22</b>	<b>7.79</b>	<b>1,286.69</b>	<b>1,183.52</b>	

\* Includes revaluation of assets Rs. Nil (2013 - Rs. 935.57) Note - 37.1 & 37.2

**11.2.  
Fixed Assets - Intangible**

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 30 June 2013	Additions	Sales / Adjustments	Cost as at 30 June 2014	As at 30 June 2013	For the year	Sales / Adjustments	As at 30 June 2014	As at 30 June 2014	As at 30 June 2013
Computer Software	4.80	1.30	-	6.10	0.74	1.94	-	2.68	3.42	4.06
<b>Total</b>	<b>4.80</b>	<b>1.30</b>	<b>-</b>	<b>6.10</b>	<b>0.74</b>	<b>1.94</b>	<b>-</b>	<b>2.68</b>	<b>3.42</b>	<b>4.06</b>
<b>2013</b>	<b>-</b>	<b>4.80</b>	<b>-</b>	<b>4.80</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>0.74</b>	<b>4.06</b>	



**SINGER INDIA LIMITED**



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**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>12. NON CURRENT INVESTMENT</b>		
Investments in Equity Instruments (Non Trade - Unquoted)		
Investment in Subsidiary Companies (Under Liquidation) (Note 53)		
610,008 (2013 - 610,008 Shares) Equity Shares of Rs. 10 each fully paid up in Singer India Trading Limited	61.00	61.00
100,008 (2013 - 100,008 Shares) Equity Shares of Rs. 10 each fully paid up in Himec India Limited	10.00	10.00
	71.00	71.00
Less: Provisions	71.00	71.00
	-	-
Aggregate value of unquoted investment (before provisions)	71.00	71.00

**13.  
DEFERRED TAX ASSET - NET**

**Deferred tax Assets comprising of :**

Fixed assets (excess of net block as per Income Tax Act, 1961 over book value)	43.67	42.71
Unabsorbed Business Losses & Depreciation	514.19	718.87
Retirement Benefits	37.16	42.93
Provision for Doubtful Debts & Advances	10.76	3.39
Sums Allowable on Payment	224.43	245.08
<b>Deferred Tax Assets (Net)</b>	<b>830.21</b>	<b>1,052.98</b>

Based on continued improved performance, future projections taken on record and the current trend, the Company is of the opinion that there is virtual certainty of sustainable profits in future years. Accordingly, the Company expects sufficient future taxable income will be available against which deferred tax asset on account of unabsorbed depreciation and business loss will be realised in future.



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>14.</b>		
<b>LONG TERM LOANS AND ADVANCES (Unsecured - Considered Good)</b>		
Capital Advances	27.87	7.77
Advances recoverable in cash or in kind for value to be received		
- Considered Good	30.00	30.00
Other Deposits	8.65	8.65
Prepaid Expenses	0.14	0.32
MAT Credit Entitlement(Note-45)	424.65	227.95
	<u>491.31</u>	<u>274.69</u>
<b>15.</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivables (Unsecured) (including in deferred credit term)		
- Considered Good	13.83	-
- Considered Doubtful	19.92	5.97
	<u>33.75</u>	<u>5.97</u>
Less:-Provisions	19.92	5.97
	<u>13.83</u>	<u>-</u>
<b>16.</b>		
<b>INVENTORIES *</b>		
Raw Material **	55.89	29.37
Work-in-Progress-Sewing Machine	6.11	1.97
Finished Goods - Traded ***	2,401.67	2,033.38
	<u>2,463.67</u>	<u>2,064.72</u>

Notes:

\*Inventories are valued at cost or net realisable value whichever is lower.

\*\*Includes Goods in Transit Rs. Nil (2013 - Rs. 3.24) and Rs. Nil (2013 - Rs. 14.50) lying with third party.

