

# SINGER®

Annual Report 2012-13



THE SINGER STRENGTHS

# PERFORMANCE AT A GLANCE

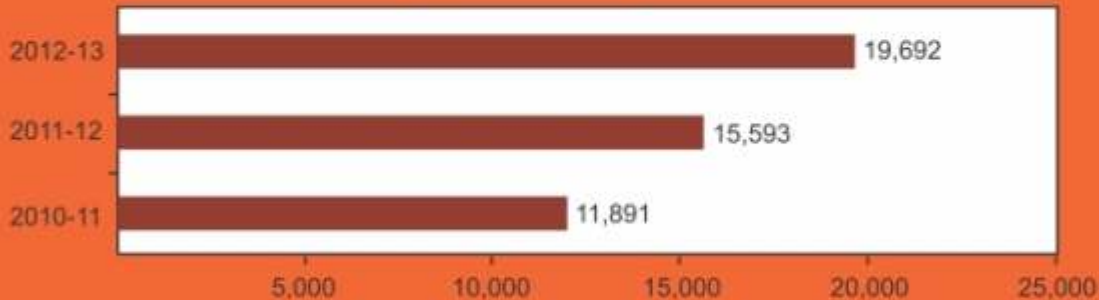
## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

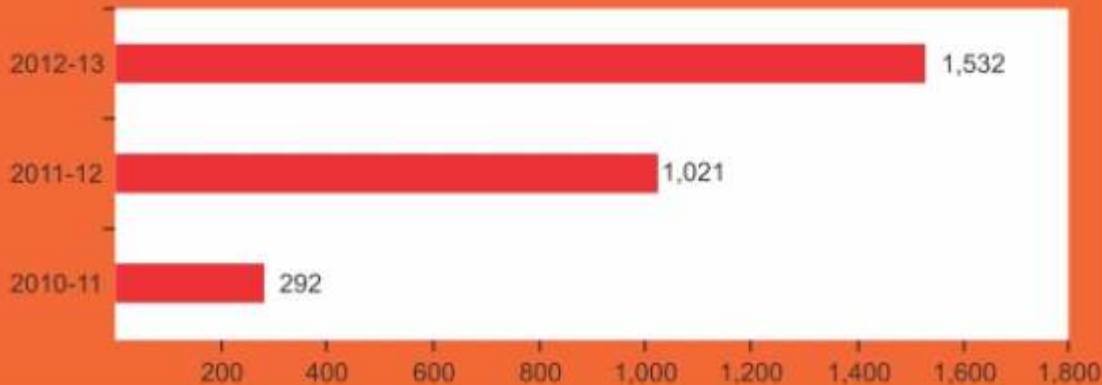
PARTICULARS	FY 13	FY 12	FY 11
Total Revenue	19,692	15,593	11,891
EBITDA	1,001	922	705
Profit after Tax (PAT)	1,532	1,021	292
Share Capital	1,074	1,074	1,074
Reserves & Surplus	2,655	376	(646)
Net Block	1,188	209	245
Net Current Assets	2,542	1,241	184
EBITDA Margin	5.08%	5.91%	5.93%
Net Profit Margin	7.78%	6.55%	2.46%
EPS (Basic & Diluted) (in ₹)	14.26	9.51	2.71

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

### Revenue (Annualised) - ₹ in Lacs



### Profit after Tax (Annualised) - ₹ in Lacs





2013  
WOMEN'S CHOICE AWARD  
AMERICA'S BEST FOR HOME  
SEWING MACHINE

**15% OFF**  
on purchase of  
**SINGER Sewing Machines**



**SINGER**

**25% OFF**  
on purchase of  
**SINGER Home Appliances**



**Dear Shareholder,  
We are pleased to offer you this Privilege Coupon. Happy shopping!**

**Terms and conditions:**

- Coupon is valid till 31<sup>st</sup> December 2014 only at exclusive SINGER Company Showrooms
- The discount cannot be clubbed with any ongoing offer
- Discount is applicable on all products (excluding products sold to Institutions)
- This coupon is applicable for one time usage only
- This coupon is transferable, but the original coupon needs to be presented at the SINGER Company Showroom, at the time of purchase
- There is no limit on the value of purchase and you can purchase multiple Singer products under a single coupon

Warm Regards

**RAJEEV BAJAJ**  
Managing Director

**The discount can be availed at the following SINGER Company Showrooms:**

**ANDHRA PRADESH:** Secunderabad: R.P. Road, Shop No. 3-2-3: 040-27841976, **DELHI-NCR:** Dwarka: B-222, Sec. 7: 011-32222142, **Faridabad:** Shop No. 371 D: 0129-4118779, **Ghaziabad:** Vaishali: Mahagun Metro Mall (In front of Easy Day Market): 91-9999793571, **Laxmi Nagar:** A-1/19, Lalita Park: 011-22433474, **Noida:** Great India Place (Lower ground floor): 0120-4276651, **GOA:** Madgaon: Shop No. 8, Rasael Plaza: 0832-2713927, **KARNATAKA:** Bengaluru: Cosmos Mall (First floor): 080-28541077, 9880245991, **Domlur:** No. 96/2, 7th Cross Krishna Building: 080-41076809, **Gonikoppal:** Above Sapthagiri Medicals: 9964719737, **Jaya Nagar:** Venkat Elegance, No. 118/1: 080-41121953, **Mysore:** 50, Ramvilas Road: 0821-4255080, **Rajaji Nagar:** 727/5 41ST Cross 3rd Block: 080-23385455, **Tumkur:** Shop No. 1&2, Gupta Mansion: 0816-2251168, 8105649761, **KERALA:** Calicut: No. 3, Parsi Anjuman Building: 0495-2722189, **Cochin:** B 6&7, Babu's Estate: 0484-2390038, **WEST BENGAL:** Kolkata: Behala, 93, Diamond Harbour Road: 033-65400529, 1-Park Street: 033-22299050, **Kankurgachi:** P-15 CIT Road: 033-23557375, 9831836928, **SILIGURI:** Shop No. A/6, Upper Ground Floor: 08101643650, **MAHARASHTRA:** Mumbai: Dadar: Shop No. 12, Pearl Centre: 022-24311150, 91-9167224383, **Malad:** Shop No. 3, Babuline Complex: 91-9702849332, **Mulund:** 1st Floor, R-Mall: 91-9029300972, **Pune:** Shop No. 6-890, Ravivar Peth: 020-24456876, **TAMIL NADU:** Chennai: No. 154, Mount Road: 044-28461907, **Coimbatore:** 68, Oppankara Street: 0422-2392773, **Hosur:** 139/30-8-10, Shankar Complex, Taluk Office Road: 04344-220181, **Madurai:** No. 22, Nethaji Road: 0452-2347998, **Pondicherry:** No. 114, Annasalai: 0413-2332509, **Vellore:** No. 60, Long Bazar: 0416-2221259, **UTTAR PRADESH:** Lucknow: S-7 Gole Market Mahanagar: 0522-4077628



**Singer India Limited, A-26/4, Mohan Co-operative Industrial Estate, New Delhi - 110 044 • Tel: 91-11-40617777**

**Fax: 91-11-40617799 • Toll Free: 1800 103 3474 (9:30 am - 6:00 pm, Monday to Friday)**

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**Corporate Information**

**BOARD OF DIRECTORS**

Mr. K. K. Gupta, Chairman  
Mr. Ajit Kumar  
Mr. Deepak Sabharwal  
Mr. Gavin Walker  
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, 2<sup>nd</sup> Floor  
Mohan Cooperative Industrial Estate  
New Delhi - 110044  
Tel. : 91 11 40617777  
Fax. : 91 11 40617799  
Email: mail@singerindia.net  
Toll free: 1800 103 3474

**WORKS**

Lane No. 4  
SIDCO Industrial Estate  
Jammu

Lane No. 2  
SIDCO Industrial Estate  
Phase II, Jammu

## SINGER INDIA LIMITED



### NOTICE

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

Day : Tuesday  
Date : 12<sup>th</sup> November, 2013  
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 2013 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 declare a dividend on equity shares for the financial year ended on 30<sup>th</sup> June, 2013.
3. To appoint a Director in place of Mr. Gavin Walker, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Deepak Sabharwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. 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:

6. 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

2013 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”.

