

# SINGER

Annual Report 2011-12



IT'S SINGER NOT THE SONG

# SINGER



## **Good Morning** with **SINGER!**

From the house of Singer sewing machines,  
now comes Singer home appliances.

Add fun and flavour to your mornings – with Singer's brand new range of new-age home appliances. Contemporary and world-class in quality, these home appliances would make your kitchen a liveller place.



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**Corporate Information**

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**BOARD OF DIRECTORS**

Mr. K. K. Gupta, Chairman  
Mr. Ajit Kumar  
Mr. Deepak Sabharwal  
Mr. Gavin Walker  
Mr. K.K. Goel - Nominee of Board for Industrial &  
Financial Reconstruction  
Mr. P. N. Sharma  
Mr. Rajeev Bajaj, Managing Director

**SECRETARY**

Mr. Ashish Srivastava

**BANKERS**

ICICI Bank Limited  
Yes 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 11 3474, 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)



## SINGER INDIA LIMITED

### NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of the members of Singer India Limited will be held as scheduled below

Day : Monday  
Date : 29<sup>th</sup> October, 2012  
Time : 4:00 P.M.  
Place : Sri Sathya Sai International Centre,  
Pragati Vihar, Bhisham Pitamah Marg,  
Lodhi Road, New Delhi-110003

to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 30<sup>th</sup> June 2012 and the Statement of Profit & Loss for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajit Kumar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. N. Sharma, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

**"RESOLVED THAT** Ray & Ray, Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

#### SPECIAL BUSINESS:

5. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the approval of the Central Government and as per section 198(4), 269, 309(3), 310 and 311 read with Schedule XIII and other enabling provisions, if any of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Rajeev Bajaj, Managing Director of the Company, effective 1<sup>st</sup> July 2012 with the liberty to the Board of Directors to alter and vary the terms and conditions as set out in the Explanatory Statement annexed hereto."

**"RESOLVED FURTHER THAT** if the Company has no profit or inadequate profit, the remuneration as set out in the Explanatory Statement annexed hereto shall also be the minimum remuneration payable to Mr. Rajeev Bajaj, pursuant to Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956

BY ORDER OF THE BOARD OF DIRECTORS  
FOR SINGER INDIA LIMITED

Place: New Delhi  
Dated: 22<sup>nd</sup> August, 2012

**Ashish Srivastava**  
Company Secretary

#### NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Special Business.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> October, 2012 to 29<sup>th</sup> October, 2012 (both days inclusive).

## SINGER INDIA LIMITED

### NOTICE

5. In order to preserve the environment & minimize use of paper, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report.
6. Members who are holding share in identical order of names in more than one folio are requested to write to the Share Department of the Company, enclosing the shares certificates to enable the Company to consolidate their holdings in one folio. The share certificates will be returned to the members after making necessary endorsements in due course.
7. Members are requested to produce the enclosed attendance slip, duly signed in accordance with the specimen signatures registered with the Company for admission in the meeting hall.
8. It will be desirable that queries, if any, on the accounts and operation of the Company are sent to the Company 10 days in advance of the meeting so that the answers may be made readily available, which would be appreciable.
9. The shares of the Company are being compulsorily traded in dematerialized (i.e. electronic form only) in the Bombay Stock Exchange. If you are still holding the shares in physical form, you are advised to dematerialise your shares. For your information ISIN no. of the company is INE638A01027 for both the depositories, viz National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)
10. Documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered office of the Company during office hours on all working days except Saturdays, Sundays and other Holidays between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
11. Pursuant to Clause 49 iv (G) (i) of Listing Agreement, profile of directors to be re-appointed at the ensuing Annual General Meeting has been given in the Corporate Governance Report attached to the Annual Report.

### 12. NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173 of the Companies Act, 1956 the following explanatory statement which sets out the material facts relating to the Special Business under item no. 5 accompanying notice dated 22<sup>nd</sup> August, 2012 are taken as forming part of the Notice.

#### Item no. 5

The Board of Directors in their meeting held on 22<sup>nd</sup> August, 2012 based on the recommendation of the Remuneration Committee as a part of Company Policy approved the Annual Increment effective 1<sup>st</sup> July, 2012

1. Basic Salary	: Rs. 12,50,004 p.a. paid in 12 equal monthly payments.
2. All Perquisites and allowances	: Rs. 31,10,964 p.a. paid in 12 equal monthly payments.
3. Contribution to Gratuity and Provident Fund	: Rs. 210,120 p.a. paid in 12 equal monthly installments.
4. Annual Performance Award	: As decided by the Board from time to time up to 120% of the basic salary.

The Board of Directors, therefore, commends the resolution for your approval.

No Director of the Company other than Mr. Rajeev Bajaj is concerned or interested in the said resolution.

The above statement and the terms and conditions as stated above may be regarded as an abstract of the terms and condition and memorandum of interest under section 302 of the Companies Act, 1956

## SINGER INDIA LIMITED

### NOTICE

Statement in terms of Section II (C) (iv) of Part II of Schedule XIII of the Companies Act, 1956 for item 10.5 is given as under:

#### I. General Information:

1. Nature of Industry      Sewing Machines & other Consumer durables
2. Date of Commencement of business      13<sup>th</sup> March, 1978
3. In case of new companies, expected date of commencement of activities      Not applicable
4. Financial performance      During the financial year ended on 30.06.2012, the Company recorded a turnover of Rs. 155.93 crores and made a profit of Rs. 8.61 crores (before tax and exceptional items). The profit before tax (after recording exceptional items) was Rs. 8.61 crores. The profit after tax (after recording exceptional items) for the year under review was Rs. 10.21 crores. Accumulated losses of the company had been completely wiped off.
5. Export performance and net foreign exchange      The Company had exported goods worth Rs. .08 crores during the year ended on 30.06.2012
6. Foreign investment or collaborators      Singer (India) B.V., The Netherlands is the promoter Company & holds 78.26% of the paid up equity share capital of the Company as on date.

#### II Information about the appointee:

1. Background details      Mr. Rajeev Bajaj is a fellow member of the Institute of Chartered Accountants of India as well as Fellow member of the Institute of Company Secretaries of India with over 28 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial.  
Mr. Bajaj was earlier working in Steel Authority of India Limited. Thereafter he joined Singer India Limited as senior officer in 1986 and was subsequently appointed as Company Secretary in February 1999 to October 2005. In October 2005 Mr. Bajaj joined Brand Trading (India) Private Limited as a Company Secretary & G.M. Commercial. From October 2008 he is working with Singer India Limited.
2. Past remuneration      Singer India Limited  
= Rs. 38,85,553/- for year ended 30.06.2012
3. Recognition or awards      Nil
4. Job profile and his suitability      Mr. Bajaj will be looking after substantially the whole of the affairs of the Company subject to the control and superintendence of the Chairman. He has over 28 years of rich experience in overall financial management of companies.

## SINGER INDIA LIMITED

### NOTICE

- |  |  |
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| 5. Remuneration proposed   | As approved by Committee and the Board of Directors as per details set out in the explanatory statement attached with the Notice of the meeting.   |
| 6. Comparative remuneration profile w.r.t. industry size of the Company, profile of the position and person.         | In line with the Industry  |
| 7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any | He is entitled to the remuneration as proposed in the resolution. He is not related to any managerial personnel. He has no other direct or indirect pecuniary relationship with the Company. |

#### III Other information :

- |   |  |
|---|--|
| 1. Reasons of loss or inadequate profits                              | N.A.   |
| 2. Steps taken or proposed to be taken for improvement.               | The Hon'ble BIFR has also vide its Order dated 28 <sup>th</sup> April, 2008 sanctioned the rehabilitation scheme for the revival of the Company. The Company is in the process of implementing the Scheme. |
| 3. Expected increase in productivity and profits in measurable terms. | The Company expects that volumes will grow by 8 to 10 % annually in the respective businesses, which the Company will continue as per the restructuring plan in the current financial year as well.        |

#### IV Disclosures

- |  |   |
|--|---|
| 1. Remuneration package of the managerial person | Remuneration package of Mr. Rajeev Bajaj is as given in the resolution and explanatory statement annexed with the notice to the members |
|--|---|

The Board of Directors, therefore, commends the resolution for your approval.

No Director of the Company other than Mr. Rajeev Bajaj is concerned or interested in the said resolution.

The above statement and the terms and conditions as stated above may be regarded as an abstract of the terms and condition and memorandum of interest under section 302 of the Companies Act, 1956

BY ORDER OF THE BOARD OF DIRECTORS  
FOR SINGER INDIA LIMITED

Place: New Delhi  
Dated: 22<sup>nd</sup> August, 2012

**Ashish Srivastava**  
**COMPANY SECRETARY**



## SINGER INDIA LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty Fourth Annual Report and the audited accounts for the year ended 30<sup>th</sup> June 2012.

#### FINANCIAL RESULTS

(Rs. in Crores)

	For the year ended 30 <sup>th</sup> June 2012	For the year ended 30 <sup>th</sup> June 2011
Sales & Services	155.93	118.91
Other Income	<u>1.24</u>	<u>1.43</u>
Total	<u>157.17</u>	<u>120.34</u>
Profit before finance cost, Depreciation & impairment, exceptional items and tax	9.22	7.05
Finance cost	0.04	0.02
Depreciation, amortization and impairment	0.57	0.40
Profit before tax, and exceptional items	8.61	6.63
Exceptional items – (Income) / Expenditure	-	5.08
Profit before tax	<b>8.61</b>	<b>1.55</b>
Tax - Current and Deferred (Including adjustments related to earlier years) (Income)/Expenditure	(1.60)	(1.37)
Profit after tax	10.21	2.92

#### OPERATIONS

Your Company once again delivered satisfactory operating and financial performance during the year under review and achieved a turnover of Rs. 155.93 crores, an increase of 31% over prior year and net profit of Rs. 10.21 crores, an increase of 250% over prior year. The Profits from operations before exceptional adjustments and tax registered an increase of 30% over prior year. As reported last year the net worth of the Company had turned positive as at 30<sup>th</sup> June 2011. This year, as at 30<sup>th</sup> June 2012 the Company has been able to wipe off completely the accumulated losses as well. This turnaround was possible because of the Company's successful restructuring of its business while implementing the rehabilitation scheme sanctioned by the Hon'ble BIFR.