\*\*\*Includes Goods in Transit Rs. 494.85 (2013 - Rs. 326.47) and Rs. 45.37 (2013 - Rs. 28.40) in transit Warehouse to Warehouse and adjustment for obsolete stocks Rs. 17.69 (2013 - Rs. 7.29) and defective stock Rs. 25.94 (2013 - Rs. 22.22)



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>17.</b>		
<b>TRADE RECEIVABLES (Unsecured-Considered Good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	1.84
Other Debts *	1,878.59	1,316.43
	<u>1,878.59</u>	<u>1,318.27</u>
*Includes Rs. Nil (2013 - Rs. 178.79) from Brand Trading (India) Private Limited, an Associate company.		
<b>18.</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	12.03	18.55
Cheque in Hand	1.94	-
Balances with Banks in Current Accounts	836.47	566.67
Fixed Deposits with maturity within 3 months	94.76	160.77
	<u>945.20</u>	<u>745.99</u>
<b>Other Bank Balances</b>		
Bank Deposits pledged as Security with Authorities	18.65	14.86
Margin Deposits	39.66	72.59
Unpaid Dividend Accounts	0.78	-
Fixed Deposits maturing more than 3 months but less than 12 months	164.20	95.35
	<u>1,168.49</u>	<u>928.79</u>
<b>19.</b>		
<b>SHORT TERM LOANS AND ADVANCES (Unsecured-Considered good unless otherwise stated)</b>		
Advance recoverable in cash or kind for value to be received		
- Considered Good	59.98	61.43
- Considered Doubtful	10.55	1.78
Other deposits		
- Considered Good	126.16	103.62
- Considered Doubtful	2.70	2.70
Claims Recoverable from Custom Authorities	16.06	14.47
Deposit with Sales Tax Authorities under Protest	15.35	9.79
Incentives & Claims Receivable	49.17	-
Prepaid Expenses	26.39	28.86
	<u>306.36</u>	<u>222.65</u>
Less : Provision for doubtful Advances & Deposits	13.25	4.48
	<u>293.11</u>	<u>218.17</u>





**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>20.</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	2.26	4.52
Other Receivables - Considered Good (Unsecured)	27.18	13.25
	<u>29.44</u>	<u>17.77</u>
<b>21.</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Domestic Sales	24,050.72	19,691.30
- Exports Sales	301.38	-
	<u>24,352.10</u>	<u>19,691.30</u>
Less: Excise Duty	17.83	-
	<u>24,334.27</u>	<u>19,691.30</u>
Other Operating Income		
Service Income	0.62	0.43
	<u>24,334.89</u>	<u>19,691.73</u>
Details of Sale of Products:		
- Sewing machines and related accessories	22,027.93	18,315.29
- Others (including Household and Consumer Durables)	2,306.34	1,376.01
<b>22.</b>		
<b>OTHER INCOME</b>		
Interest Income	36.14	63.32
Scrap sales	34.57	31.17
Export Incentives	19.41	1.04
Foreign Exchange Fluctuation (net)	4.83	-
Provisions / Liabilities no Longer required Written Back	35.62	221.86
Miscellaneous income	33.57	67.28
	<u>164.14</u>	<u>384.67</u>
<b>23.</b>		
<b>COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	29.37	9.79
Purchases*	737.30	141.55
Less : Closing Stock	55.89	29.37
Consumption	<u>710.78</u>	<u>121.97</u>



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
Conversion Charges on Contract Manufacturing **	1.71	9.77
Direct Expenses	19.07	-
	<b>731.56</b>	<b>131.74</b>
Details of Raw Material Consumed :		
- Sewing machine Arm & Bed	269.41	41.17
- Sewing machine Parts Set	341.05	50.12
- Sewing machine other components	100.32	30.68

\* includes Rs. 16.31 (2013 - Rs. 12.12) on account of material recovery from stocks written off in earlier years.

\*\* Excise Duty Rs. 0.51 (2013 - Rs. 2.84) reimbursed to Contract Manufacturer

**24.**

**PURCHASE OF STOCK IN TRADE**

Purchase of Traded Goods *	19,022.31	15,732.48
	<b>19,022.31</b>	<b>15,732.48</b>
Details of Purchase of Traded Goods:		
- Sewing machines and related accessories	16,972.87	14,212.68
- Others (including Household and Consumer Durables)	2,049.44	1,519.80

\* Note

Includes Rs. 182.80 (2013 - Rs. 151.05) on free replacement against warranty.