7. 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 pursuant to Section 309(4) and any other applicable provisions of the Companies Act, 1956, if any, and in accordance with Article 123(2) of the Articles of Association of the Company the appointment of Mr. K. K. Gupta as approved by the Board of Directors in their meeting held on 5<sup>th</sup> October 2011 and also approved by the Members of the Company through Postal Ballot result of which announced on 29<sup>th</sup> March, 2012 be construed for the period of one year effective 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012”.

**“RESOLVED FURTHER THAT** payment of retainership fee of Rs. 10 lacs and reimbursement of bonafide expenses for travel & conveyance expenses including use of driver and reimbursement of medical expenses for self and his wife paid to Mr. K. K. Gupta for the period 01.01.2012 to 31.12.2012 amounting to Rs. 628,823/- are also hereby approved.”

8. 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 pursuant to Section 309(4) and any other applicable provisions of the Companies Act, 1956, if any, and in accordance with Article 123(2) of the Articles of Association of the Company the re-appointment of Mr. K. K. Gupta as an Advisor to the Company for a further period of three years effective from 1<sup>st</sup> January, 2013 to 31<sup>st</sup> December 2015 to advise the Management on such business matters as may be brought to his attention from time to time on the payment of a fixed retainership fee and other bonafide reimbursements/benefits as described hereunder :

- Fixed annual retainership fee of Rs. 10 Lacs per annum to be paid pro rata on a monthly basis.
- Reimbursement of travel & conveyance expenses inclusive of the use of driver.
- Reimbursement of medical expenses for self and his wife.

## SINGER INDIA LIMITED



### NOTICE

The above remuneration shall be in addition to the sitting fees as Mr. K. K. Gupta may be entitled to for attending the Board Meetings and the Committee meetings in accordance with the Articles of Association of the Company.

**“RESOLVED FURTHER THAT** reimbursement of travel & conveyance expenses inclusive use of driver and reimbursement of medical expenses for self and his wife shall be limited to Rs. 10 lacs per annum”.

**“RESOLVED FURTHER THAT** the above arrangement can be terminated by giving 12 months notice to Mr. K. K. Gupta”.

**“RESOLVED FURTHER THAT** the above remuneration would be paid to him even if it exceeds 1% of net profits of the Company as computed under Section 349 and 350 of the Companies Act, 1956 with the approval of the members and the Central Government as provided under Section 309 (4) of the Companies Act, 1956”.

**“RESOLVED FURTHER THAT** Managing Director and Company Secretary be and are hereby further authorized to obtain the approval of the Central Government and to do all such acts, deeds & things as may be required to give effect to this resolution.”

BY ORDER OF THE BOARD OF DIRECTORS  
FOR SINGER INDIA LIMITED

Place: New Delhi  
Dated: 7<sup>th</sup> September 2013

**Ashish Srivastava**  
**Company Secretary**

#### NOTES

- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Special Business.
- 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.
- 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.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 6<sup>th</sup> November, 2013 to 12<sup>th</sup> November, 2013 (both days inclusive).
- Dividend on equity shares as recommended by the Board of Directors for the financial year ended 30<sup>th</sup> June, 2013, when declared at the Meeting will be paid
  - to those Members whose names shall appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company/ RTA on or before 6<sup>th</sup> November, 2013.
  - to all beneficial owners in respect of shares held in electronic form whose names shall appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) at the end of business hours on 6<sup>th</sup> November, 2013.
- 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.
- Members who are holding shares 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.
- 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.
- 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.
- 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).
- 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.
- 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.



# SINGER INDIA LIMITED



## NOTICE

### 13. 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. 6,7 & 8 accompanying notice dated 7<sup>th</sup> September, 2013 are taken as forming part of the Notice.

#### Item no. 6

The Board of Directors in their meeting held on 27<sup>th</sup> August, 2013 based on the recommendation of the Remuneration Committee as a part of Company Policy approved the annual increment of Mr. Rajeev Bajaj, Managing Director of the Company. His salary structure effective 1<sup>st</sup> July, 2013 is as below :

- |  |   |
|--|---|
| 1. Basic Salary                                | : Rs. 14,00,004 p.a. payable on monthly basis.                              |
| 2. All Perquisites and allowances              | : Rs. 34,96,392 p.a. payable on monthly basis.                              |
| 3. Contribution to Gratuity and Provident Fund | : Rs. 2,35,344 p.a. payable on monthly basis.                               |
| 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 conditions and memorandum of interest under section 302 of the Companies Act, 1956.

#### Statement in terms of Section II (C) (iv) of Part II of Schedule XIII of the Companies Act, 1956 for item no 6 is given as under:

##### I. General Information:

- |  |  |
|--|--|
| 1. Nature of Industry  | Sewing Machines & other Consumer Durable |
| 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 30.06.2013, the Company recorded a turnover of Rs. 196.92 crores and made a profit of Rs. 9.37 crores before tax. The profit after tax for the year under review was Rs. 15.32 crores. |
| 5. Export performance and net foreign exchange | Nil   |
| 6. Foreign investments or collaborators        | Singer (India) B V, The Netherlands is the promoter Company and holds 75.00 % 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 Accountant of India as well as Fellow member of the Institute of Company Secretaries of India with over 29 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial.<br>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. 51,07,196/- for year ended 30.06.2013  |
| 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 29 years of rich experience in overall financial management of companies.   |



**NOTICE**

- |   |  |
|---|--|
| 5. Remuneration proposed  | 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.               | N.A.  |
| 3. Expected increase in productivity and profits in measurable terms. | Company expects that volumes will grow by 8 to 10 % annually in the respective businesses, which the Company will continue as per the 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 as a special 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.

**Item no. 7**

The Board in their meeting held on 5<sup>th</sup> October, 2011 had appointed Mr. K. K. Gupta, Chairman of the Company as the Company's Advisor w.e.f. 1st January 2012 after he had ceased to be the Whole-time Director. The said appointment was also approved by the Members of the Company through postal ballot result of which announced on 29<sup>th</sup> March, 2012. The said appointment was subject to the approval of the Central Government.

Since the appointment was a continuing one (with a termination clause of 12 months) without any period specified, the application to the Central Government seeking approval for the same was not approved vide letter dated 31<sup>st</sup> May, 2013 on the ground that no tenure was fixed. The company had made application for reconsideration and review of the non-approval on 14th June, 2013 and 22<sup>nd</sup> July, 2013. The response from the Central Government was awaited. However to comply with the requirement of fix tenure, members approval is being sought for the period 01.01.2012 to 31.12.2012.

The Board recommends the resolution for approval of Members as a Special Resolution.

None of the directors except Mr. K. K. Gupta is interested or concerned in the resolution.

**Item no. 8**

The Board of Directors in their meeting held on 2<sup>nd</sup> February, 2013 based on the recommendation of the Remuneration Committee meeting held on 2<sup>nd</sup> February, 2013, approved the re-appointment of Mr. K. K. Gupta as an Advisor to the Company for a period of three years beginning from 01.01.2013 and ending on 31<sup>st</sup> December, 2015 at a fixed annual retainership fee of Rs. 10 lacs to be paid pro-rata on monthly basis, and other bonafide reimbursement/benefits upto a maximum limit of Rs. 10 lacs per annum.

The Board recommends the resolution for approval of Members as a Special Resolution.

None of the directors except Mr. K. K. Gupta is interested or concerned in the resolution.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR SINGER INDIA LIMITED**

Place : New Delhi  
Date: 07<sup>th</sup> September, 2013

**Ashish Srivastava  
Company Secretary**

# SINGER INDIA LIMITED



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty Fifth Annual Report and the audited accounts for the year ended 30<sup>th</sup> June 2013.