The turnover from sewing business accounted for 98% of the total turnover achieved during the year ended 30<sup>th</sup> June 2012 which increased by 30% compared to Rs. 117.9 crores during the previous year. The Company will continue its strategy to augment its core business by expansion in the unrepresented weaker territories and focusing on high value products. The brand image coupled with customer service will also be enhanced in these area. The Company has reentered

## SINGER INDIA LIMITED

### DIRECTORS' REPORT

the small appliances business and recorded a turnover of Rs. 3.07 crores in 2011-12. This business will be further expanded in the coming years.

The increased volumes and cost management helped to maintain healthy profits in spite of pressure on margins due to competition. Considering the certainty of realizing the tax benefits on the unabsorbed tax depreciation in future, the Company has created a deferred tax asset amounting to Rs. 1.4 crores as on 30<sup>th</sup> June 2012. The Company has also resumed paying taxes (Minimum Alternate Tax) as applicable from June 15, 2012.

#### DIVIDEND

Since the primary focus is continuing on strengthening the Company's financial position, no dividend is recommended for the year under review.

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

The Hon'ble BIFR had sanctioned a rehabilitation scheme vide its order dated 28<sup>th</sup> April 2008 (SS-08) which included one time settlement with the secured creditors (Consortium of Banks), reduction of existing capital against accumulated losses, infusion of new capital by the Promoters and remission of a portion of other unsecured liabilities including external commercial borrowings from the Promoters.

As informed last year, the Company had already completed its capital restructuring including the additional new subscription by its Promoters, settling with the Secured Creditors and some of the Unsecured Creditors. The appeals filed by the Company and some of the unsecured Creditors relating to the quantum of money to be paid to them under the scheme is pending before the Hon'ble AAIFR.

The operations at Jammu manufacturing Unit remained suspended. The Company has however, made a significant progress in reaching in principle understanding with the Representative of the workers for settlement with the workers and re-starting the Jammu manufacturing Unit. The Company's request for restoration of power connection and waiver of electricity dues for the period of closure is pending for approval by the J & K Government. The Company expects to restart its manufacturing operations shortly.

#### 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 necessary 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. P.N Sharma and Mr. Ajit Kumar, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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

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

Mr. K.K. Gupta had retired as the Whole - time Director with effect from 31<sup>st</sup> December 2011. Mr. Gupta had, since rejoining the Company in 2004, steered the Company through difficult times with great vision and accomplished remarkable turnaround for the Company to meet the challenges ahead. The Board of Directors places on record their appreciation for the invaluable contribution made by Mr. Gupta. Mr. Gupta will, continue to be associated with the Company as the Chairman of the Board of Directors.

#### CORPORATE SOCIAL RESPONSIBILITY

The Company has been associated with many Social Welfare Organisations through its shops and dealers network whereby sewing machines are distributed for the benefit of under privileged who get an opportunity to earn their livelihood.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## SINGER INDIA LIMITED

### DIRECTORS' REPORT

#### FIXED DEPOSITS

The Company has repaid all depositors along with interest as per the directions of the Hon'ble Delhi High Court except for the unclaimed amount of Rs. 2.91 lacs (Principal) and Rs.1.46 lacs (Interest) to 21 depositors who have not furnished the original deposit receipts or indemnities. Reminders to these depositors have been sent.

#### DEPOSITORY SYSTEM

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). As on June 30, 2012, 99.51% of the total shareholding of the Company was held in dematerialized form.

#### AUDITORS

M/s Ray & Ray, Chartered Accountants 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 224(1B) of the Companies Act, 1956 has been received from the auditors confirming their eligibility to act as Auditors of the Company.

#### 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 explanation 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.

#### 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. Since the Company's factory was not in operation during whole of the year, only relevant information has been included in 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 being annexed.

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.

#### ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi  
Date: 22<sup>nd</sup> August 2012

K. K. GUPTA  
CHAIRMAN

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## SINGER INDIA LIMITED

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### DIRECTORS' REPORT

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#### 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 AND TECHNOLOGY ABSORPTION

Owing to complete erosion of the net worth of the Company, the Board for Industrial & Finance Reconstruction (BIFR) in the hearing held on 17-8-2006 had declared the Company sick. In view of huge financial losses, the factory has not been in operation since 6<sup>th</sup> April 2005 and hence the required information in the prescribed Form 'A' of the Companies Act (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the disclosure of particulars with respect to the conservation of energy and technological Absorption, is not applicable to the Company.

#### B. 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)	NIL
b) Foreign Exchange Outgo	
- CIF value of imports of raw materials and components	NIL
- Finished goods	Rs. 23.44 crores
- Expenditure in foreign currency	Rs. 0.13 crores

#### APPENDIX FORM B

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R & D)

Not Applicable as explained above.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 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.

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

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

## SINGER INDIA LIMITED

### DIRECTORS' REPORT

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

Sl.	Name	Age In year	Designation Nature of duties	Remuneration Received (Rs. '000)	Qualification	Date of Comme- ncement of emplo- yment	Total Experience in years	Last Posi- tion held before join- ing the co- mpany
1	2	3	4	5	6	7	8	9
1	KK Gupta	74	Whole time director designated as Chairman	7,907	B.Sc. (Mecha- nical Engine- ering)(MS Indu- strial Engineering)	11.10.2007	49	Chairman and Mana- ging Direc- tor Brand Trading (India) Private Ltd.

1. Nature of employment was contractual.
2. Remuneration includes Salary, Special allowance, Housing allowance, Utilities/repair & maintenance, Leave Travel Assistance, Medical and Personal Accident Insurance, Club Membership, Medical Reimbursement, Gas & Electricity, Furniture, Provident Fund and Annual Performance Award.
3. The above employee is not related to any Director of the Company.
4. Percentage of equity shares held by the employee in the Company – NIL
5. Mr. Gupta retired as the whole-time Director effective close of 31<sup>st</sup> December 2011 and hence the above information is for the 6 months ended 31<sup>st</sup> December 2011.

#### Annexure A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### MANAGEMENT DISCUSSION

##### Industry Structure and Development

As per our estimates the sewing machines market continues to grow at a very small rate of less than 5% with organized sector growing at a faster rate. The market has also witnessed an entry of new brands in the household sewing machines in the recent past signifying that the market will remain competitive. The Zig Zag Sewing machines offer higher potential for growth in future with increasing awareness of this product amongst consumers who can afford to pay higher price for added features.

##### Outlook of Opportunities

Considering the current market share of your Company, there is potential to increase its share both for straight stitch and Zig Zag machines. There is also a large opportunity for the Company to export straight stitch sewing machines which the Company would work at.

**Outlook on Threats, Risks, & Concerns**

With increasing competition, margins will remain under pressure. However the Company would concentrate on improving the quality and brand positioning to combat with these threats.

**Segment-wise Performance**

The Company's core business remains sewing machines. However the Company has also re-entered with small appliances business. In the year under review, the share of small appliance business remained insignificant. Even geographical segmentation is not applicable hence segment-wise performance is not being given.

**Internal Control Systems and Adequacy**

The Company has an extensive system of internal controls to ensure optimal utilization of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations.

Also, the Company has an exhaustive budgetary controls system in place.

The weak areas are being reviewed for further strengthening.

**Financial Performance**

Sales and service Income of the Company increased by 31% in the financial year ended 30<sup>th</sup> June 2012 compared to the previous year ended 30<sup>th</sup> June, 2011. This came 15% from price inflation and balance from better product mix/volumes. The Company posted a profit of Rs. 10.21 crores after recording all exceptional items during the year ended 30<sup>th</sup> June 2012.

**Human Resources**

The Company is committed to implement the highest standards of HR management 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.

**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 endeavors to adopt best practices of Corporate Governance.

**1. Board of Directors**

- 1.1 As on 30<sup>th</sup> June 2012, the strength of your Company's Board is seven. The Board has a Chairman(Non-Executive) and Six members comprising of one Managing Director, one Non-Executive Director, three Non-Executive Independent Directors and one Special Director nominated by Hon'ble BIFR. All Directors are professionals from the 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 the judgment of the director.

The details of constitution of the Board and the number of directorships and committee memberships held in other companies as on 30<sup>th</sup> June 2012, and their attendance at the Board Meetings held during the period 1<sup>st</sup> July, 2011 to 30<sup>th</sup> June 2012 and at the last Annual General Meeting, are given below:



## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

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 5 <sup>th</sup> October, 2011	No. of outside directorships*
1.	Mr. K.K Gupta, Chairman (Note 1)	Non-Executive	5	5	Yes	1
2.	Mr. Rajeev Bajaj (Managing Director)	Executive	5	5	Yes	0
3.	Mr. Gavin Walker	Non-Executive	5	2	No	0
4.	Mr. Deepak Sabharwal	Non-Executive Independent	5	5	Yes	0
5.	Mr. P. N Sharma	Non-Executive Independent	5	4	Yes	3
6.	Mr. Ajit Kumar	Non-Executive Independent	5	4	No	1
7.	Mr. K. K. Goel	Special Director nominated by the Hon'ble BIFR	5	5	Yes	0

**Note 1:** Mr. K. K. Gupta was Whole-Time Director designated as Chairman till 31.12.2011. Effective 01.01.2012 Mr. K. K. Gupta, became Non-Executive Chairman . He was further appointed as an Advisor to the Company w.e.f. 01.01.2012.

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

**1.2** The meetings of the Board of Directors are held at periodical intervals. During the year under review, five Board Meetings were held on 3<sup>rd</sup> August, 2011, 5<sup>th</sup> October, 2011, 2<sup>nd</sup> November, 2011, 12<sup>th</sup> February, 2012 & 2<sup>nd</sup> May, 2012. The gap between two Board Meetings did not exceed four months.

**1.3** As on 30<sup>th</sup> June, 2012, 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 and in the financial year ending 30<sup>th</sup> June 2012.

#### **2. Code of conduct**

**2.1** The Company is committed in 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 system commensurate with the risk.

**2.2** All Directors have as on 30<sup>th</sup> June, 2012, filed the requisite declaration stating that:

- The disqualification contemplated under 274(1)(g) of the Companies Act 1956 did not apply to them.
- The Code of Conduct for prevention of insider trading in its equity shares has been complied with.