**25.**

**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS**

Opening stock		
Work-in-Progress	1.97	-
Finished Goods	2,033.38	1,898.77
	<b>2,035.35</b>	<b>1,898.77</b>
Less : Closing Stock		
Work-in-Progress	6.11	1.97
Finished Goods	2,401.67	2,033.38
	<b>2,407.78</b>	<b>2,035.35</b>
	<b>(372.43)</b>	<b>(136.58)</b>
Add : Increase in Excise Duty on Finished Goods	0.83	0.16
Increase / (Decrease) in Stock	<b>(371.60)</b>	<b>(136.42)</b>



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
<b>26.</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Bonus etc.	921.88	615.18
Contribution to Provident and other Funds	67.53	44.60
Staff Welfare Expenses*	46.62	30.41
	<b>1,036.03</b>	<b>690.19</b>
* Includes staff training Rs. 0.51 (2013- Rs. 0.19)		
<b>27.</b>		
<b>FINANCE COST</b>		
Interest Expenses*	8.05	5.24
	<b>8.05</b>	<b>5.24</b>
* Includes income tax interest Rs. 2.96 (2013 - Rs. 2.65)		
<b>28.</b>		
<b>DEPRECIATION &amp; AMORTIZATION</b>		
Tangible Assets	65.52	58.22
Intangible Assets	1.94	0.74
	<b>67.46</b>	<b>58.96</b>
<b>29.</b>		
<b>OTHER EXPENSES</b>		
Sales Outlet Variable Expenses	110.25	83.98
Freight Outward	442.58	342.77
Power & Fuel	57.77	31.83
Cash Discount	359.31	329.19
Rent / Lease Charges [Net of Recovery of Rs. 0.11 (2013 - Rs. 1.28)]	297.25	238.47
<b>Repairs &amp; Maintenance</b>		
Building	5.40	0.54
Plant & Machinery	9.90	0.88
Others	47.68	38.60
Insurance [Net of Recovery of Rs. 0.17 (2013 - Rs. 83)]	47.10	37.32
Rates & Taxes	22.74	20.75
Advertisement, Publicity & Other Promotion Expenses	372.72	533.47
Trade Mark License Fee (including service tax)	265.84	248.66
After Sales Services	173.82	45.15
Product Warranties	43.41	40.28
Commission	101.34	78.99
Travelling, Conveyance & Car Maintenance	320.09	243.46
Postage, Telephone & Telex	62.00	48.72



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in 'Lacs) As at 30th June	
	2014 (Rupees)	2013 (Rupees)
Printing & Stationery	9.23	7.59
Provision / Write Off Debts & Advances	23.06	4.28
Legal & Professional Expenses	171.47	141.25
Loss on Sale / Discard of Assets [ Net of Gain Rs. 0.52 (2013 - Rs.0.36)]	4.48	2.31
Directors Sitting Fee	8.41	8.78
Auditors' Remuneration (Note 42)	14.25	11.17
Foreign Exchange Fluctuation (Net)	-	0.87
Meeting & Training	59.21	69.84
Bank Charges [net of Recovery Rs. 1.04 (2013 - Rs 0.83)]	29.45	21.43
Miscellaneous Expenses	26.32	26.55
	<b>3,085.08</b>	<b>2,657.13</b>

**30.**

**TAX**

Current Tax

- Income Tax	189.42	227.95
- Less : MAT Credit Entitlement	189.42	227.95
	-	-

**31. Contingent Liabilities and Commitments (to the extent not provided)**

A. Contingent liabilities not provided for in respect of:

(i) Claims against the Company not acknowledged as debts pending appellate / judicial decisions\*

	2014 (Rupees)	2013 (Rupees)
a) Excise Duty	60.38	60.38
b) Value added tax / Sales tax	143.09	155.19
c) Others ( including present & ex staff)	831.90	839.24

\*As certified by the management. No provision has been made in the financial statements as the Board of Directors and Audit Committee consider the probability of the claim succeeding to be remote.