### FINANCIAL RESULTS

(Rs. in '000)

	For the year ended 30th June 2013	For the year ended 30th June 2012
Sales & Services	1,969,173	1,559,316
Other Income	38,467	12,611
Total	2,007,640	1,571,927
Profit before finance cost, depreciation & impairment and tax	100,128	92,241
Finance costs	524	397
Depreciation, amortization and impairment	5,896	5,736
Profit before tax	93,708	86,108
Tax - Current and Deferred (Including adjustments related to earlier years) (Income)/Expenditure	(59,502)	(16,034)
Profit after tax	153,210	102,142
Balance brought forward	25,329	(76,813)
Accumulated Balance	178,539	25,329
Dividend	16,115	-
Dividend Tax	2,739	-
Transfer to General Reserve	7,661	-
Balance Carried Over	152,024	-

### OPERATIONS

The Company continued to expand its geographical reach and strengthen its product portfolio both in sewing machines as well as small appliances. The Zig Zag sewing machines range was expanded with more versatile models of electronic and computerized segments to reach to consumers who have flair and aptitude for fashion designing as a hobby. The appliances range was also enlarged by adding newer models of mixers, induction cookers, food processors, etc.



DIRECTORS' REPORT

As a result, the turnover of your Company at Rs. 1,969,173 thousands during the year ended 30<sup>th</sup> June 2013 increased by 26% over prior year. While the sewing products turnover increased by 20% over prior year, the small appliances turnover grew by 318% albeit over a much smaller base. The small appliances business provides the Company ample space to grow in future.

The Profit before and after tax at Rs. 93,708 thousands and Rs. 153,210 thousands respectively during the year under review increased by 9% and 50% over prior year. The tax adjustment included one time credit of Rs. 59,502 thousands (net) on account of recognition of deferred tax asset.

The Company focused on strengthening its organization mainly in sales, distribution and service setup and incurred higher spend on advertising and promotions to gear up for expansion in future. This impacted the profits to an extent for the year under review.

**DIVIDEND**

The Board of Directors, at their meeting held on 27<sup>th</sup> August, 2013 recommended a dividend of Rs. 1.50 per equity share of face value of Rs. 10 each for the financial year ended 30th June, 2013.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to the shareholders as on the close of business on 6<sup>th</sup> November, 2013. As per Income Tax Act, 1961, the tax on the dividend will be borne by the Company.

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

The Hon'ble BIFR in the hearing held on 28<sup>th</sup> February 2013 discharged your Company from the purview of SICA/BIFR.

The workers of the factory at Jammu have been paid recently as per the settlement reached with them. The Hon'ble J & K Government also assisted the Company in resolving the power issues which had been pending for long.

The appeals filed by the Company and some of the unsecured creditors on the quantum of amount to be paid to them under the scheme are pending before the Hon'ble AAIFR.

**MANUFACTURING**

Operations of the Company's manufacturing Unit at Jammu re-started on 3<sup>rd</sup> July 2013. Production will pick up gradually in a phased manner. Some trial production took place in May/June 2013.

**SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS**

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

**DIRECTORS**

Mr. Gavin Walker and Mr. Deepak Sabharwal, 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.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has been associated with many Social Welfare Organizations through its shops and dealers network whereby sewing machines were distributed for the benefit of the underprivileged who got 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.

**FIXED DEPOSITS**

The Company has repaid all depositors along with interest due as per the directions of the Hon'ble Delhi High Court



DIRECTORS' REPORT

except for the unclaimed amount of Rs. 255 thousands (Principal) and Rs. 131 thousands (Interest) to 20 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). 99.53% of the total shareholding of the Company was held in dematerialized form as on June 30, 2013.

AUDITORS AND AUDITORS' REPORT

M/s Ray & Ray, Chartered Accountants, statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Notice under section 224(1B) of the Companies Act, 1956 has been received from the auditors confirming their eligibility to act as Auditors of the Company.

The Auditors' in their report to the Members, have in the "Emphasis of matter" expressed unqualified opinion on note 40 of the financial statement relating to remuneration paid/ provided in respect of non-executive chairman, which is self explanatory.

DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms a part of this Report. Since the Company's factory was not in operation during whole of the year, except for small trial production during May/June 2013, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and to the profit or loss of the Company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi  
Date: 27<sup>th</sup> August, 2013

K. K.GUPTA  
CHAIRMAN



DIRECTORS' REPORT

ANNEXURE TO DIRECTORS' REPORT

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

**A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Manufacturing operations at the Company's factory at Jammu were re-started in May/June 2013 only: however, no commercial production took place. 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 has been omitted this year.

**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 (accrual basis)	NIL
- CIF value of imports of raw materials and components	Rs. 232,152 thousands
- Finished goods	Rs. 23,708 thousands
- Expenditure in foreign currency	

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

- Not applicable

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

- Not applicable



**Annexure A  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**MANAGEMENT DISCUSSION**

**Industry Structure and Development**

The sewing machine industry in India continues to be dominated by the small scale industry. However, the industry offers a lot of opportunity to grow particularly in the export markets.

Even though sewing machine is a mature product line, the market continues to grow albeit at a very small rate of less than 3%. The Zig Zag and Electronic 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 the added features.

**Outlook & Opportunities**

Considering the current market share of your Company, there is potential to increase its share both in straight stitch and Zig Zag segments. The restarting of Jammu factory has opened many avenues for the Company to grow the sewing business in future.

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

**Outlook - 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 re-entered the small appliances business. In the year under review, the share of small appliance business remained insignificant. 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 control systems in place.

The weak areas are reviewed for further strengthening.

**Financial Performance**

Sales and service Income of the Company increased by 26% in the financial year ended 30<sup>th</sup> June 2013 compared to the previous year ended 30<sup>th</sup> June, 2012. This came 6% from price inflation and the balance from better product mix/volumes. The Company posted a profit of Rs.153,210 thousands after recording all exceptional items during the year ended 30<sup>th</sup> June 2013.

**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.



**REPORT ON CORPORATE GOVERNANCE**

**Company's philosophy on code of governance**

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

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

**1. Board of Directors**

**1.1** As on 30<sup>th</sup> June 2013, the strength of your Company's Board is six. The Board has a Chairman (Non-Executive) and five members comprising of one Managing Director, one Non- Executive Director & three Non-Executive Independent Directors. All Directors are professionals from diverse fields having valuable experience in management, legal, administration and finance. Independent Directors do not have any material pecuniary relationship and have not entered into any transactions with the Company, its promoters and management which in the judgment of the Board may affect the independence of judgment of the directors.

The details of constitution of the Board and the number of directorships and committee memberships held in other companies as on 30<sup>th</sup> June 2013, and their attendance at the Board Meetings held during the period 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June 2013 and at the last Annual General Meeting, are given below:

Sl. No	Name of Director	Category	No. of Board Meetings held during the year	No. of Board meetings attended	Attendance at the AGM held on 29 <sup>th</sup> October, 2012	No. of outside directorships*
1.	Mr. K.K Gupta, (Chairman)	Non-Executive	4	4	Yes	1
2.	Mr. Rajeev Bajaj (Managing Director)	Executive	4	4	Yes	0
3.	Mr. Gavin Walker	Non-Executive	4	1	No	0
4.	Mr. Deepak Sabharwal	Non-Executive Independent	4	4	Yes	0
5.	Mr. P. N Sharma	Non-Executive Independent	4	4	Yes	3
6.	Mr. Ajit Kumar	Non-Executive Independent	4	4	Yes	1
7.	Mr. K. K. Goel (Note 1)	Special Director nominated by the Hon'ble BIFR	4	3	Yes	0

Note1: Mr. K. K. Goel who was appointed as Special Director by BIFR, ceased to be the director of the company pursuant to the Order dated 4<sup>th</sup> March, 2013 issued by Hon'ble BIFR declaring the company to be out of its purview as it ceased to be a sick industrial company within the meaning of SICA.

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





REPORT ON CORPORATE GOVERNANCE

1.2 The meetings of the Board of Directors are held at periodic intervals. During the year under review, 4(four) Board Meetings were held on 22<sup>nd</sup> August, 2012, 29<sup>th</sup> October, 2012, 2<sup>nd</sup> February, 2013, & 2<sup>nd</sup> May, 2013. The gap between two Board Meetings did not exceed four months.