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## SINGER INDIA LIMITED

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### REPORT ON CORPORATE GOVERNANCE

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- 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 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 30<sup>th</sup> June, 2012 "

**Rajeev Bajaj**  
Managing Director

**3. Audit committee**

- 3.1** The Audit Committee was constituted in conformity with the requirement of Section 292A of the Companies Act 1956 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 provide 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 292A of the Companies Act, 1956.
- 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.

**REPORT ON CORPORATE GOVERNANCE****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	3
Mr. Deepak Sabharwal	4
Mr. Ajit Kumar	4

Mr. K. K. Goel attended all the four audit committee meetings held during the year in his capacity as Special Director nominated by the Hon'ble BIFR. The Internal Auditors and Statutory Auditors are also invited to the meeting.

During the financial year ended 30<sup>th</sup> June, 2012 the Audit Committee meetings were held four times, i.e. 3<sup>rd</sup> August, 2011, 2<sup>nd</sup> November, 2011, 12<sup>th</sup> February, 2012 & 2<sup>nd</sup> May, 2012. 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 sub section (1) of section 292A of the Companies Act, 1956 under which the committee should consist of at least three members of which two-third member out of the total number of directors should be Independent Directors.

**4. Remuneration committee****4.1 The Company has a Remuneration Committee which is constituted as follows.**

Name of Director	Number of meetings attended
Mr. Ajit Kumar, Chairman	2
Mr. P. N. Sharma	3
Mr. Deepak Sabharwal	3

Mr. K. K. Goel attended all the three Remuneration committee meetings held during the year in his capacity as Special Director nominated by the Hon'ble BIFR.

**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.****4.3 The Remuneration Committee met on 3<sup>rd</sup> August, 2011, 5<sup>th</sup> October, 2011 & 12<sup>th</sup> February, 2012.****4.4 No remuneration, other than sitting fee for attending the meeting of the Board and Committee are being paid to the Non- Executive Directors of the Company. However w.e.f. 01.01.2012 Mr. K. K. Gupta, Non-Executive Chairman of the Company is being paid fixed annual retainership fee of Rs. 10 Lacs, bonafide reimbursement of travel & conveyance expenses, medical expenses in terms of the members' resolution approved by Postal Ballot result of which declared on 29<sup>th</sup> March, 2012 for which the Company has made necessary application to Central Government. Approval for the same is awaited.**

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 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 Whole -time Directors during the financial year ended 30<sup>th</sup> June 2012 are given below:

(Rs. 000)				
Name and Designation	Salary/ retainership fee (Rs)	Other Benefits (Rs)	Contribution to provident and Other funds (Rs)	Total (Rs)
Mr. K. K. Gupta (Whole-time Director designated as the Chairman for the period 01.07.2011 to 31.12.2011)	7,473	205	229	7,907
Mr. K. K. Gupta (Non-Executive Chairman for the period 01.01.2012 to 30.06.2012)	565*	274	-	839
Mr Rajeev Bajaj, Managing Director	3,446	329	111	3,886

\* includes sitting fee amount of Rs. 65,000

The above figures does 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 months salary in lieu thereof.

5.3 The Non-Executive Directors are 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 Fee during the financial year ended 30<sup>th</sup> June 2012 are given below:

Sl. No.	Name	Sitting Fee (Rs.)
1.	Mr. K. K. Gupta (01.01.2012 to 30.06.2012)	65,000
2.	Mr. Deepak Sabharwal	1,95,000
3.	Mr. P.N. Sharma	1,65,000
4.	Mr. Ajit Kumar	1,10,000
5.	Mr. K. K. Goel	1,35,000

No Sitting fee was paid to foreign director.

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 5.4 Equity shares held by the directors

Mr. P. N. Sharma held 10 equity shares of the Company as on 30th June, 2012.

7 equity shares are held by Mr. Rajeev Bajaj as the Joint Holder, first shareholder being his wife. No Directors other than the above directors held any shares in the Company as on 30th June, 2012

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

#### 6. Shareholders/Investors Grievance and Share Transfer Committee

6.1 The composition of the Committee is as follows:

- |      |                      |   |          |
|------|----------------------|---|----------|
| i.   | Mr. Deepak Sabharwal | - | Chairman |
| ii.  | Mr. K K Gupta        | - | Member   |
| iii. | Mr. P.N Sharma       | - | Member   |

6.2 The Shareholders/Investors Grievance and Share Transfer Committee are normally held every month. During financial year ended 30th June, 2012 the Company received 4 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 asrivastava@singerindia.net

6.5 During the financial year ended 30th June 2012, Company received 505 shares for transfer from 30 parties, which were approved. There were no transfers pending as on 30th June 2012.

#### 6.6 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, 2012 was placed before the Board of Directors of the Company in its meeting held on 22nd August, 2012.

#### 7. General Body Meetings

##### 7.1 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
2011	5th October, 2011	4:00 p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.	2
2010	10th November, 2010	9:30 a.m.	The Executive Club, 439, Village Shahoorpur, P O – Fatehpur Beri, New Delhi –110074	3
2009	13th August 2009	9:30 a.m.	The Executive Club, 439, Village Shahoorpur, P O – Fatehpur Beri, New Delhi –110074	6

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## SINGER INDIA LIMITED

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### REPORT ON CORPORATE GOVERNANCE

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#### 7.2 Postal ballot

During the year 1st July 2011 to 30th June 2012 one Special Resolution was passed by the shareholders of Company through postal ballot for appointment of Mr. K. K. Gupta, Non-Executive Chairman of the Company as Advisor to the Company effective 1st January, 2012 on payment of annual retainership fee of Rs. 10 Lacs, bonafide reimbursement of travel & conveyance expenses, medical expenses in terms of the members' resolution approved by Postal Ballot result of which declared on 29th March, 2012.

Details of voting pattern for the special resolution passed through postal ballot:

Total number of votes polled in favour of resolution	:	83,52,506
Total number of votes polled against resolution	:	30

The postal ballot process was conducted by Mr. Hari Om Gulati, Practicing Company Secretary, who was appointed as Scrutiniser by the Company.

#### 8 Disclosures

- 8.1 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 mitigate 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.
- 8.2 No money was raised by the Company during the financial year ended 30th June 2012.
- 8.3 A summary of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee Meetings.
- 8.4 There was no material individual transaction during the financial year ended 30th June 2012, with the related parties which were not in the ordinary course of business.
- 8.5 All material transactions during the financial year ended 30th June 2012, either with the related parties or others was on arm's length basis and on commercial consideration.
- 8.6 There were no materially significant transactions during the financial year ended 30th June 2012 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.
- 8.7 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-47.
- 8.8 In preparing the Annual Accounts in respect of the financial year ended 30th June 2012 no accounting treatment was different from that prescribed.
- 8.9 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

#### 9. 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.



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## SINGER INDIA LIMITED

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### REPORT ON CORPORATE GOVERNANCE

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#### 10. 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.

#### 11. Means of communication

- **Quarterly Disclosures:** Quarterly and half yearly reports are not sent separately to the individual members. The Quarterly Results are published in leading daily newspapers viz. "Pioneer"/ "Financial Express" in English and in "Veer Arjun"/ "Hari Bhoomi" 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.

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

##### i) Mr. Ajit Kumar

Mr. Ajit Kumar (70) 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.

##### ii) Mr. P. N. Sharma

Mr. P. N. Sharma (63) is a qualified FCS, FCA and CA from top Management Programme, at Henly Business School, U.K. He is currently Director & CFO at Sir Ganga Ram Hospital, New Delhi. He is also on the Board of various Companies.

#### 13. Management Discussion and Analysis.

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

#### 14. General shareholder information

##### 14.1 Annual General Meeting

Date : 29th day of October, 2012

Time : 4:00 P.M.

Venue : Sri Sathya Sai International Centre,  
Pragati Vihar, Bhisham Pitamah Marg,  
Lodhi Road, New Delhi-110003

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 14.2. Financial calendar

The financial year of the Company for the current year is of the twelve months period from 1st July, 2011 to 30th June, 2012

For the financial year ended 30th June 2012 from 1st July, 2011 to 30th June, 2012, results were announced on:

First Quarter	:	2nd November, 2011
Half yearly	:	12th February, 2012
Third Quarter	:	2nd May, 2012
Fourth Quarter & Audited Results (1st July, 2011 to 30th June, 2012)	:	22nd August, 2012

For the year ended 30th June 2013, results will be announced on:

First Quarter	:	4th week of October, 2012
Half yearly	:	2nd week of February, 2013
Third Quarter	:	1st week of May, 2013
Fourth Quarter & Audited Annual Results (2012-13)	:	2nd week of August 2013

#### 14.3 Book closure date

The register of members and share transfer register of the Company will remain closed from 23rd October, 2012 to 29th October, 2012 (both days inclusive).

#### 14.4 Listing on Stock Exchanges and stock codes

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

The Company confirms that it has paid annual listing fee to Bombay Stock Exchange Limited, Mumbai for the year 2012-2013.