- (ii) Guarantees Rs 17.08 (2013 – Rs. 12.20) Margins against Guarantees Rs. 18.65 (2013 – Rs. 14.86). Letter of Credits (LC) Rs. 95.45 (2013 – Rs. 66.63) margin against LC Rs. 39.66 lacs (2013 – Rs. 72.59) outstanding against the Letter of Credit facility sanctioned by Yes Bank Limited. During the current year Yes bank Limited (YBL) has sanctioned Letter of Credit facility for working capital purposes amounting to Rs. 500.00 with 40% margin in the form of fixed deposit to be lien marked in favour of YBL. The above facility is secured by exclusive charge on entire current assets of the Company excluding current assets of Jammu Plant.

B. Capital Commitments

The estimated amount of contracts remaining to be executed on Capital Account and not provided for net of advances Rs. 22.90 (2013 – Rs. 10.33).

32. a) Receivables, Advances, (Long & Short term) and Trade payables are under process of confirmation and reconciliation. Adjustment if any, arising out of this will be accounted for in subsequent year.



**SINGER INDIA LIMITED**



*More than sewing*

## NOTES TO THE ACCOUNTS (Contd.)

(Amount in 'Lacs)

- b) In the opinion of the Board, the value of any assets other than fixed assets do not have value on realization in the ordinary course of business less than the amount at which they are stated in the Balance Sheet and provisions for known liabilities have been made. All contingent liabilities have been disclosed.

### 33. Disclosures in respect of Company's operating lease arrangements under Accounting Standard (AS) - 19 of Leases.

#### a) General description of Company's operating lease arrangements:

The Company has entered into operating lease arrangements for office premises, shops, warehouse and vehicles for its employees. Some of the significant terms & conditions of the arrangement are:

- agreements are not non-cancellable in nature and may be terminated by either party by serving a notice.
- lease arrangements which are not non-cancellable are generally renewable by mutual consent on mutually agreeable terms.

- b) The Company has given a part of its office premises and warehouses on sharing basis which are not non-cancellable are generally renewable by mutual consent or mutually agreeable terms.

- c) Rent in respect of above is charged / credited to the Statement of Profit & Loss.

### 34.1 The Company has not received from majority of parties any information/ memorandum (as required to be filed by suppliers / vendors with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006), claiming their status as Micro, Small or Medium Enterprises.

### 34.2 Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company in respect of post sickness suppliers.

	As at 30 <sup>th</sup> June	
	2014	2013
	(Rupees)	(Rupees)
The principal amount due and remaining unpaid	86.51	111.32

There has neither been any delay in payment nor any interest is due and remaining unpaid on the above principal or any other such dues during the year.

### 35. Disclosures pursuant to Accounting Standard-15 "Employee Benefits"

- a) The Company makes contribution towards Employees' provident fund and Employees' State Insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 45.38 (2013 – Rs. 28.97) towards provident fund and Rs. 4.95 (2013 – Rs. 1.84) as expense towards contribution to these plans. Out of the total contribution made for employees' provident fund a major part of the contribution is made to Singer India Limited Staff Provident Fund Trust and the balance amount in respect of pension fund is made to provident fund plan operated by Regional Provident Fund Commissioner. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. The Company also makes good the deficiency, if any in the interest rate declared by the trust vis-à-vis the statutory rate.
- b) The Company makes Superannuation Fund contribution to Life Insurance Corporation of India towards defined contribution retirement for qualifying employees. The Company has recognized Rs. 9.64 (2013 – Rs. 8.74) as expense towards contribution made during the year.



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Amount in 'Lacs)

c) Defined Benefit Plan

- i) Disclosure relating to Defined Benefit Plan as per Actuarial Valuation as on 30th June, 2014 using Projected Unit Credit Method and recognized in the Financial Statements in respect of Employees Benefits Schemes.