1.3 As on 30<sup>th</sup> June, 2013, the Company was required to have an optimum combination with not less than one third of the Board of Directors comprising of independent directors. The Company had fully complied with the above requirement in the financial year ending 30<sup>th</sup> June 2013.

2. **Code of conduct**

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

2.2 All Directors have as on 30<sup>th</sup> June, 2013, filed the requisite declaration stating that:

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

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

***"I hereby confirm***

*The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the financial year ended 30<sup>th</sup> June, 2013".*

**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 providing accurate, timely and proper disclosure and the integrity and quality of financial reporting. The Audit Committee reviews areas as specified under clause 49 of the Listing Agreement read with the provisions of section 292A of the Companies Act, 1956.



**REPORT ON CORPORATE GOVERNANCE**

**3.4 Brief terms interalia include:**

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

**3.5** The composition and attendance of the members of the committee is as follows:

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

Mr. K. K. Goel attended all the three audit committee meetings which were held till 04<sup>th</sup> March, 2013 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, 2013 the Audit Committee meetings were held four times, i.e. 22<sup>nd</sup> August, 2012, 29<sup>th</sup> October, 2012, 2<sup>nd</sup> February, 2013 & 2<sup>nd</sup> May, 2013. 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 members out of the total members to the committee 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	3
Mr. P. N. Sharma	3
Mr. Deepak Sabharwal	3



REPORT ON CORPORATE GOVERNANCE

Mr. K. K. Goel attended all the two Remuneration committee meetings which were held till 04<sup>th</sup> March, 2013 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 22<sup>nd</sup> August, 2012, 2<sup>nd</sup> February, 2013 & 2<sup>nd</sup> May 2013.
- 4.4 No remuneration, other than sitting fee for attending the meetings of the Board and Committee are being paid to the Non- Executive Directors of the Company. However w.e.f. 01<sup>st</sup> day of January, 2012 Mr. K. K. Gupta, Non-Executive Chairman of the Company was being paid fixed annual retainership fee of Rs. 10 Lacs and other bonafide reimbursement/benefits in terms of the members' resolution approved by Postal Ballot result of which declared on 29<sup>th</sup> March, 2012. The application to the Central Government seeking approval for the same was not approved vide letter dated 31<sup>st</sup> May, 2013 on the technical ground that the tenure/period of Mr. Gupta's appointment was not specified in the resolution. The company had made application for reconsideration and review of the said non approval on 14<sup>th</sup> June, 2013 and 22<sup>nd</sup> July, 2013. The response from the Central Government is awaited. As an abundant precaution the technical ground will however be regularized in the next meeting of the members by seeking their approval for the tenure starting from 01.01.2012 to 31.12.2012 subject to the approval of Central Government. However effective 1<sup>st</sup> January, 2013 Mr. Gupta's appointment as an advisor has further been fixed for a period of three years ending on 31<sup>st</sup> December, 2015 at a fixed annual retainership fee of Rs. 10 lacs to be paid pro-rata on monthly basis, and other bonafide reimbursement/benefits upto a maximum limit of Rs. 10 lacs per annum subject to the approval of the Shareholders and Central Government.

5. Remuneration policy

- 5.1 Subject to the approval of the Board and of the Company in Annual General Meeting and such other approvals as may be necessary, the Whole-time Directors are paid remuneration as per the agreements entered into between them and the Company. The remuneration structures of Whole-time Directors comprise of salary & allowances, contribution to provident fund & perquisites.
- 5.2 The details of the remuneration paid to Directors during the period from 1<sup>st</sup> July 2012 to 30<sup>th</sup> June 2013 are given below:

Name and Designation	Salary/ retainership fee (Rs)	Other Benefits (Rs)	Contribution to provident and Other funds (Rs)	Total (Rs)
Mr. K. K. Gupta (Non-Executive Chairman)	1120*	597	-	1717
Mr. Rajeev Bajaj (Managing Director)	4774	183	150	5107

(Rs. '000)

\* includes sitting fee amount of Rs. 1,20,000.

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

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

**REPORT ON CORPORATE GOVERNANCE**

- 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 Fees for the Period from 1<sup>st</sup> July 2012 to 30<sup>th</sup> June 2013 are given below:

Sl. No.	Name	Sitting Fee (Rs.)
1.	Mr. K. K. Gupta	1,20,000
2.	Mr. Deepak Sabharwal	1,50,000
3.	Mr. P.N. Sharma	1,55,000
4.	Mr. Ajit Kumar	1,15,000
5.	Mr. K. K. Goel	1,40,000

No sitting fee was paid to the foreign director.

**5.4 Equity shares held by the directors**

Mr. P. N. Sharma held 10 equity shares of the Company as on 30<sup>th</sup> June, 2013.

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 30<sup>th</sup> June, 2013.

- 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** During the financial year ended 30<sup>th</sup> June 2013, the Shareholders/ Investors Grievance and share transfer Committee meetings were held eight times i.e. on 11<sup>th</sup> September, 2012, 10<sup>th</sup> October, 2012, 08<sup>th</sup> November, 2012, 11<sup>th</sup> December, 2012, 25<sup>th</sup> February, 2013, 02<sup>nd</sup> May, 2013, 29<sup>th</sup> May, 2013 & , 28<sup>th</sup> June, 2013. The Company received 6 (six) complaints from the Shareholders and all were resolved to the satisfaction of the Shareholders.

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

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

- 6.5** During the financial year ended 30<sup>th</sup> June 2013, Company received 207 shares for transfer from 20 parties, which were approved. There were no transfers pending as on 30<sup>th</sup> June 2013.

**REPORT ON CORPORATE GOVERNANCE****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 30<sup>th</sup> June, 2013 was placed before the Board of Directors of the Company in its meeting held on 27<sup>th</sup> August, 2013.

**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
2012	29 <sup>th</sup> October, 2012	4:00 p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.	1
2011	5 <sup>th</sup> October, 2011	4:00 p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.	2
2010	10 <sup>th</sup> November, 2010	9:30 a.m..	The Executive Club, 439, Village Shahoorpur, P O – Fatehpur Beri, New Delhi –110074	3

**7.2 Postal ballot**

During the financial year ended 30<sup>th</sup> June, 2013, no resolution was passed through postal ballot.

**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 mitigating various identifiable risks faced by the Company from time to time. At the Meetings of the Board, these risks are reviewed and new risks are identified. After assessment, controls are put in place with specific responsibility of the concerned officer of the Company.
- 8.2** No money was raised by the Company during the financial year ended 30<sup>th</sup> June 2013.
- 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 30<sup>th</sup> June 2013, with the related parties which were not in the ordinary course of business.
- 8.5** All material transactions during the financial year ended 30<sup>th</sup> June 2013, 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 30<sup>th</sup> June 2013 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.



REPORT ON CORPORATE GOVERNANCE

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-46.

8.8 In preparing the Annual Accounts in respect of the financial year ended 30<sup>th</sup> June 2013 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.

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

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

i) **Mr. Deepak Sabharwal**

Mr. Deepak Sabharwal (51) is an Advocate & Solicitor having expertise in Corporate Laws, Income Tax and other laws including Mergers and Acquisitions.

ii) **Mr. Gavin Walker**

Mr. Gavin Walker (44) has a finance background and is President and CEO of Singer Asia Limited. Prior to joining Singer Asia Limited, Mr. Walker served as Managing Director and Chief Executive of private and public Companies in the United Kingdom and in South Africa. Earlier, he had served as Chief Executive Officer of Profurn Ltd, a South African Public Company that was a multi-brand retailer of electrical appliances and furniture with operations in 16 African Countries and Australia. Mr. Walker is on the Boards of Singer Corporation Limited, Regnis (Lanka) PLC, Singer (Sri Lanka) PLC, Singer Bangladesh Limited, Singer Pakistan Limited, Singer Industries (Ceylon) PLC, Retail Holdings N.V., Singer Thailand PLC, Singer Asia Limited, Singer Asia Sourcing Limited, Btindia Limited, Reality Lanka Limited, Zortmay Investments (Pty) Limited, Dresden Property and Investments (Pty) Limited, and Singer Finance (Lanka) PLC.