#### 14.5 Market price data

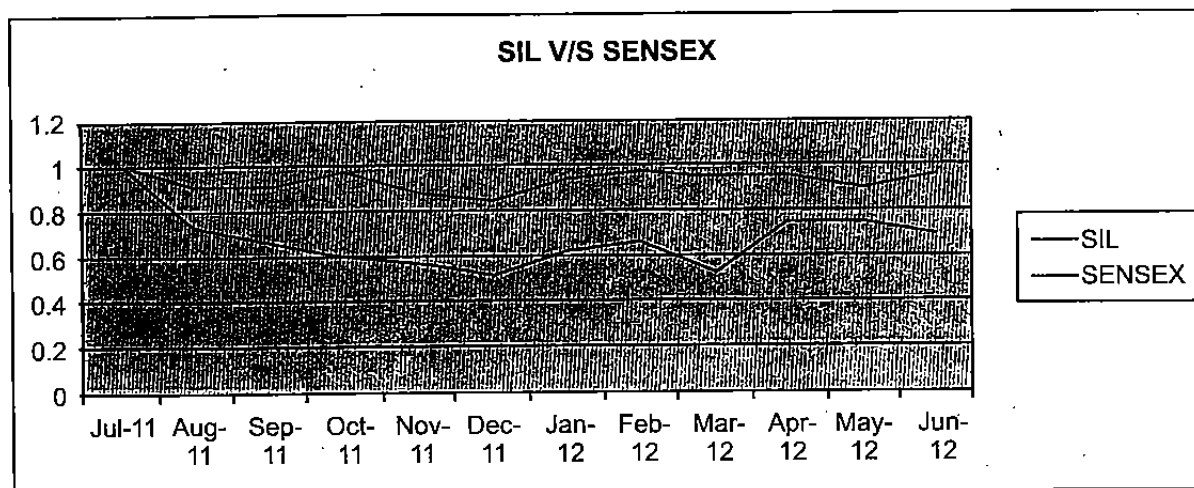
Monthly high/low quotations of shares traded of each month at Bombay Stock Exchange Limited, Mumbai during the financial year ended 30th June, 2012 are as follows:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
July 2011	58.45	39.00	January 2012	36.50	26.65
August 2011	58.50	38.00	February 2012	43.05	33.15
September 2011	42.95	34.90	March 2012	41.50	29.15
October 2011	40.35	31.75	April 2012	53.10	29.70
November 2011	39.70	28.80	May 2012	48.75	36.40
December 2011	34.00	26.50	June 2012	44.75	36.25

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

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



#### 14.7 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  
Sri Venkatesh Bhawan  
F – 65 Okhla Industrial Area Phase – I  
New Delhi – 110020  
Phone: 011 – 41406149 – 52, Fax: 011 – 26384907, Email: admin@mcsdel.com

#### 14.8 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.

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 14.9 Distribution of shareholding as on 30th June 2012

S. No	Shares		Shareholders		No. of shares	
	Range			% of		% of
			Number	Total	Number	Total
1	1	500	10143	95.16	425905	3.96
2	501	1000	248	2.32	205908	1.92
3	1001	2000	133	1.25	205060	1.91
4	2001	3000	50	0.47	125768	1.17
5	3001	4000	12	0.11	41551	0.39
6	4001	5000	22	0.21	105327	0.98
7	5001	10000	24	0.22	159705	1.49
8	10001	50000	19	0.18	377380	3.51
9	50001	100000	04	0.04	317019	2.95
10	100001	And above	04	0.04	8779512	81.72
	TOTAL		10659	100	10743135	100.00

#### Broad shareholding pattern – As on 30th June 2012

Category	No. of shares held	% age of shareholding
Singer (India) B. V., The Netherlands (Promoters)	8407551	78.26
Banks, Financial Institutions & Insurance Companies	123317	1.15
NRIs/ OCBs	14912	0.14
Indian Public	2197355	20.45
TOTAL	10743135	100.00

Pursuant to the SEBI Circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 amending Clause 40A of the Listing Agreement with Bombay Stock Exchange relating to minimum public holding to 25%, the promoters Singer (India) B.V. has started reducing its shareholding through sale in the secondary market. As on 30th June, 2012 Promoters' Shareholding was 78.26%.

#### 14.10 Dematerialization of shares and liquidity

99.51% of the equity shares have been dematerialized up to 30th June, 2012. 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.

## SINGER INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 15. 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.

#### 16. 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

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

Nil

#### 18. Location of Plants

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

#### 19. Address for Correspondence:

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

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, 22nd August, 2012

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## SINGER INDIA LIMITED

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### CEO/CFO CERTIFICATION

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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 30<sup>th</sup> June, 2012 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 state 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 to 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 of 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  
22<sup>nd</sup> August, 2012

(Rajeev Bajaj)  
Managing Director

(Subhash C. Nagpal)  
Controller & GM-Accounts

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

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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 30<sup>th</sup> June, 2012, 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 adopted by the Company and implementation thereof for ensuring the compliance of the conditions of the Corporate Governance. Our examination was carried out in accordance with the Guidance Note on 'Certification of Corporate Governance' (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India. 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 Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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

New Delhi, 22<sup>nd</sup> August, 2012

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



## 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 1<sup>st</sup> July 2011 to 30<sup>th</sup> June, 2012 for compliances of provisions of:

1. The Companies Act, 1956 (the Act) and the Rules made thereunder;
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 22<sup>nd</sup> October, 2011) and Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (effective from 23<sup>rd</sup> 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 33<sup>rd</sup> Annual General Meeting held on 5<sup>th</sup> Oct, 2011;
- (h) minutes of general meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (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;
- (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 Act and requirements as to Profit &

- Loss Account as per Part II of the said Schedule;
- (o) the Company has complied with the provisions of section 192A and other applicable provisions of the Companies Act, 1956 and the Companies (passing of the resolutions by postal ballot) Rules 2011 issued there under;
  - (p) contracts, common seal, registered office and publication of name of the company; and
  - (q) 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;
- (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 22<sup>nd</sup> October, 2011) and Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (effective from 23<sup>rd</sup> 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.

New Delhi  
Date: 07.08.2012

For H.O. Gulati & Co.  
Company Secretaries

H.O. Gulati  
FCS CP No. 9337

## SINGER INDIA LIMITED

### AUDITORS' REPORT

To,  
The Members  
Singer India Limited

1. We have audited the attached Balance Sheet of Singer India Limited ('the Company') as at 30<sup>th</sup> June, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto (collectively referred to as the 'Financial Statements') which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 ('the Order') as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together with 'the Order') issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Without qualifying our opinion, we draw your attention to the Note no. 42 of Financial Statements stating that Managerial Remuneration (Retainership fee and other Bonafide reimbursement / benefits) amounting to Rs. 774 thousand) paid to non-executive Chairman is subject to approval of the Central Government. As represented to us by the management, the Company has applied to the Central Government for approval.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) 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;
- (iii) 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;
- (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) on the basis of written representations received from the directors as on 30<sup>th</sup> June, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30<sup>th</sup> June, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the notes thereon and attached thereto give in the prescribed manner, the information required by the Companies Act, 1956, 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 30<sup>th</sup> June, 2012;
  - (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.

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

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

New Delhi, 22<sup>nd</sup> August, 2012

## SINGER INDIA LIMITED

### AUDITORS' REPORT

Annexure to the auditors' report of even date to the members of Singer India Limited on the Financial Statements for the year ended 30<sup>th</sup> June, 2012

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. The periodicity of physical verification of Jammu assets needs to be increased.
- 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 stocks with third parties and stock in transit) has been physically verified by the management during the year. Stocks in transit as at 30<sup>th</sup> June, 2012 have been verified with reference to subsequent receipt of goods or other relevant documents. In respect of inventory lying with third parties, these have been confirmed by them. 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 creditors 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.
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

# SINGER INDIA LIMITED

## AUDITORS' REPORT

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 21 depositors whose principal and interest accrued thereon of Rs. 437 thousand is pending settlement due to non-submission of the original Fixed Deposit Receipts /indemnities.

7. On the basis of the internal audit & concurrent audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal and concurrent 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.

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 '000)
Value Added Tax of various States	Sales Tax	2008-09	First Appellate Authority, Delhi	1632
	Sales Tax	2005-06	First Appellate Authority, Delhi	182
	Sales Tax	1992-93, 2002-03, 2007-08	First Appellate Authority, West Bengal	995
	Sales Tax	1995-96	Appellate Tribunal, West Bengal	1,479
	Sales Tax	1992-93, 1996-97, 2004-05	First Appellate Authority, Maharashtra	3,962
	Sales Tax	1992-93, 1996-97, 2004-05	First Appellate Authority, Goa	13
	<b>Total</b>			<b>8,263</b>
Income Tax Act	Income Tax	2003-04	ITAT, Mumbai	3,000
	<b>Total</b>			<b>3,000</b>
Central Excise Act	Excise Duty	2005-06	Appellate Authority, Delhi	6,038
	<b>Total</b>			<b>6,038</b>

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## SINGER INDIA LIMITED

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### AUDITORS' REPORT

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10. The Company has no accumulated losses as at 30<sup>th</sup> June, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institution & bank. The Company does not have any debenture 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.

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

New Delhi, 22<sup>nd</sup> August, 2012

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

# SINGER INDIA LIMITED

## BALANCE SHEET AS AT 30TH JUNE, 2012

			(Amount in '000)	
			As at 30th June	
	Note	(Rupees)	2012 (Rupees)	2011 (Rupees)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	3	107,431		107,431
Reserves and surplus	4	37,579		(64,563)
			145,010	42,868
<b>Non-current liabilities</b>				
Other long - Term liabilities	5	12,651		11,651
Long-term provisions	6	5,147		3,998
			17,798	15,649
<b>Current liabilities</b>				
Short - term borrowings	7			7,098
Trade payables	8	167,825		131,893
Other current liabilities	9	28,569		17,509
Short - term provisions	10	94,097		90,619
			290,491	247,119
			453,299	305,636
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	11.1	20,889		24,486
Intangible assets	11.2	-		-
			20,889	24,486
<b>Non-current Investments</b>				
Deferred tax assets (net)	12	-		-
Long-term loans and advances	13	45,796		29,762
Other non-current assets	14	8,874		3,414
	15	-		-
			54,670	33,176
<b>Current assets</b>				
Inventories	16	190,856		118,333
Trade receivables	17	59,298		41,144
Cash and bank balances	18	104,059		61,905
Short-term loans and advances	19	22,526		26,159
Other current assets	20	1,001		433
			377,740	247,974
			453,299	305,636

### NOTES TO THE ACCOUNTS

#### FORM AN INTEGRAL PART OF THE BALANCE SHEET

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, 22nd August, 2012

Ashish Srivastava  
Company Secretary

K.K. Gupta  
Chairman

Rajeev Bajaj  
Managing Director



# SINGER INDIA LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE, 2012

		(Amount in '000)	
		Year ended 30th June	
	Note	2012 (Rupees)	2011 (Rupees)
<b>INCOME</b>			
Revenue from operations	21	1,559,316	1,189,081
Other Income	22	12,411	14,263
<b>Total Revenue</b>		<b>1,571,727</b>	<b>1,203,344</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	23	9,431	14,927
Purchase of Stock In Trade	24	1,314,706	953,166
Changes In Inventories of Finished Goods	25	(72,692)	(27,354)
Employee Benefits Expense	26	47,939	46,394
Finance Cost	27	397	191
Depreciation and Amortization Expense	28	4,036	3,996
Other Expense	29	181,802	145,672
<b>Total Expense</b>		<b>1,485,619</b>	<b>1,136,992</b>
<b>Profit Before Exceptional Items and tax</b>		<b>86,108</b>	<b>66,352</b>
<b>Exceptional Items</b>	30	-	50,852
<b>Profit Before Tax</b>		<b>86,108</b>	<b>15,500</b>
<b>Tax expense:</b>			
(a) Current tax	31	-	-
(b) Deferred tax		16,034	13,657
		<b>16,034</b>	<b>13,657</b>
<b>Profit for the year</b>		<b>102,142</b>	<b>29,157</b>
<b>Basic &amp; Diluted Earnings per Share (In Rupees) Face Value Rs. 10</b>	48	<b>9.51</b>	<b>2.71</b>