Sl. No	Description	Gratuity (Rupees)		Leave Encashment (Rupees)	
		As at 30 <sup>th</sup> June		As at 30 <sup>th</sup> June	
		2014	2013	2014	2013
	Expenses recognized in the statement of Profit & Loss for the year ended 30 <sup>th</sup> June 2014.				
a)	Current Service cost	14.59	11.58	46.20	43.00
b)	Interest Cost	7.93	3.30	5.97	3.93
c)	Expected return on plan assets	(5.76)	(3.94)	N.A.	N.A.
d)	Net Actuarial (Gains) / Losses	(5.57)	46.55	(26.90)	(20.72)
e)	Past Service cost	-	-	-	-
f)	Total Expense	11.20	57.49	25.27	26.21
	Net Asset / (Liability) recognized in the balance sheet as on 30 <sup>th</sup> June 2014				
a)	Present value of Defined Benefit Obligation as at 30 <sup>th</sup> June 2014	107.27	92.32	103.60	82.25
b)	Fair Value of plan assets as at 30 <sup>th</sup> June 2014	96.32	42.28	-	-
c)	Funded status {Surplus / (Deficit)}	(10.95)	(50.04)	(103.60)	(82.25)
d)	Net asset / (liability) as at 30 <sup>th</sup> June 2014	(10.95)	(50.04)*	(103.60)	(82.25)*
	Change in Defined Benefit Obligations (DBO) during the year ended 30 <sup>th</sup> June 2014				
a)	Present value of Defined Benefit Obligation at the beginning of the year	92.33	54.10	82.25	58.71
b)	Service Cost	14.59	11.58	46.20	43.00
c)	Interest Cost	7.93	3.30	5.97	3.93
d)	Past Service Cost	-	-	-	-
e)	Actuarial ( Gains)/ Losses	(4.29)	47.43	(26.90)	(20.72)
f)	Benefit Paid	(3.29)	(24.09)	(3.92)	(2.67)





**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Table Continued)

(Amount in 'Lacs)

Sl. No	Description	Gratuity (Rupees)		Leave Encashment (Rupees)	
		As at 30 <sup>th</sup> June		As at 30 <sup>th</sup> June	
		2014	2013	2014	2013
g)	Present value of Defined Benefit Obligation at the end of the year.	<b>107.27</b>	92.32	<b>103.60</b>	82.25
	Change in Assets during the year ended 30 <sup>th</sup> June 2014				
a)	Plan assets at the beginning of period	<b>42.28</b>	47.30	-	-
b)	Expected Return on Plan Assets	<b>5.76</b>	3.94	<b>N.A.</b>	N.A.
c)	Contributions by Employer	<b>50.29</b>	14.24	-	-
d)	Actual benefits paid	<b>(3.29)</b>	(24.09)	<b>(3.92)</b>	(2.67)
e)	Actuarial Gains / (Losses) on Plan Assets	<b>1.28</b>	0.89	-	-
f)	Plan assets at the end of the year	<b>96.32</b>	42.28	-	-
g)	Actual return on plan assets	<b>7.03</b>	4.83	<b>N.A.</b>	N.A.
	Major categories of plan assets as a percentage of total plan	Invested by LIC		<b>N.A.</b>	N.A.

\* includes liability of Jammu Factory workers.

- ii) The actuarial calculations used to estimate commitments and expenses are based on the following assumption which if changed, would affect the commitments size, funding requirement and expenses.

S. No.	Description	Gratuity (Rupees)		Leave Encashments (Rupees)	
		As at 30th June		As at 30th June	
		2014	2013	2014	2013
a)	Imputed rate of Interest (%)	<b>8.75</b>	8	<b>N.A.</b>	N.A.
b)	Expected rate of return on plan assets (%)	<b>8.75</b>	8	<b>N.A.</b>	N.A.
c)	Mortality rate	IAL 2006-08 Ultimate			
d)	Withdrawal rate	-	1-3%	-	5%
e)	Salary Escalation (%)	<b>8</b>	7	<b>8</b>	7

The estimates of future salary increases in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Amount in 'Lacs)

iii) Amounts for the current and previous four years are as follows:

• Gratuity (Funded)

	2014	2013	2012	2011	2010
Defined benefit obligation	107.27	92.32	54.10	48.35	42.73
Plan assets	96.32	42.28	47.30	46.26	42.93
Surplus / (deficit)	(10.95)	(50.04)	(6.80)	(2.09)	0.20
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(5.10)	(42.02)	(0.99)	(0.97)	(1.89)

• Leave Encashment (Non funded)

	2014	2013	2012	2011	2010
Defined benefit obligation	103.60	82.25	58.71	65.42	44.42
Plan assets	-	-	-	-	-
Surplus / (deficit)	(103.60)	(82.25)	(58.71)	(65.42)	(44.42)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(34.12)	(24.58)	(7.24)	(4.79)	(9.55)

iv) Gratuity expenses and Leave Encashment have been recognized under the head "Employees Benefit Expense".

v) The disclosures included above are limited to the extent provided by the actuary.