**REPORT ON CORPORATE GOVERNANCE**

**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 : 12<sup>th</sup> day of November, 2013  
 Time : 4:00 P.M.  
 Venue : Sri Sathya Sai International Centre,  
 Pragati Vihar, Bhasham Pitamah Marg, Lodhi Road,  
 New Delhi-110003.

**14.2. Financial calendar**

The financial year of the Company for the current year is of the twelve months period from 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013.

For the financial year ended 30<sup>th</sup> June 2013 from 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013, results were announced on:

First Quarter : 29<sup>th</sup> October, 2012  
 Half yearly : 2<sup>nd</sup> February, 2013  
 Third Quarter : 2<sup>nd</sup> May 2013  
 Fourth Quarter & Audited Results : 27<sup>th</sup> August, 2013  
 (1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013)

For the year ended 30<sup>th</sup> June 2014, results will be announced on:

First Quarter : 4<sup>th</sup> week of October, 2013  
 Half yearly : 2<sup>nd</sup> week of February, 2014  
 Third Quarter : 1<sup>st</sup> week of May, 2014  
 Fourth Quarter & Audited  
 Annual Results (2013-14) : 2<sup>nd</sup> week of August 2014

**14.3 Dividend and Book closure date**

The board of directors, at their meeting held on 27<sup>th</sup> August, 2013 recommended a dividend of Rs. 1.50 per equity share of face value Rs. 10 each for the financial year ended 30<sup>th</sup> June, 2013. Dividend if approved by the members, will be paid on or after 18<sup>th</sup> November, 2013. The register of members and share transfer register of the Company will remain closed from 6<sup>th</sup> day of November to 12<sup>th</sup> day of November, 2013 (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 2013-2014.



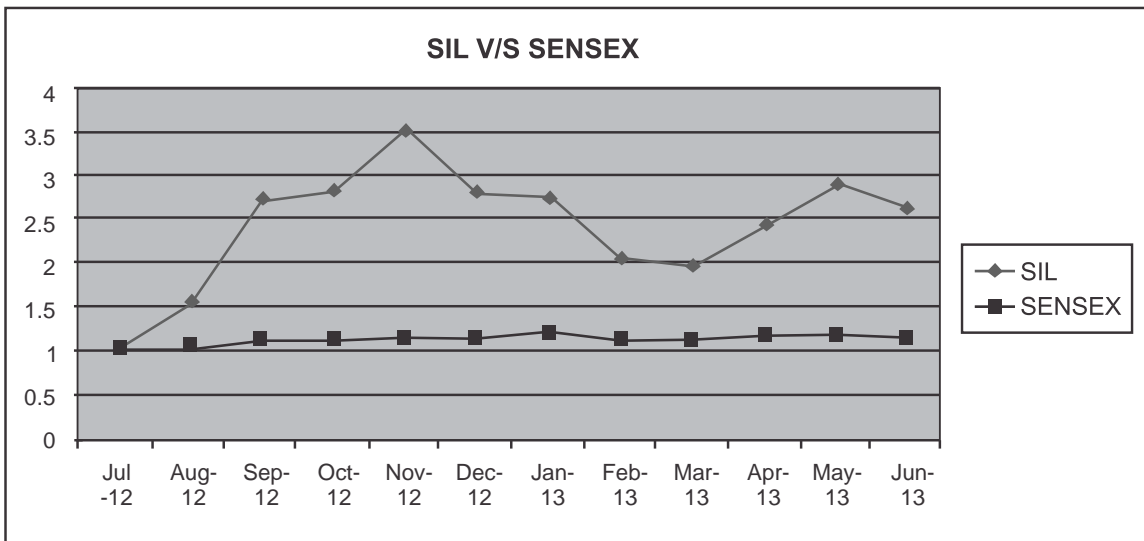
**REPORT ON CORPORATE GOVERNANCE**

**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 30<sup>th</sup> June, 2013 are as follows:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
July 2012	45.85	35.50	January 2013	115.90	94.05
August 2012	59.90	34.05	February 2013	104.25	70.70
September 2012	106.00	54.25	March 2013	96.15	67.80
October 2012	107.85	86.00	April 2013	101.00	71.05
November 2012	134.25	104.35	May 2013	125.00	87.00
December 2012	134.00	101.30	June 2013	120.00	87.55

**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:





**REPORT ON CORPORATE GOVERNANCE**

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

**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.

**14.9 Distribution of shareholding as on 30<sup>th</sup> June 2013**

S. No	Shares		Shareholders		No. of shares	
	Range			% of		% of
			Number	Total	Number	Total
1	1	500	9865	95.92	376418	3.50
2	501	1000	182	1.77	143852	1.34
3	1001	2000	99	0.96	149881	1.40
4	2001	3000	46	0.45	116509	1.08
5	3001	4000	16	0.16	58360	0.54
6	4001	5000	22	0.21	104590	0.97
7	5001	10000	21	0.20	159725	1.49
8	10001	50000	24	0.23	478659	4.46
9	50001	100000	03	0.03	226759	2.11
10	100001	And above	07	0.07	8928382	83.11
	TOTAL		10285	100.00	10743135	100.00

**Broad shareholding pattern – As on 30<sup>th</sup> June 2013**

Category	No. of shares held	% age of shareholding
Singer (India) B. V., The Netherlands (Promoters)	8057351	75.00
Banks, Financial Institutions & Insurance Companies	121542	1.13
NRIs/ OCBs	23496	0.22
Indian Public	2540746	23.65
TOTAL	10743135	100.00

**14.10 Dematerialization of shares and liquidity**

99.53% of the equity shares have been dematerialized up to 30<sup>th</sup> June, 2013. 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.

**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.



REPORT ON CORPORATE GOVERNANCE

**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, 2<sup>nd</sup> Floor,  
Mohan Cooperative Industrial Estate, New Delhi-110044,  
Email: mail@singerindia.net/ secretarial@singerindia.net

**On behalf of the Board of Directors**

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, 27<sup>th</sup> August, 2013

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## SINGER INDIA LIMITED



### CEO/CFO CERTIFICATION

The Board of Directors  
Singer India Limited

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

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 30<sup>th</sup> June, 2013 and based on our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further states that to the best of our knowledge and belief there are no transactions entered by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We hereby declare that all the members of Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the company.
- (d) We are responsible for establishing and maintaining internal controls and evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) significant changes, if any, in the internal control our financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

New Delhi  
27<sup>th</sup> August, 2013

**(Rajeev Bajaj)**  
Managing Director

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

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

To

The Members of  
Singer India Limited

We have examined the compliance of conditions of Corporate Governance by Singer India Limited for the year ended on 30<sup>th</sup> June, 2013, 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

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

New Delhi, 27<sup>th</sup> August, 2013

# 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 2012 to 30<sup>th</sup> June, 2013 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 34<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> Oct, 2012;
- (h) minutes of general meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required, subject to point (k) below;
- (j) constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director;
- (k) payment of remuneration to the Directors including the Managing Director. The application of the company for payment of retainership

fee to Mr. K. K. Gupta, non executive Chairman of the company for the period 01.01.2012 to 31.12.2012 has been rejected by the Central Government. The Company has made a representation vide letter dated 14.06.2013 & 22.07.2013 for reconsideration and review of the rejection to the Joint Secretary, Ministry of Corporate Affairs;

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

### We further report that:

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

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

### We further report that:

- (a) the Company has complied with the requirements under the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE);
- (b) the Company has complied with the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 1997( effective till 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: 26.07.2013

**For H.O. Gulati & Co.  
Company Secretaries**

**H.O. Gulati  
FCSCP No. 9337**

# SINGER INDIA LIMITED



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SINGER INDIA LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Singer India Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the 'Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013 and;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of matter

We draw attention to Note 40 of the Financial Statements regarding remuneration paid/ provided in respect of non-executive chairman. The remuneration paid amounting to Rs. 774 (thousands) for the period 1<sup>st</sup> January, 2012 to 30<sup>th</sup> June, 2012 and Rs. 855 (thousands) for the period 1<sup>st</sup> July, 2012 to 31<sup>st</sup> December, 2012 was not approved by the Central Government on the technical ground that the tenure / period of proposed payment of remuneration was not specified in the resolution. The Company has made applications for reconsideration and review and is also in the process of regularising the appointment for the tenure. Further, the remuneration amounting to Rs. 742 (thousands) for the period 1<sup>st</sup> January, 2013 to 30<sup>th</sup> June, 2013 is subject to approval of Shareholders and Central Government. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of

## SINGER INDIA LIMITED



### INDEPENDENT AUDITORS' REPORT

sub-section (1) of section 274 of the Companies Act, 1956.

- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For RAY & RAY  
Chartered Accountants  
Firm's Registration Number 301072 E

(A.K. Sharma)  
Partner  
Membership Number 80085

Place: New Delhi

Date: 27<sup>th</sup> August, 2013

**Annexure to the Independent Auditors' Report  
(Referred to in paragraph 1 under the heading Report on  
Other Legal and Regulatory Requirements)**

1. a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets lying at its Jammu factory and other locations.
- b) The fixed assets were physically verified during the year by the management in accordance with a programme of verification which, in our opinion, provides for physical verification of major fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. a) The inventory (excluding stocks with third parties and stock in transit) has been physically verified by the management during the year. Stock in transit as at 30<sup>th</sup> June, 2013 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 Trade Payables which are under process of review/reconciliation. Subject to the above, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal control system.
5. a) On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 do not exceed the value of Rs. 5 lacs in respect of any party in any one financial year. Accordingly, the provisions of sub clause (b) of paragraph 4 (v) of the Order are not applicable to the Company.



**INDEPENDENT AUDITORS' REPORT**

6. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the rules framed there under, to the extent applicable, had been complied with by the Company. The Hon'ble High Court of Delhi vide Order dated 19.01.2011 in relation to the Appeal filed against the Order of the Hon'ble Company law Board dated 25th June, 2009 on the composite scheme for repayment of deposits under section 58A and 58AA of the Companies Act, 1956 directing the Company to pay interest to all depositors at the contracted rate up to the date of maturity and thereafter @ 5% till the date of final installment before 31st March, 2011. The Company has re-paid all unpaid interest on fixed deposits except 20 depositors whose principal and interest accrued thereon of Rs. 386 thousands 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 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 / Sales Tax of various States	Sales Tax	2008-09	First Appellate Authority, Delhi	1632
	Sales Tax	2005-06	VAT Tribunal, Delhi	182
	Sales Tax	2002-03, 2007-08	First Appellate Authority, West Bengal	995
	Sales Tax	1995-96	Appellate Tribunal, West Bengal	1,479
	Sales Tax	2009-10	First Appellate Authority, West Bengal	7,213
	Sales Tax	1992-93, 1996-97, 2004-05	First Appellate Authority, Maharashtra	3,962
	Sales Tax	2002-03	First Appellate Authority, Goa	13
	Sales Tax	2000-01	First Appellate Authority, Cochin	43
	<b>Total</b>			<b>15,519</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



### INDEPENDENT AUDITORS' REPORT

10. The Company has no accumulated losses as at 30<sup>th</sup> June, 2013 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 has 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

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

New Delhi, 27<sup>th</sup> August, 2013

# SINGER INDIA LIMITED



## BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2013

		(Amount in '000)	
		As at 30th June	
	Note	2013 (Rupees)	2012 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	107,431	107,431
Reserves and Surplus	4	265,492	37,579
		<b>372,923</b>	145,010
<b>Non - Current Liabilities</b>			
Other Long-Term Liabilities	5	8,438	13,815
Long-Term Provisions	6	7,016	5,147
		<b>15,454</b>	18,962
<b>Current Liabilities</b>			
Trade Payables	7	111,238	95,482
Other Current Liabilities	8	110,620	99,748
Short-Term Provisions	9	96,062	94,097
		<b>317,920</b>	289,327
		<b>706,297</b>	453,299
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10.1	118,352	20,889
Intangible Assets	10.2	406	-
		<b>118,758</b>	20,889
Non-Current Investments	11	-	-
Deferred Tax Assets (Net)	12	105,298	45,796
Long-Term Loans and Advances	13	27,437	8,874
Other Non-Current Assets	14	-	-
		<b>132,735</b>	54,670
<b>Current Assets</b>			
Inventories	15	206,472	190,856
Trade Receivables	16	133,115	59,298
Cash and Bank Balances	17	92,879	104,059
Short-Term Loans and Advances	18	21,849	22,526
Other Current Assets	19	489	1,001
		<b>454,804</b>	377,740
		<b>706,297</b>	453,299
Significant Accounting Policies & Notes to the Accounts	1 to 53		

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

**for Ray & Ray**  
Chartered Accountants

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

**A. K. Sharma**  
Partner  
Membership no. 80085  
Firm's Registration Number 301072E  
New Delhi, 27<sup>th</sup> August, 2013

**Ashish Srivastava**  
Company Secretary

**K. K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

# SINGER INDIA LIMITED



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013

		(Amount in '000)	
		Year ended 30th June	
	Note	2013 (Rupees)	2012 (Rupees)
<b>INCOME</b>			
Revenue from Operations	20	1,969,173	1,559,316
Other Income	21	38,467	12,611
<b>Total Income</b>		<u>2,007,640</u>	<u>1,571,927</u>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	22	13,873	9,431
Purchases of Stock in Trade	23	1,573,248	1,314,706
Changes in Inventories of Finished Goods & Work-in-progress	24	(13,642)	(72,692)
Employee Benefits Expense	25	68,513	47,939
Finance Costs	26	524	397
Depreciation and Amortisation Expense	27	5,896	4,036
Other Expenses	28	265,520	182,002
<b>Total Expenses</b>		<u>1,913,932</u>	<u>1,485,819</u>
<b>Profit Before Tax</b>		93,708	86,108
<b>Tax Expense</b>			
Current Tax	29	-	-
Deferred Tax		(59,502)	(16,034)
<b>Profit for the year</b>		<u>153,210</u>	<u>102,142</u>
Basic & Diluted Earnings per Share (in Rupees) Face Value Rs. 10	47	14.26	9.51
Significant Accounting Policies & Notes to the Accounts	1 to 53		

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

**for Ray & Ray**  
Chartered Accountants

**A. K. Sharma**  
Partner  
Membership no. 80085  
Firm's Registration Number 301072E  
New Delhi, 27<sup>th</sup> August, 2013

**Ashish Srivastava**  
Company Secretary

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

**K. K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

# SINGER INDIA LIMITED



## CASH FLOW STATEMENT

	(Amount in '000)	
	2013 (Rupees)	Year ended 30th June 2012 (Rupees)
<b>A. Cash flow from operating activities :</b>		
Profit before tax	93,708	86,108
Adjustments for:		
Gratuity	4,324	471
Leave Encashment	2,354	(671)
Superannuation	18	11
Impairment of Assets	-	1,700
Provision / Write off : Debts & Advances	428	814
Depreciation	5,896	4,036
Interest Income	(6,332)	(5,054)
Provision / Liabilities Written Back	(22,186)	(1,004)
Loss on Sale / Discard of Assets (net)	231	143
Unrealised Foreign Exchange (Gain) / Loss	89	231
Finance Costs	524	397
Operating profit before Working Capital Changes	<u>79,054</u>	<u>87,182</u>
Adjustments for:		
Trade and Other Receivables	(69,511)	(12,033)
Inventories	(15,616)	(72,523)
Trade and Other Payables	<u>14,849</u>	<u>47,466</u>
Cash Generated from Operations	<u>8,776</u>	<u>50,092</u>
Payment of Direct Taxes	(16,119)	(3,078)
Net Cash from Operating Activities	<u>(7,343)</u>	<u>47,014</u>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(10,594)	(2,297)
Sale of Fixed Assets	155	15
Interest Received	6,829	4,506
Changes in Other Bank Balances	<u>13,722</u>	<u>5,776</u>
Net Cash generated from Investing Activities	<u>10,112</u>	<u>8,000</u>
<b>C. Cash Flow from Financing Activities :</b>		
Short-Term Borrowings	-	(7,098)
Interest Paid	(227)	14
Net Cash used in Financing Activities	<u>(227)</u>	<u>(7,084)</u>
Net Increase/(Decrease) in Cash / Cash Equivalent (A+B+C)	<u>2,542</u>	<u>47,930</u>
Cash and Cash Equivalent as at the beginning of the year	<u>72,057</u>	<u>24,127</u>
Cash and Cash Equivalent as at the end of the year	<u>74,599</u>	<u>72,057</u>

### Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) - 3 'Cash Flow Statement'.
- 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, 27<sup>th</sup> August, 2013

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS

### 1. Corporate Information

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

### 2. Significant Accounting Policies

#### (a) Basis of Preparation

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 Standards) 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.