### NOTES TO THE ACCOUNTS FORM AN INTEGRAL PART OF THE STATEMENT OF PROFIT & LOSS

This is the Statement of Profit & Loss 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, 22nd August, 2012

Ashish Srivastava  
Company Secretary

K.K. Gupta  
Chairman

Rajeev Bajaj  
Managing Director

# SINGER INDIA LIMITED

## Cash Flow Statement

		(Amount in '000)	
		Year ended 30th June	
		2012	2011
		(Rupees)	(Rupees)
<b>A.</b>	<b>Cash flow from operating activities :</b>		
	Profit before tax	86,108	15,500
	Adjustments for:		
	Gratuity	471	209
	Leave Encashment	(671)	2,100
	Superannuation	11	52
	Impairment of Assets	1,700	-
	Provision / Write off : Debts & Advances	814	925
	Depreciation	4,036	3,996
	Interest Income	(5,054)	(3,231)
	Provision / Liabilities written back	(1,004)	(8,290)
	Loss on Sale / Discard of Assets (net)	143	82
	Unrealised Foreign Exchange (Gain) / Loss	231	181
	Finance Cost	397	191
	Operating profit before working capital changes	87,182	11,715
	Adjustments for:		
	Trade and other receivables	(12,033)	(34,234)
	Inventories	(72,523)	(28,929)
	Trade payables	47,456	29,859
	Cash Generated from Operations	50,082	(19,589)
	Payment of Direct Taxes	(3,078)	(629)
	Net Cash from Operating Activities before Exceptional Items	47,014	(20,218)
	Exceptional Item	-	50,852
	Net Cash from Operating Activities after Exceptional Items	47,014	30,634
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Purchase of Fixed Assets	(2,297)	(2,464)
	Sale of Fixed assets	15	336
	Interest received	4,506	3,797
	Changes in other bank balances	5,776	948
	Net cash generated from investing activities	8,000	2,617
<b>C.</b>	<b>Cash flow from financing activities :</b>		
	Short-term borrowings	(7,098)	(33,687)
	Fixed deposits	-	(173)
	Interest paid	14	(2,838)
	Net cash used in financing activities	(7,084)	(36,698)
	Net Increase/(decrease) in cash / cash equivalent (A+B+C)	47,930	(3,447)
	Cash and cash equivalent as at the beginning of the year	24,127	27,574
	Cash and cash equivalent as at the end of the year	72,057	24,127

### Notes:

- (1) The Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 Cash Flow Statement.
- (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

New Delhi, 22nd August, 2012

# 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 in sewing machines and also conducts limited trading in small appliances, household / consumer durables and has also undertaken contract manufacturing.

#### 2.1. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material aspects with the Accounting Standards notified under the Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained below.

#### 2.1.1. Summary of significant accounting policies

##### (a) Change in accounting policy

##### Presentation & disclosure of Financial Statements

During the year ended 30<sup>th</sup> June, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its Financial Statements. The adoption of revised Schedule does not impact recognition and measurement principles followed for preparation of Financial Statements. However, it has significant impact on the presentation and disclosures made in the Financial Statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

##### (b) Current and Non current classification

Any asset / liability is classified as current if it satisfies any of the following conditions:

- (i) it is expected to be realized / settled in the Company's normal operating cycle; or
- (ii) it is expected to be realized / settled within 12 months after the reporting date; or

- (iii) in the case of an asset,
  - a) it is held primarily for the purpose of being traded; or
  - b) it is cash or cash equivalent unless it is restricted from being exchanged or utilized to settle a liability for atleast 12 months after the reporting date.
- (iv) in case of a liability, the Company does not have an unconditional right to defer settlement of liability for atleast 12 months after the reporting date.

All other assets / liabilities are classified as non-current.

##### (c) 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 prospectively in the current and future periods.

##### (d) Tangible Fixed Assets

Fixed Assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition, construction and installation less depreciation/amortisation. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized.

##### (e) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated depreciation/ amortisation. Computer Software is amortised over a period of thirty six months. Amortisation is done on the straight line method.

##### (f) 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

# SINGER INDIA LIMITED

## Notes to the accounts (Contd.)

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.

### (g) 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.

### (h) Inventories

Inventories 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 a FIFO basis and includes appropriate portion of allocable overheads. 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.

### (i) 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 of sewing machines and breakages of cast iron, plastic & wooden accessories and are accrued at 1% of sales to cover future costs.

### (j) Revenue recognition

- i) 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.

- ii) Interest income is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable and is stated at gross.

### (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

Assets costing less than Rs. 5,000/- per unit are depreciated at the rate of 100%. Depreciation on additions is being provided on prorata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is being provided up to the dates on which such assets are sold/disposed off. Renovation expenditure incurred on shops, warehouses, offices etc. are written off in the year it is incurred.

### (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.

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

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.

#### (n) Employees Benefits

##### Defined Contribution Plans

Company's contribution paid /payable during the year to Employees State Insurance Corporation (ESIC) and Provident Fund are recognized in the Statement of Profit & Loss. The Provident Fund Contributions are made to employer established Provident Fund. ESIC contributions are made to Government administered ESIC fund. The Company also makes contribution towards superannuation and is required to contribute a specified percentage of payroll cost to fund the benefits.

##### Defined Benefit Plans

Company provides retirement benefits in the form of gratuity (funded) and leave encashment (unfunded) which are measured using the Projected unit credit method with actuarial valuation being carried out at each valuation date. Contribution for Gratuity is made to Life Insurance Corporation of India as per Company's Scheme. Provision / write back, if any is made on the basis of the present value of liability as at the Balance Sheet date determined by an actuarial valuation and is treated as liability under Other Current Liabilities.

Termination benefits are recognized as an expense as and when incurred. Short term compensated absences are provided based on past experience of leave availed. Actuarial gains / losses are immediately taken to Statement of Profit & Loss and are not deferred.

#### (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 not recognized unless there is a 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 of 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

### Notes to the accounts (Contd.)

	(Amount in '000)	
	As at 30th June 2012 (Rupees)	2011 (Rupees)
<b>3.</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED</b>		
15,000,000 (2011 - 15,000,000) Equity Shares of Rs. 10 each	150,000	150,000
500,000 (2011 - 500,000) Redeemable Preference Shares of Rs. 100 each	50,000	50,000
	<u>200,000</u>	<u>200,000</u>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
10,743,135 (2011-10,743,135) Equity Shares of Rs. 10 each	107,431	107,431
	<u>107,431</u>	<u>107,431</u>

#### Notes

##### a) Reconciliation of Equity Shares

	As at June 30, 2012		As at June 30, 2011	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,743,135	107,431	10,743,135	107,431
Issued during the year	-	-	-	-
At the end of the year	10,743,135	107,431	10,743,135	107,431

- b) The Company's Authorized Capital comprises of two class of shares. The Equity shares have a par value of Rs. 10 each and the Redeemable Preference shares have a par value of Rs. 100 each. No Redeemable 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, 2012		As at June 30, 2011	
	Number of shares	%	Number of shares	%
Singer (India) B.V. Netherlands-The Holding Company	8,407,551	78.26%	8,476,564	78.90%

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

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.

(Amount in '000)

As at 30th June

2012 2011

(Rupees) (Rupees)

4.

#### RESERVES AND SURPLUS

Securities Premium

As per last account

12,250 12,250

Surplus / (Deficit) In Statement of Profit & Loss:

As per last account

Add: Adjustment of initial adoption of Deferred Tax

Add: Profit during the year as per statement of profit and loss

Balance at end of year

(76,813) (122,075)

- 16,105

102,142 29,157

25,329 (76,813)

37,579 (64,563)

5.

#### OTHER LONG TERM LIABILITIES

Security Deposit

Due to Subsidiary Companies - Singer India Trading Limited (under liquidation)

Other Liabilities \*

1,274 1,283

- 826

11,377 9,542

12,651 11,651

\* includes stale cheques and rent (under litigation) Rs. 8,197 & Rs.2,333 respectively (2011 - Rs. 7,347 & Rs. 1,315 respectively)

6.

#### LONG TERM PROVISIONS

Provision for Employees benefits:

Leave encashment

5,147 3,998

5,147 3,998

7.

#### SHORT TERM BORROWINGS

(Unsecured)

Loans from Brand Trading (India) Pvt. Ltd. (Associate) \*

- 7,098

- 7,098

\* The loan is unsecured and is repayable on demand and is interest free

8.

#### TRADE PAYABLE

Total outstanding dues of Micro Enterprises & Small Enterprises (Note 36)

Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises

14,109 10,825

153,716 121,068

167,825 131,893

# SINGER INDIA LIMITED

## Notes to the accounts (Contd.)

	(Amount in '000)	
	As at 30th June	
	2012	2011
	(Rupees)	(Rupees)
<b>9.</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance from customers	12,616	6,460
Unclaimed matured Fixed deposits and interest accrued thereon*	437	470
Unclaimed Fractional Shares	23	23
Due to Singer Asia Limited- Ultimate Holding Company	674	438
Other Payables:		
Contribution payable towards Gratuity fund	680	209
Superannuation	192	181
Liability for Capital Expenditure	14	15
Security Deposit	5,047	4,165
Statutory dues	7,817	4,479
Other Liabilities	1,069	1,069
	<b>28,569</b>	<b>17,509</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 or indemnities by parties despite repeated reminders.