36. The Company has reviewed the impairment of assets at the year end and noted that none of the assets have to be impaired as on 30th June, 2014.
- 37.1 The Company had appointed a Government Registered approved valuer to assess the fair market value of Leasehold Land and Building at Jammu and accordingly revalued the book value of Leasehold Land and Building as at 30th June 2013. This resulted in increase in value of Leasehold Land and Building by Rs. 619.06 and Rs. 316.51 respectively and creation of Revaluation Reserve aggregating to Rs. 935.57 in 2013.
- 37.2 Depreciation for the year as per Fixed Asset Schedule (Note - 11) includes Rs. 15.11 (2013 - Rs. Nil) being depreciation on the increased value of building due to the effect of revaluation and, accordingly, the same has been adjusted from Revaluation Reserve Account.
38. The appeal filed by the Company and some of the unsecured creditors relating to the quantum of the money to be paid to them under the sanctioned scheme of Hon'ble Board of Industrial and Financial Reconstruction (BIFR) read with amended order is pending before the Hon'ble Appellate Authority of Industrial and Financial Reconstruction (AAIFR). Pending final outcome, further liability, if any, is not ascertainable.
39. Proposed Dividend on Equity Shares of Rs. 10 each

	As at 30 <sup>th</sup> June	
	2014	2013
Amount of Dividend proposed	161.15	161.15
Dividend per Equity Share (Rs.)	1.50 per share	1.50 per share



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

**(Amount in 'Lacs)**

- 40.1** The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as mentioned below:

Particulars	2014		2013	
	Foreign currency (USD)	Amount (Rupees)	Foreign currency (USD)	Amount (Rupees)
Creditors	76,598	46.03	48,930	29.21
Advance given to supplier	9,056	5.44	-	-

- 40.2** The Company does not use derivative financial instruments such as forward exchange contracts and interest rates swaps to hedge its risks associated with foreign currency fluctuations and interest rate or for trading / speculation purposes.

- 41.** Ministry of Corporate Affairs vide letter dated 31st July, 2014 has rejected the Company's application for approval of payment of fixed retainerhip fee and other bonafide reimbursement / benefits to Mr. K.K. Gupta, Non-Executive Director for the period 1st January, 2013 to 31st December, 2015 which was duly approved by the shareholders on 12th November, 2013. Mr. K.K. Gupta was paid a sum of Rs. 25.61 (including Rs. 7.42 for earlier years) and is holding the remuneration in trust of on behalf of the Company. The Company has made an application for re-consideration and review on 21st August, 2014 to Ministry of Corporate Affairs.

- 42.** Auditors' Remuneration (excluding service tax)

Particulars	2014 (Rupees)	2013 (Rupees)
As Auditors	7.50	7.00
As Tax Auditor	2.25	2.25
For Limited review and certification	2.00	1.92
For Taxation matters	2.50	-
Total	14.25	11.17

- 43.** The Company deals (trades / manufactures) mainly in sewing machines and also traded (limited) in small appliances & Household/Consumer durables. The Company has also undertaken contract manufacturing. Small appliances & household / consumer durables & contract manufacturing forms only a negligible percentage of total turnover those are distinguishable and subject to same risks & returns on sewing machines. The Company's operating business is organized and managed according to the nature of products and services provided to offer similar products and serving similar markets. The primary reporting has been prepared on the basis of this business segment. The disclosures as required under AS-17 on primary business segment has not been provided as the Company deals only in one business segment based on risks & returns, the organization structure and internal financial reporting. The Company also exports its products, but the disclosure as required under AS-17 on geographic segment has not been provided as the total value of exports is less than 10% of total revenue.
- 44.** The Company's manufacturing is also done under 'contract manufacturing' by parties. Based on the legal opinion, the liability to pay excise duty is of the contractor who is to pay excise duty on assessable value which has been re-imbursed by the Company to them.
- 45.** The Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). This has not resulted in an additional expense as MAT is to be set off against any future liability and accordingly MAT Credit Entitlement has been shown under long-term loans & advances in Balance Sheet.