#### (b) Use of Estimates

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

#### (c) Tangible Fixed Assets

Fixed Assets are stated at cost (or revalued amount as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price / cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition, construction and installation to bring the asset to its working

condition for its intended use. Wherever assets are revalued, amount added on revaluation based on approved valuer's report is disclosed separately as required by the Companies Act, 1956. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized.

#### (d) Intangible Fixed Assets

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

#### (e) Impairment of Assets

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

#### (f) Investments

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

#### (g) Inventories

Inventories (Finished Goods and Work-in-progress) are valued at lower of cost or net realisable value, on the basis of physical verification carried out by the management. Cost is arrived at on FIFO basis and includes appropriate portion of allocable overheads. Cost of finished goods includes excise duty. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost necessary to make



NOTES TO THE ACCOUNTS (Contd.)

the sale. Raw Materials are valued at cost (FIFO basis). Goods in transit are valued at cost. Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(h) Warranties**

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

**(i) Excise Duty**

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

**(j) Revenue recognition**

- 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
Leasehold Improvements	33.33%	3 years

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

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

**(l) Lease**

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

**(m) Foreign currency transactions**

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

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated



NOTES TO THE ACCOUNTS (Contd.)

in a foreign currency, are reported using the exchange rate at the date of the transaction.

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

**(n) Employees Benefits**

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

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

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

**(o) Research and development**

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

**(p) Taxes on Income**

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

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

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

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

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

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

Contingent Assets are not recognized in the Financial Statements.

**(r) Earnings per share**

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

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

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

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in '000)	
	As at 30th June	
	2013 (Rupees)	2012 (Rupees)
<b>3. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
15,000,000 (2012 - 15,000,000) Equity Shares of Rs. 10 each	150,000	150,000
500,000 (2012 - 500,000) Redeemable Preference Shares of Rs. 100 each	50,000	50,000
	200,000	200,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
10,743,135 (2012-10,743,135) Equity Shares of Rs. 10 each	107,431	107,431
	107,431	107,431

### Notes

#### a) Reconciliation of Equity Shares

	As at June 30, 2013		As at June 30, 2012	
	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 Authorised 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, 2013		As at June 30, 2012	
	Number of shares	%	Number of shares	%
Singer (India) B.V. Netherlands-The Holding Company	8,057,351	75.00%	8,407,551	78.26%

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.



# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

- 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**  
**2013      2012**  
**(Rupees)    (Rupees)**

### 4.

#### RESERVES AND SURPLUS

Securities Premium  
As per last account

12,250      12,250

Revaluation Reserve:

Additions during the year (Note 36)

93,557      -

Less : Transferred to Statement of Profit & Loss

-      -

**93,557      -**

General Reserve :

Add : Transferred from Statement of Profit & Loss

7,661      -

**7,661      -**

#### Surplus / (Deficit) in Statement of Profit & Loss:

As per last account

25,329      (76,813)

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

153,210      102,142

Less : Appropriations

Transferred to General Reserve

(7,661)      -

Proposed Dividend on Equity Shares (Note 38)

(16,115)      -

Tax on proposed dividend on Equity Shares

(2,739)      -

Balance at the end of year

**152,024      25,329**

**265,492      37,579**

### 5.

#### OTHER LONG TERM LIABILITIES

Security Deposit

1,273      1,274

Other Liabilities \*

7,165      12,541

**8,438      13,815**

\* includes stale cheques and rent (under litigation) Rs. 4,758 & Rs. 1,188 respectively (2012 - Rs. 8,197 & Rs. 2,333 respectively)

### 6.

#### LONG TERM PROVISIONS

Provision for Employees Benefits:

Leave Encashment

7,016      5,147

**7,016      5,147**

### 7.

#### TRADE PAYABLES

Total outstanding dues of Micro Enterprises & Small Enterprises (Note 33)

11,132      14,109

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

100,106      81,373

**111,238      95,482**

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in '000)	
	As at 30th June	
	2013 (Rupees)	2012 (Rupees)
<b>8.</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance from Customers	5,457	12,616
Unclaimed matured Fixed Deposits and Interest Accrued thereon*	386	437
Unclaimed Fractional Shares	23	23
Due to Singer Asia Limited (Cayman Islands)	447	674
Other Payables:		
Contribution payable towards Gratuity Fund	5,004	680
Superannuation	210	192
Liability for Capital Expenditure	1,128	14
Security Deposit	6,488	5,047
For Selling Expenses	56,660	31,310
For Other Expenses	21,150	40,938
Statutory Dues	13,667	7,817
	<b>110,620</b>	<b>99,748</b>

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

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

<b>9.</b>			
<b>SHORT TERM PROVISIONS</b>			
Leave Encashment		1,209	724
Proposed Dividend on Equity Shares		16,115	-
Tax on Dividend		2,739	-
Income Tax (Net of payments)		2,032	-
Contingencies *		73,967	93,373
		<b>96,062</b>	<b>94,097</b>

* Contingencies includes		Opening Balance (Rupees)	Addition (Rupees)	Deletion/ Reversal (Rupees)	Closing Balance (Rupees)
Legal & Statutory Matters #	2013	14,991	1,271	582	15,680
	2012	13,468	1,723	200	14,991
Contractual Matters in the Course of Business **	2013	38,595	-	-	38,595
	2012	38,595	-	-	38,595
Employees Related Matters #	2013	24,123	-	24,123	-
	2012	24,123	-	-	24,123
Product Warranties	2013	15,664	4,028	-	19,692
	2012	11,889	3,775	-	15,664
Total	2013	93,373	5,299	24,705	73,967
	2012	88,075	5,498	200	93,373

\*\* 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 28<sup>th</sup> April 2008 read with an amendment vide their order dated 24<sup>th</sup> 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.

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

**10.1.**  
Fixed Assets - Tangible

Particulars	Gross Block						Depreciation				Net Block	
	Cost as at 30 June 2012	Additions	Revaluation*	Deletions / Adjustments	Cost as at 30 June 2013	As at 30 June 2012	During the year	Impairment Loss	On Deletions / Adjustments	As at 30 June 2013	As at 30 June 2012	
Leasehold Land	959	-	61,906	-	62,865	134	12	-	-	62,719	825	
Building (on Leasehold Land)	29,197	-	31,651	-	60,848	17,651	975	-	-	42,222	11,546	
Plant & Machinery	104,143	5,724	-	332	109,535	98,901	2,524	-	79	101,346	5,242	
Vehicles	2	-	-	2	-	2	-	-	2	-	-	
Office Equipments	3,242	1,262	-	561	3,943	1,902	633	-	467	2,068	1,340	
Computers	4,416	1,185	-	153	5,448	2,966	970	-	130	3,806	1,450	
Furniture & Fixtures	2,556	745	-	117	3,184	2,070	485	-	101	2,454	486	
Leasehold Improvements#	-	1,198	-	-	1,198	-	223	-	-	223	-	
Total	144,515	10,114	93,557	1,165	247,021	123,626	5,822	-	779	128,669	20,889	
2012	144,121	2,297	-	1,903	144,515	119,635	4,036	1,700	1,745	123,626	20,889	

\* Refer Note 36

# During the year the Company has capitalised Rs. 1,198 as leasehold improvements on shops taken on operating lease and amortised the same over 3 years which hitherto such amount had been charged off to Statement of Profit & Loss. Accordingly, the profit of the year is more by Rs. 975.