## 10. SHORT TERM PROVISIONS

Provision for Employees benefits:

- Leave encashment	724	2,544
Others		
- Contingencies *	93,373	88,075
	<b>94,097</b>	<b>90,619</b>

\* Contingencies includes

		Opening Balance (Rupees)	Addition (Rupees)	Deletion Reversal (Rupees)	Closing Balance (Rupees)
Legal & Statutory Matters	2012	13,468	1,723	200	14,991
	2011	14,373	2,754	3,659	13,468
Contractual Matters in the course of business *	2012	38,595	-	-	38,595
	2011	-	38,595	-	38,595
Employees related matters	2012	24,123	-	-	24,123
	2011	20,001	4,122	-	24,123
Product Warranties	2012	11,889	3,775	-	15,664
	2011	9,608	2,281	-	11,889
Total	2012	88,075	5,498	200	93,373
	2011	43,982	47,752	3,659	88,075

\* a) 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. 38,595 made in earlier year under Contingencies by way of abundant accounting prudence while vigorously contesting the matter before the Competent Authorities.

b) 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		(Amount in '000)
	Cost as at 30 June 2011	Additions	Deletions / Adjustments	Cost as at 30 June 2012	As at 30 June 2011	During the year	Impairment Charge *	On Deletions / Adjustments	As at 30 June 2012 **	As at 30 June 2011 **	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Leasehold land	959	-	-	959	123	11	-	-	134	825	836
Building	29,197	-	-	29,197	16,676	975	-	-	17,651	11,546	12,521
Plant & Machinery	103,701	474	32	104,143	95,635	1,598	1,700	32	98,901	5,242	8,066
Vehicles	2	-	-	2	2	-	-	-	2	-	-
Office Equipments	3,249	565	592	3,242	1,822	555	-	475	1,902	1,340	1,427
Computers	4,668	1,001	1,253	4,416	3,511	667	-	1,212	2,966	1,450	1,157
Furniture & fixtures	2,345	237	26	2,556	1,866	230	-	26	2,070	486	479
Total	144,121	2,297	1,903	144,515	119,635	4,036	1,700	1,745	123,626	20,889	24,486
2011	142,604	2,464	947	144,121	116,226	3,938	-	529	119,635	24,486	

\* Refer Note 38.2

\*\* Refer Note 38.1

### **11.2. Fixed Assets - Intangible**

Particulars	Gross Block			Depreciation				Net Block	
	Cost as at 30 June 2011	Additions	Deletions / Adjustments	Cost as at 30 June 2012	As at 30 June 2011	During the year	On Deletions / Adjustments	As at 30 June 2012	As at 30 June 2011
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Computer Software	242	-	242	-	242	-	242	-	-
<b>Total</b>	<b>242</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>-</b>
<b>2011</b>	<b>242</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>184</b>	<b>58</b>	<b>-</b>	<b>242</b>	<b>-</b>

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in 000)	
	As at 30th June	
	2012	2011
	(Rupees)	(Rupees)
<b>12.</b>		
<b>NON CURRENT INVESTMENT</b>		
Investments in Equity Instruments (Non Trade - Unquoted)		
Investment in Subsidiary Companies (Under liquidation) (Note 54)		
610,008 (2011 - 610,008) Equity Shares of Rs. 10 each fully paid up in Singer India Trading Limited	6,100	6,100
100,008 (2011 - 100,008) Equity Shares of Rs. 10 each fully paid up in Himec India Limited	1,000	1,000
	<u>7,100</u>	<u>7,100</u>
Less: Provisions	<u>7,100</u>	<u>7,100</u>
	-	-
Aggregate value of unquoted investment (before provisions)	<u>7,100</u>	<u>7,100</u>
<b>13.</b>		
<b>DEFERRED TAX ASSET (NET)</b>		
Deferred tax Assets comprising of :		
Fixed assets (excess of net block as per Income Tax Act, 1961 over book value)	3,687	3,651
Retirement Benefits	2,126	2,087
Provision for doubtful debts & advances	290	28
Sums allowable on payment	25,198	23,996
Unabsorbed Depreciation	14,495	-
Deferred tax Assets (Net)	<u>45,796</u>	<u>29,762</u>
<b>14.</b>		
<b>LONG TERM LOANS AND ADVANCES (Unsecured - Considered Good)</b>		
Advances recoverable in cash or in kind for value to be received		
- Considered Good	3,000	13
Other deposits	965	1,570
MAT Credit Entitlement (Note 46)	4,635	-
Income Tax Advance (net of provisions)	274	1,831
	<u>8,874</u>	<u>3,414</u>
<b>15.</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long term trade receivables (Unsecured)		
- Considered Doubtful	716	91
	<u>716</u>	<u>91</u>
Less:-Provisions	<u>716</u>	<u>91</u>
	-	-

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in '000)	
	As at 30th June	
	2012	2011
	(Rupees)	(Rupees)
<b>16.</b>		
<b>INVENTORIES *</b>		
Raw Material (lying with third parties)	979	1,148
Finished Goods - traded **	189,877	117,185
	<u>190,856</u>	<u>118,333</u>

**Notes:**

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

\*\* Includes Goods in Transit Rs. 24,749 (2011 - Rs. 23,880) and Rs. 16,401 (2011 - Rs. 8,737) in transit Warehouse to Warehouse

**17.**

**TRADE RECEIVABLES (Unsecured-Considered Good)**

Other Debts *	59,298	41,144
	<u>59,298</u>	<u>41,144</u>

\*Includes Rs.7,457 (2011- Nil) from Brand Trading (India) Private Limited, an associate company.

**18.**

**CASH AND BANK BALANCES**

**Cash & Cash Equivalents**

Cash on Hand	1,406	564
Balances with banks in Current accounts	56,929	23,563
Fixed Deposits with maturity within 3 months	13,722	-
	<u>72,057</u>	<u>24,127</u>

**Other Bank Balances**

Bank Deposits pledged as security with authorities	1,382	1,146
Margin Deposits	6,246	4,327
Fixed Deposits maturing more than 3 months but less than 12 months	12,807	32,305
Fixed Deposits maturing beyond 12 months	11,567	-
	<u>104,059</u>	<u>61,905</u>

**19.**

**SHORT TERM LOANS AND ADVANCES (Unsecured-Considered good unless otherwise stated)**

Advance recoverable in cash or kind for value to be received		
- Considered Good	10,300	18,495
- Considered Doubtful	180	-
Other deposits	9,865	6,015
Claims Recoverable from Custom Authorities	307	200
Deposit with Sales Tax Authorities under protest	432	225
Prepaid expenses	1,622	1,224
	<u>22,706</u>	<u>26,159</u>
Less : Provision for doubtful Advances	180	-
	<u>22,526</u>	<u>26,159</u>

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in '000) As at 30th June	
	2012 (Rupees)	2011 (Rupees)
<b>20.</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on deposits	949	401
Other Receivables - Considered Good (Unsecured)	52	32
	<b>1,001</b>	<b>433</b>
<b>21.</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Domestic sales	1,558,408	1,187,860
- Exports sales	835	1,094
	<b>1,559,243</b>	<b>1,188,954</b>
Less: Excise Duty (Note 45)	-	-
	<b>1,559,243</b>	<b>1,188,954</b>
Other Operating Income		
- Service Income [net of expenses Rs. 437 (2011 - Rs. 1,619)]	73	127
	<b>1,559,316</b>	<b>1,189,081</b>
Details of Sale of Products:		
- Sewing machines and related accessories	1,524,887	1,176,841
- Others (including Household Appliances and Consumer Durables)	34,356	12,113
<b>22.</b>		
<b>OTHER INCOME</b>		
Interest Income		
- From Banks	4,500	3,033
- From Others	554	198
Scrap sales	2,119	1,487
Export Incentives	330	-
Foreign exchange fluctuation (net)	-	12
Provisions / liabilities written back	1,675	8,290
Miscellaneous income	3,233	1,243
	<b>12,411</b>	<b>14,263</b>
<b>23.</b>		
<b>COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	1,148	1,573
Purchases	8,536	13,442
Less : Closing Stock	979	1,148
Consumption	<b>8,705</b>	<b>13,867</b>

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in '000) As at 30th June	
	2012 (Rupees)	2011 (Rupees)
Conversion Charges on Contract Manufacturing *	726	1,060
	<u>9,431</u>	<u>14,927</u>
Details of Raw Material Consumed :		
- Sewing machine Arm & Bed	2,656	4,558
- Sewing machine Parts Set	4,625	7,068
- Sewing machine other components	1,424	2,241
 * Note : Excise Duty Rs. 144 (2011 - Rs. 61) reimbursed to Contract Manufacturer		
<b>24.</b>		
<b>PURCHASE OF STOCK IN TRADE</b>		
Purchase of Traded Goods *	1,314,706	953,166
	<u>1,314,706</u>	<u>953,166</u>
 * Note Includes Rs. 13,388 (2011 - Rs. 8,344) on free replacement against warranty. Details of Purchase of Traded Goods:		
- Sewing machines and related accessories	1,263,146	929,352
- Others (including Household Appliances and Consumer Durables)	51,560	23,814
 <b>25.</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening stock	117,185	89,831
Less: Closing stock	189,877	117,185
	<u>(72,692)</u>	<u>(27,354)</u>
(Increase) / Decrease in Stock		
 <b>26.</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Bonus etc.	41,830	40,328
Contribution to Provident and other Funds	3,278	3,470
Staff Welfare Expenses*	2,831	2,596
	<u>47,939</u>	<u>46,394</u>

\* Includes staff training Rs. 188 (2011- Rs. 43)