**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Amount in 'Lacs)

**46.** In accordance with Accounting Standard on "Related Party Disclosures" (AS 18), the disclosure in respect of transactions with the Company's related parties are as follows:

a) Names of related parties\* and description of relationships having transactions during the year:

- |      |   |  |
|------|---|--|
| i.   | Holding Company   | Singer (India) B.V. (Netherlands)  |
| ii.  | Ultimate Holding Company                                  | Retail Holding N.V. (Curacao)  |
| iii. | Holding Company of Singer Asia Holding B.V. (Netherlands) | Singer Asia Limited (Cayman Islands)   |
| iv.  | Subsidiary Companies                                      | Himec India Limited (under liquidation)<br>Singer India Trading Limited (under liquidation)  |
| v.   | Associates  | Brand Trading (India) Pvt. Ltd.<br>Singer Asia Holdings B.V. (Netherlands)<br>Singer Bangladesh Ltd.<br>Singer Industries (Ceylon) PLC |
| vi.  | Key Management Personnel                                  | Mr. K.K. Gupta, Chairman<br>Mr. Rajeev Bajaj, Managing Director  |

vii. Name of related parties\* where control exists having no transactions during the year:

Associates

- |                                       |  |
|---------------------------------------|--|
| Btindia Limited (B.V.I.)              | Singer Leasing (Thailand) Co. Ltd.       |
| Reality (Lanka) Ltd.                  | Singer Corporation Limited (Hong Kong)   |
| Regnis (Lanka) PLC                    | Singer Finance (Lanka) PLC               |
| Regnis Appliances (Pvt.) Ltd.         | Singer Pakistan Limited                  |
| Sewko Asean Trading Limited (B.V.I.)  | Singer Sri Lanka PLC                     |
| Singer (Broker) Limited               | Singer Thailand Public Co. Limited       |
| Singer (Pakistan) B.V. (Netherlands)  | Thailandinvest B.V. (Netherlands)        |
| Singer (Sri Lanka) B.V. (Netherlands) | Telshan (Pvt) Ltd.                       |
| Singer (Thailand) B.V. (Netherlands)  | SEWKO Holdings Ltd. (Cayman Islands)     |
| Singer Asia Finance B.V. (Curacao)    | Brand Trading (Cambodia) Ltd. (Cambodia) |
| Singer Asia Holdings N.V. (Curacao)   | ReHo Limited (Cayman Islands)            |
| Singer Bhold B.V. (Netherlands)       | Singer Digital Media (Pvt.) Ltd.         |
| Singer Service Plus Co. Ltd.          | UCL Holdings VII Ltd. (B.V.I.)           |

b) Details of transactions\* in the ordinary course of business and at arms length and on commercial terms:

	Transactions	2014	Balance as on 30 <sup>th</sup> June 2014 (Credit) / Debit	2013	Balance as on 30 <sup>th</sup> June 2013 (Credit) / Debit
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
	Holding Company :				
i)	Equity Shareholding	-	(805.74)	-	(805.74)
ii)	Dividend #	120.86	(120.86)	120.86	(120.86)
	Subsidiary Company :				
iii)	Investment in Himec India Ltd.	-	10.00	-	10.00
iv)	Investment provision- Himec India Ltd.	-	(10.00)	-	(10.00)
v)	Investment in Singer India Trading Ltd.	-	61.00	-	61.00





**SINGER INDIA LIMITED**



*More than sewing*

**NOTES TO THE ACCOUNTS (Contd.)**

(Table Continued) (Amount in 'Lacs)