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in '000) As at 30th June	
	2012 (Rupees)	2011 (Rupees)
<b>27.</b>		
<b>FINANCE COST</b>		
Interest Expense	397	191
	<b>397</b>	<b>191</b>
<b>28.</b>		
<b>DEPRECIATION &amp; AMORTIZATION EXPENSE</b>		
Tangible Assets	4,036	3,938
Intangible Assets	-	58
	<b>4,036</b>	<b>3,996</b>
<b>29.</b>		
<b>OTHER EXPENSES</b>		
Contractual Services	764	1,844
Sales Outlet Variable Expenses	6,652	4,650
Freight Outward	26,987	20,478
Power & Fuel	2,282	1,611
Cash Discount	26,302	19,067
Rent / Lease Charges [ Net of recovery of Rs. 226 (2011 - Rs. 2,108) and includes Rs. Nil (2011 - Rs. 676) for earlier year]	18,175	13,828
<b>Repairs &amp; Maintenance</b>		
Building	1,618	364
Plant & Machinery	1,814	6
Others [including renovation of shops, offices etc. and net of recovery Rs. Nil (2011 - Rs. 247)]	4,906	5,119
Insurance [net of recovery of Rs. 48 (2011 - Rs. 42)]	2,610	2,062
Rates & Taxes	1,458	1,546
Advertisement, Publicity & Other promotion expenses	34,207	28,426
Product Warranties	3,774	2,281
Commission	4,914	5,069
Travelling, Conveyance & Car Maintenance [net of recovery of Rs. 96 (2011-Rs. 174)]	17,244	13,325
Postage, Telephone & Telex	3,875	3,740
Printing & Stationery	628	453
Provision / Write Off Debts & Advances	814	925
Legal & Professional Expenses	12,156	11,835
Loss on Sale / Discard of Assets [ Net of Gain Rs. 6 (2011 - Rs. 29) ]	143	82
Directors Sitting Fee	670	635
Auditors' Remuneration (Note 43)	1,037	935
Foreign Exchange Fluctuation (Net)	580	-

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

	(Amount in '000)	
	As at 30th June	
	2012	2011
	(Rupees)	(Rupees)
Meeting & Training	3,372	4,589
Bank Charges [net of recovery Rs. 65 (2011 - Rs. 32)]	1,216	1,191
Miscellaneous Expenses (Note 38.2)	3,604	1,611
	<u>181,802</u>	<u>145,672</u>

#### 30.

##### EXCEPTIONAL ITEMS

Contractual matters in course of business	-	38,595
Employees related matters	-	4,122
Sales Tax Adjustments earlier years	-	1,793
Claim of electricity for earlier years	-	6,342
	<u>-</u>	<u>50,852</u>

#### 31.

##### TAX

##### Current Tax (Note 46)

- Income Tax	4,635	-
- Less : MAT Credit Entitlement	<u>4,635</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### 32. Contingent Liabilities and Commitments (to the extent not provided)

##### A. Contingent liabilities not provided for in respect of:

##### (i) Claims against the Company pending appellate / judicial decisions\*

	2012	2011
	(Rupees)	(Rupees)
a) Income tax	3,000	3,000
b) Excise Duty	6,038	6,038
c) Value added tax / Sales tax	8,263	6,631
d) Employees State Insurance dues	-	1,496
e) Others ( including present & ex staff)	86,771	83,664

\*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 and Letter of Credits Rs. 7,628 (2011 – Rs. 5,473).

##### B. Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil (2011 – Rs.228).

#### 33. 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

### Notes to the accounts (Contd.)

(Amount in '000)

- b) In the opinion of the Board, the value of any assets other than fixed assets and non current investment 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 are disclosed.
34. No amount is paid / payable by the Company under Section 441A of the Companies Act, 1956 (Cess on turnover) since rules specifying the manner in which the Cess shall be paid has not been notified yet by the Central Government.
35. Disclosures in respect of Company's operating lease arrangements under Accounting Standard (AS) 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-cancelable in nature and may be terminated by either party by serving a notice.
  - lease arrangements which are not non-cancelable 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-cancelable 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.
- 36.1. 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.
- 36.2. Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. This is based on information made available to the Company (Post pre-sickness Suppliers).

	As at 30 <sup>th</sup> June	
	2012 (Rupees)	2011 (Rupees)
The principal amount and the interest due thereon remaining unpaid to any suppliers at the end of each accounting year.	14,109	10,825
The amount of interest paid by the buyer in terms of Section 16 of the Act alongwith the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	Nil	Nil
The amount of interest accrued and remaining due and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible under Section 23 of the Act.	Nil	Nil

### 37. Employees Benefits

#### 37.1 Defined Contribution Plans

- a) The contribution of Provident Fund are made to a recognized Provident Fund/Family Pension Fund which covers all the employees. Condition for grant of exemption stipulates that employer shall make



## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Amount in '000)

good deficiency, if any, in the interest rate declared by trust vis-à-vis statutory rate. During the year the Company has paid Rs. Nil (2011 – Rs. 800) for shortfall in contribution and shown under the head Employees Benefit Expense.

ASB Guidance on implementing AS 15, Employee Benefits states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provision Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary).

- b) The Company makes contribution towards ESIC to a defined contribution benefit plan for qualifying employees. The ESIC plan is operated by Director, Employees State Insurance Corporation. The Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.
- c) The Company makes Superannuation Fund contribution to Life Insurance Corporation of India towards defined contribution retirement for qualifying employees.
- d) The Company has recognized in the Statement of Profit & Loss Rs. 2,000 (2011 - Rs. 2,613) for Provident Fund and Rs. 83 (2011 – Rs. 92) for ESIC and Rs. 777 (2011 – Rs. 612) for Superannuation.

#### 37.2 Defined Benefit Plan

**37.2.1** Disclosure relating to Defined Benefit Plan as per Actuarial Valuation as on 30<sup>th</sup> June, 2012 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	
		2012	2011	2012	2011
	Expenses recognized in the statement of Profit & Loss for the year ended 30 <sup>th</sup> June 2012.				
a)	Current Service cost	576	418	796	2,629
b)	Interest Cost	400	367	296	213
c)	Expected return on plan assets	(357)	(341)	N.A.	N.A.
d)	Net Actuarial (Gains) / Losses	(143)	(212)	(683)	(611)
e)	Past Service cost	-	-	-	-
f)	Total Expense	476	232	409	2,231

# SINGER INDIA LIMITED

## Notes to the accounts (Contd.)

(Table Continued)

(Amount in '000)

Sl. No	Description	Gratuity (Rupees)		Leave Encashment (Rupees)	
		As at 30 <sup>th</sup> June		As at 30 <sup>th</sup> June	
		2012	2011	2012	2011
	Net Asset / (Liability) recognized in the balance sheet as on 30 <sup>th</sup> June 2012				
a)	Present value of Defined Benefit Obligation as at 30 <sup>th</sup> June 2012	5,410	4,835	5,871	6,542
b)	Fair Value of plan assets as at 30 <sup>th</sup> June 2012	4,730	4,626	-	-
c)	Funded status {Surplus / (Deficit)}	(680)	(209)	(5,871)	(6,542)
d)	Net asset / (liability) as at 30 <sup>th</sup> June 2012	(680)	(209)	(5,871)	(6,542)
	Change in Defined Benefit Obligations (DBO) during the year ended 30 <sup>th</sup> June 2012				
a)	Present value of Defined Benefit Obligation at the beginning of the year	4,835	4,274	6,542	4,442
b)	Service Cost	576	418	796	2,629
c)	Interest Cost	400	367	296	213
d)	Past Service Cost	-	-	-	-
e)	Actuarial ( Gains)/ Losses	(77)	(163)	(683)	(611)
f)	Benefit Paid	(324)	(61)	(1,080)	(131)
g)	Present value of Defined Benefit Obligation at the end of the year.	5,410	4,835	5,871	6,542
	Change in Assets during the year ended 30 <sup>th</sup> June 2012				
a)	Plan assets at the beginning of period	4,626	4,294	-	-
b)	Expected Return on Plan Assets	357	341	N.A.	N.A.
c)	Contributions by Employer	5	2	-	-
d)	Actual benefits paid	(324)	(61)	(1,080)	(131)
e)	Actuarial Gains / (Losses) on Plan Assets	66	50	-	-
f)	Plan assets at the end of the year	4,730	4,626	-	-
g)	Actual return on plan assets	423	390	N.A.	N.A.
	Major categories of plan assets as a percentage of total plan	Invested by LIC		N.A.	N.A.

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Amount in '000)

37.2.2 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.

a)	Discount rate (%)	8	8	N.A.	N.A.
b)	Expected rate of return on plan assets (%)	8	8	N.A.	N.A.
c)	Mortality rate	Indian assured lives mortality LIC (1994-96) Ultimate (modified)			
d)	Withdrawal rate	1-3%	1-3%	5%	5%
e)	Salary Escalation (%)	7	7	7	7

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

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

(i) Gratuity (Funded)

	2012	2011	2010	2009	2008
Defined benefit obligation	5,410	4,835	4,273	5,058	4,023
Plan assets	4,730	4,626	4,293	4,176	4,338
Surplus / (deficit)	(680)	(209)	20	(882)	315
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(99)	(97)	(189)	N.A.	3,394

(ii) Leave Encashment (Non funded)

	2012	2011	2010	2009	2008
Defined benefit obligation	5,871	6,542	4,442	1,647	803
Plan assets	-	-	-	-	-
Surplus / (deficit)	(5,871)	(6,542)	(4,442)	(1,647)	(803)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(724)	(479)	(955)	(829)	(79)

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

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

38.1 Assets situated at Jammu are not in active use as operations are suspended. These assets are stated at lower of net book value and estimated realizable value and included under Fixed Assets:

Particulars	Original cost 30 <sup>th</sup> June		Accumulated Depreciation/ Impairment charge 30 <sup>th</sup> June		Written down value 30 <sup>th</sup> June	
	2012 (Rupees)	2011 (Rupees)	2012 (Rupees)	2011 (Rupees)	2012 (Rupees)	2011 (Rupees)
Leasehold land	959	959	134	123	825	836
Building	29,197	29,197	17,651	16,676	11,546	12,521
Plant & Machinery	97,352	97,352	92,919	90,029	4,433	7,323
Vehicles	2	2	2	2	0	0
	127,510	127,510	110,706	106,830	16,804	20,680

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Amount in '000)