	Transactions	2014	Balance as on 30 <sup>th</sup> June 2014 (Credit) / Debit	2013	Balance as on 30 <sup>th</sup> June 2013 (Credit) / Debit
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
vi)	Investment provision – Singer India Trading Ltd.	-	(61.00)	-	(61.00)
vii)	Advanced received from Singer (India) Trading Ltd.	-	-	-	-
	Associate Companies :				
viii)	Sales to Brand Trading (India) Pvt. Ltd.	15.09	-	1,089.36	-
ix)	Amount recovered from Brand Trading (India) Private Limited				
	- Rent	0.11	-	1.28	-
	- Insurance	0.17	-	0.83	-
x)	Trade receivable from Brand Trading (India) Private Limited	-	-	-	178.79
xi)	Trade Mark License fee to Singer Asia Holdings B.V. (Netherlands)	236.60	(61.30)	221.31	(221.31)
xii)	Purchase of goods & services from Singer Asia Limited (Cayman Islands)	(1.79)	(6.26)	2.27	(4.47)
xiii)	Export made to Associates : Singer Bangladesh Ltd. Singer Industries (Ceylon)PLC	301.17 0.21	- -	- -	- -
xiv)	Operating Lease Agreements with a relative of a directors	1.80	(0.15)	1.80	(0.15)
xv)	Managerial remuneration to Key personnel: Mr. K. K. Gupta Mr. Rajeev Bajaj	20.78** 58.83	- (0.3)	17.17** 51.07	(0.06) (0.18)

\* As identified and certified by the Management

\*\* includes Retainer-ship fee and bonafide reimbursement / benefits Rs. 19.43 (2013 – Rs. 15.97) and Sitting fee Rs. 1.35 (2013 – Rs.1.20)

# Dividend is subject to Shareholder's approval at ensuing Annual General Meeting and is to be remitted in foreign currency to non-resident shareholder.

**47. Earnings per share**

Particulars	Year ended 30 <sup>th</sup> June	
	2014 (Rupees)	2013 (Rupees)
Net Profit after taxation as per Statement of Profit & Loss	697.37	1,532.10
Weighted average number of Equity Shares outstanding	10,743,135	10,743,135
Basic and Diluted earnings per Equity Share of face value Rs. 10 (in Rupees)	6.49	14.26



**SINGER INDIA LIMITED**



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**NOTES TO THE ACCOUNTS (Contd.)**

		(Amount in 'Lacs)	
		2014 (Rupees)	2013 (Rupees)
48.	FOB value of exports – on accrual basis	301.38	-
49.	CIF value of imports – on accrual basis -Finished goods	3,537.16	2,321.52
50.	Expenditure in foreign currency during the year (on accrual basis)		
	Trade Mark License Fee	236.60	221.31
	Others	6.15	15.77
51.	Value of imported and indigenous Raw material consumed :		

S.No.	Particulars	2014		2013	
		% of Consumption	Rupees	% of Consumption	Rupees
i)	Imported	-	-	-	-
ii)	Indigenous	100%	710.78	100%	121.97
	Total	100%	710.78	100%	121.97

52. Details of dividend remitted during the year in foreign currency are given below :

		Year ended 30 <sup>th</sup> June	
		2014 (Rupees)	2013 (Rupees)
a	Name of non-resident shareholder	1	-
b	Number of Equity Shares held	8,057,351	-
c	Amount of dividend paid	120.86	-
d	Year to which dividend relates	2012-13	-

53. The Company had decided to voluntary wind up both its subsidiary companies viz., Singer India Trading Limited and Himec India Limited as there were no business transactions taking place in these two companies for the last several years. Presently, the Company had complied with all the procedural requirements in regard to members' voluntary winding up and has completed the filing of all requisite forms with the Ministry of Corporate Affairs and has issued all intimations, announcements / publications in regard to the winding up of these two Companies in the Official Gazette. As on date the matter is pending with the Official Liquidators' office for filing the winding up petition in the High Court of Delhi. As such, the Company has not prepared the consolidated accounts.
54. The Previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amount and other disclosure for the preceeding year are included as an integral part of the current year's Financial Statements and are to be read in relation to the amount and other disclosure relating to the current year.

**On behalf of the Board of Directors**

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

**Subhash Chand Nagpal**  
Controller and GM-Accounts

New Delhi, 27<sup>th</sup> August, 2014





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