- As per past practice, the Company has charged depreciation/impairment on such assets aggregating to Rs. 3,876 (2011 – Rs. 2,238) which has resulted in increased depreciation/impairment & reduced profit to that extent.
- 38.2** Based on technical evaluation by an independent Chartered Professional Engineer, foundry equipment and machinery for 974 model are not economically viable and useful to resume production and accordingly a sum of Rs. 1,700 (2011 – Rs. Nil) has been provided towards impairment cost of these assets and charged off to the Statement of Profit & Loss under the head Miscellaneous Expenses in Note 29.
- 39.1** The Board of Directors had made a reference dated 17 May 2005 to the Board for Industrial and Financial Reconstruction (BIFR) constituted under Sick Industrial Companies (Special Provisions) Act, 1985.
- Subsequently, vide BIFR's order dated 11 September 2006, the Company was declared a sick industrial Company in terms of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985. BIFR vide order dated 28.4.2008/8.5.2008 has sanctioned the Rehabilitation Scheme for implementation and State Bank of Travancore has been appointed as Monitoring Agency. The scheme sanctioned envisaged:
- Infusion of fresh funds by promoters
  - Reliefs & concession from various concerned parties viz. Creditors, Promoters, Associates, ECB lenders etc.
  - Capital / debt restructuring, induction of fresh funds, derating of existing equity capital and subsequent consolidation of derated shares.
  - Write back of identified liabilities and payment of all liabilities under litigation appeal and not covered by scheme.
- 39.2** The Company had already completed its capital restructuring including the additional new subscription by its Promoters, settling with the Secured Creditors and some of the Unsecured Creditors. 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 scheme is pending before the Hon'ble AAIFR.
- The operations at Jammu manufacturing Unit remained suspended. The Company however has made a significant progress in reaching an in principle understanding with the representative of the workers for settlement with the workers and re-start of the Jammu manufacturing Unit subject to the Company's request for restoration of power connection and the settlement of electricity dues for the period of closure being granted by the J & K Government. The Company expects an early resolution to its primary and important agenda to restart its manufacturing operations shortly.
- 40.** Based on Future Projections taken on record the company is virtually certain that it should be able to realize deferred tax asset on account of unabsorbed depreciation to the extent of Rs. 14,495. As a matter of prudence the Company has not accounted deferred tax assets on account of Unabsorbed Business Losses amounting to Rs. 88,408.
- 41.1** The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as mentioned below:

Particulars	2012		2011	
	Foreign currency (USD)	Amount (Rupees)	Foreign currency (USD)	Amount (Rupees)
a) Creditors	34,049	1,917	17,693	795
b) Advance given to supplier	3,348	188	250,953	11,280

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Amount in '000)

- 41.2 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.
42. Managerial Remuneration (Retainership fee and other bonafide reimbursement / benefits) amounting to Rs. 774 (2011 – Rs. Nil) paid for the period 1<sup>st</sup> January, 2012 to 30<sup>th</sup> June, 2012 to non-executive Chairman is subject to approval of the Central Government.

43. Auditors' Remuneration (excluding service tax)

Particulars	2012 (Rupees)	2011 (Rupees)
As Auditors	620	520
As Tax Auditor and audit of Fiscal Year	225	225
For Limited review and certification	192	190
Total	1,037	935

44. The Company trades mainly in sewing machines. It 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 have 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.
45. The Company's manufacturing is done under contract manufacturing by parties for the Company. 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.
46. The tax year for the Company being the year ending 31<sup>st</sup> March, no tax is payable for the year ended 31<sup>st</sup> March 2012 pursuant to Section 115JB (2) [explanation 1 (vii)] of the Income tax Act, 1961. The provision for taxation for the year is the aggregate of provision made for three months ended 30<sup>th</sup> June, 2012, the ultimate tax liability of which will be determined on the basis of the figures for the period 1<sup>st</sup> July 2012 to 31<sup>st</sup> March 2013. 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 Rs. 4,635 has been shown under long-term loans & advances in Balance Sheet.
47. 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  | Singer Asia Limited (Cayman Island)                             |
| iii. | Subsidiary Companies  | Himec India Limited<br>Singer India Trading Limited             |
| iv.  | Associates  | Brand Trading (India) Pvt. Ltd.                                 |
| v.   | Key Management Personnel  | Mr. K.K. Gupta, Chairman<br>Mr. Rajeev Bajaj, Managing Director |

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Amount in '000)

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

Associates  
 Blindia Limited (BVI)  
 Reality (Lanka) Ltd.  
 Regnis (Lanka) PLC  
 Regnis Appliances (Pvt.) Ltd.  
 Meritec India Ltd.  
 Singer (Broker) Limited  
 Singer (Pakistan) B.V. (Netherlands)  
 Singer (Sri Lanka) B.V. (Netherlands)  
 Singer (Thailand) B.V. (Netherlands)  
 Singer Asia Finance B.V. (Netherlands Antilles)  
 Singer Asia Holdings B.V. (Netherlands)  
 Singer Asia Holdings N.V. (Netherlands Antilles)  
 Singer Bhold B.V. (Netherlands)  
 Singer Asia Sourcing Limited (B.V.I)  
 Singer Bangladesh Limited  
 Singer Industries (Ceylon) PLC  
 Singer Industries (Thailand) Limited  
 Singer Corporation Limited (Hong Kong)  
 Singer Finance (Lanka) PLC  
 Singer Pakistan Limited  
 Singer Sri Lanka PLC  
 Singer Thailand Public Co. Limited  
 Thailinvest B.V. (Netherlands)  
 Telshan (Pvt) Ltd.  
 UCL Asia Partners L.P.  
 ReHo Limited

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

	Transactions	2012	Balance as on 30 <sup>th</sup> June 2012	2011	Balance as on 30 <sup>th</sup> June 2011
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
	Holding Company:				
i)	Equity Shareholding	-	84,076	-	84,766
	Subsidiary Company:				
ii)	Investment in Himec India Ltd.	-	1,000	-	1,000
iii)	Investment provision- Himec India Ltd.	-	1,000	-	1,000
iv)	Investment in Singer India Trading Ltd.	-	6,100	-	6,100
v)	Investment provision made - Singer India Trading Ltd.	-	6,100	-	6,100

## SINGER INDIA LIMITED

### Notes to the accounts (Contd.)

(Table Continued)

(Amount in '000)

vi)	Advance received from Singer India Trading Ltd.	(826)	-	-	826
	Associate Company:				
vii)	Sales to Brand Trading India Pvt. Ltd.	99,946	-	86,835	-
viii)	Amount received from Brand Trading India Pvt. Ltd.	(226)	-	(205)	-
	- Rent	(48)	-	(42)	-
	- Insurance	(96)	-	(174)	-
	- Other – Vehicle expenses				
ix)	Unsecured loan / (advance) (net) received / receivable from Brand Trading (India) Pvt. Ltd.	(7,098)	-	(33,687)	7,098
x)	Trade receivable from Brand Trading (India) Pvt. Ltd.	-	7,457	-	-
	Ultimate Holding Company :				
xi)	Advance received / (given) from Singer Asia Ltd.- Credit	236	674	59	438
xii)	License agreement with a relative of a director (also included in Managerial remuneration)	180	-	154	-
xiii)	Managerial remuneration to Key Personnel: Mr. K.K.Gupta Mr. Rajeev Bajaj	8,746** 3,886	- -	9,744 2,242	- 2

\* As identified and certified by the Management

\*\* includes Retainership fee and bonafide reimbursement / benefits Rs. 774 (2011 – Rs. Nil) and Sitting fee Rs. 65 (2011 – Rs. Nil)

#### 48. Earnings per share

	Year ended 30 <sup>th</sup> June	
	2012 Rupees	2011 Rupees
Net Profit after taxation as per Statement of Profit & Loss	102,142	29,157
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)	9.51	2.71

# SINGER INDIA LIMITED

## Notes to the accounts (Contd.)

		2012 (Rupees)	(Amount in '000) 2011 (Rupees)
49.	FOB value of exports – on accrual basis	835	1,094
50.	CIF value of imports – on accrual basis -Finished goods	234,379	133,561
51.	Expenditure in foreign currency during the year (on cash basis)	1,298	1,373
52.	Value of imported and indigenous Raw material consumed:		

S.No.	Particulars	2012		2011	
		% of Consumption	Rupees	% of Consumption	Rupees
i)	Imported	-	-	-	-
ii)	Indigenous	100%	8,705	100%	13,867
	Total	100%	8,705	100%	13,867

53. Pursuant to the application of the Company before the Hon'ble Lok Adalat for withdrawal of cases against few directors under sections 372A, 217(2A) and 211 of the Companies Act, 1956 the Registrar of Companies vide their letter dated 19.01.2012 had amended list of defaulters. The Company has filed fresh application for compounding of offences under sections 372A, 217(2A) and 211 of the Companies Act, 1956 in the name of the revised list of defaulters on 06.04.2012.
54. 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.
55. Till the year ended 30<sup>th</sup> June, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial Statements. During the year ended 30<sup>th</sup> June, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investment in subsidiaries, the adoption of revised Schedule VI doesn't impact recognition and measurement principles followed for preparation of Financial Statements. However, it significantly impacts presentation and disclosures made in the Financial Statements, particularly presentation of Balance Sheet.

On behalf of the Board of Directors

K.K. Gupta  
Chairman

Rajeev Bajaj  
Managing Director

Ashish Srivastava  
Company Secretary

New Delhi, 22<sup>nd</sup> August, 2012



**ATTENDANCE SLIP****SINGER INDIA LIMITED**

Registered Office : A-26/4, 2nd Floor, Mohan Cooperative Industrial Estate, New Delhi - 110044

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL

DP ID*		Master Folio No.	
Client Id*		No. of Share(s) held	

**NAME AND ADDRESS OF THE SHAREHOLDER**

I hereby record my presence at the 34th Annual General Meeting of the Company held on Monday, the 29<sup>th</sup> October, 2012 at 4.00 p.m. at Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003.

Signature of the shareholder or proxy

**FOR THE KIND ATTENTION OF SHAREHOLDERS****No gift will be distributed by the Company at the AGM**

\* Applicable for investors holding shares in electronic form

-----TEAR HERE-----

**PROXY FORM****SINGER INDIA LIMITED**

Registered Office : A-26/4, 2nd Floor, Mohan Cooperative Industrial Estate, New Delhi - 110044

DP ID*		Master Folio No.	
Client Id*		No. of Share(s) held	

I/We .....of .....being member(s) of Singer India Limited hereby appoint .....of .....or failing him .....of .....as my/our proxy to vote for me/us on my/our behalf at the 34th Annual General Meeting of the Company held on Monday, the 29<sup>th</sup> October, 2012 at 4.00 p.m. at Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003.

Signed this ..... day of .....2012

**AFFIX  
RE 1/-  
REVENUE  
STAMP**

\* Applicable for investors holding shares in electronic form

**Note**

The proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company

**No gift will be distributed by the Company at the AGM**

**SINGER**

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