**10.2.**

Fixed Assets - Intangible

Particulars	Gross Block			Depreciation			Net Block		
	Cost as at 30 June 2012	Additions	Deletions / Adjustments	Cost as at 30 June 2013	As at 30 June 2012	During the year	On Deletions / Adjustments	As at 30 June 2013	As at 30 June 2012
Computer Software	-	480	-	480	-	74	-	74	406
Total	-	480	-	480	-	74	-	74	406
2012	242	-	242	-	242	-	242	-	-

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in 000)	
	As at 30th June	
	2013 (Rupees)	2012 (Rupees)
<b>11.</b>		
<b>NON CURRENT INVESTMENT</b>		
Investments in Equity Instruments (Non Trade - Unquoted)		
Investment in Subsidiary Companies (Under Liquidation) (Note 52)		
610,008 (2012 - 610,008) Equity Shares of Rs. 10 each fully paid up in Singer India Trading Limited	6,100	6,100
100,008 (2012 - 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	7,100	7,100
	<u>-</u>	<u>-</u>

Aggregate value of unquoted investment (before provisions)

## **12.** **DEFERRED TAX ASSETS - NET**

### Deferred Tax Assets comprising of :

Fixed Assets (excess of net block as per Income Tax Act, 1961 over book value)	4,271	3,687
Unabsorbed Business Losses	57,542	-
Unabsorbed Depreciation	14,345	14,495
Retirement Benefits	4,293	2,126
Provision for Doubtful Debts & Advances	339	290
Sums Allowable on Payment	24,508	25,198

<b>Deferred Tax Assets (Net)</b>	<u>105,298</u>	<u>45,796</u>
----------------------------------	----------------	---------------

### Note

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

## **13.** **LONG TERM LOANS AND ADVANCES (Unsecured - Considered Good)**

Capital Advances	777	-
Advances recoverable in cash or in kind for value to be received		
- Considered Good	3,000	3000
Other Deposits	865	965
MAT Credit Entitlement (Note 44)	22,795	4,635
Income Tax Advance (net of provisions)	-	274
	<u>27,437</u>	<u>8,874</u>

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in '000)	
	As at 30th June	
	2013 (Rupees)	2012 (Rupees)
<b>14.</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivables (Unsecured)		
- Considered Doubtful	597	716
	597	716
Less:-Provisions	597	716
	-	-
	-	-
<b>15.</b>		
<b>INVENTORIES *</b>		
Raw Material **	2,937	979
Work-in-Progress	197	-
Finished Goods - Traded ***	203,338	189,877
	206,472	190,856
	206,472	190,856

**Notes:**

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

\*\* Includes Goods in Transit Rs. 324 (2012 - Rs. NIL) and Rs. 1,450 (2012 - Rs. 979) lying with third party.

\*\*\* Includes Goods in Transit Rs. 32,647 (2012 - Rs. 24,749) and Rs. 2,840 (2012 - Rs. 16,401) in transit Warehouse to Warehouse.

**16.**  
**TRADE RECEIVABLES (Unsecured-Considered Good)**

Outstanding for a period exceeding six months from the date they are due for payment

Other Debts \*

184	-
132,931	59,298
133,115	59,298
133,115	59,298

\*Includes Rs. 17,879 (2012 - Rs. 7,457) from Brand Trading (India) Private Limited, an Associate company.

**17.**  
**CASH AND BANK BALANCES**

**Cash & Cash Equivalents**

Cash on Hand	1,855	1,406
Balances with Banks in Current Accounts	56,667	56,929
Fixed Deposits with maturity within 3 months	16,077	13,722
	74,599	72,057

**Other Bank Balances**

Bank Deposits pledged as Security with Authorities	1,486	1,382
Margin Deposits	7,259	6,246
Fixed Deposits with maturity more than 3 months but less than 12 months	9,535	12,807
Fixed Deposits with maturity more than 12 months	-	11,567
	92,879	104,059
	92,879	104,059

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in '000)	
	As at 30th June	
	2013	2012
	(Rupees)	(Rupees)
<b>18.</b>		
<b>SHORT TERM LOANS AND ADVANCES (Unsecured-Considered good unless otherwise stated)</b>		
Advance recoverable in cash or kind for value to be received		
- Considered Good	5,873	10,300
- Considered Doubtful	448	180
Other deposits	10,632	9,865
Claims Recoverable from Custom Authorities	1,447	307
Deposit with Sales Tax Authorities under Protest	979	432
Prepaid Expenses	2,918	1,622
	<u>22,297</u>	<u>22,706</u>
Less : Provision for doubtful Advances	448	180
	<u>21,849</u>	<u>22,526</u>
<b>19.</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	452	949
Other Receivables - Considered Good (Unsecured)	37	52
	<u>489</u>	<u>1,001</u>
<b>20.</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Domestic Sales	1,969,130	1,558,408
- Exports Sales	-	835
	<u>1,969,130</u>	<u>1,559,243</u>
Less: Excise Duty	-	-
	<u>1,969,130</u>	<u>1,559,243</u>
Other Operating Income		
Service Income [net of expenses Rs. Nil (2012 - Rs. 437)]	43	73
	<u>1,969,173</u>	<u>1,559,316</u>
Details of Sale of Products:		
- Sewing machines and related accessories	1,831,529	1,524,887
- Others (including Household and Consumer Durables)	137,601	34,356
<b>21.</b>		
<b>OTHER INCOME</b>		
Interest Income (Gross)	6,332	5,054
Scrap sales	3,117	2,119
Provisions / Liabilities Written Back	22,186	1,675
Miscellaneous income	6,832	3,763
	<u>38,467</u>	<u>12,611</u>

**SINGER INDIA LIMITED****NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in '000) As at 30th June	
	2013 (Rupees)	2012 (Rupees)
<b>22.</b>		
<b>COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	979	1,148
Purchases*	14,155	8,536
Less : Closing Stock	2,937	979
Consumption	<u>12,197</u>	<u>8,705</u>
Conversion Charges on Contract Manufacturing **	977	726
Direct Expenses	699	-
	<u>13,873</u>	<u>9,431</u>

## Details of Raw Material Consumed :

- Sewing machine Arm & Bed	4,117	2,656
- Sewing machine Parts Set	5,012	4,625
- Sewing machine other components	3,068	1,424

\* Includes Rs. 1,212 (2012 - Rs. Nil) on account of material recovery from stocks written off in earlier years.

\*\* Excise Duty Rs. 284 (2012 - Rs. 144) reimbursed to Contract Manufacturer.

**23.****PURCHASES OF STOCK IN TRADE**

Purchase of Traded Goods *	1,573,248	1,314,706
	<u>1,573,248</u>	<u>1,314,706</u>

## Details of Purchase of Traded Goods:

- Sewing machines and related accessories	1,421,268	1,263,146
- Others (including Household and Consumer Durables)	151,980	51,560

\* Note

Includes Rs. 15,105 (2012 - Rs. 13,388) on free replacement against warranty.

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

Opening stock	-	-
Work-in-Progress	189,877	117,185
Finished Goods	<u>189,877</u>	<u>117,185</u>

**SINGER INDIA LIMITED****NOTES TO THE ACCOUNTS (Contd.)**

	(Amount in '000) As at 30th June	
	2013 (Rupees)	2012 (Rupees)
Less : Closing Stock		
Work-in-Progress	197	-
Finished Goods	203,338	189,877
	<u>203,535</u>	<u>189,877</u>
	(13,658)	(72,692)
Add : Increase in Excise Duty on Finished Goods	16	-
Increase / (Decrease) in Stock	<u>(13,642)</u>	<u>(72,692)</u>
<b>25.</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Bonus etc.	61,012	41,830
Contribution to Provident and other Funds	4,460	3,278
Staff Welfare Expenses*	3,041	2,831
	<u>68,513</u>	<u>47,939</u>
* Includes staff training Rs. 19 (2012- Rs. 188)		
<b>26.</b>		
<b>FINANCE COST</b>		
Interest Expenses*	524	397
	<u>524</u>	<u>397</u>
* Includes income tax interest Rs. 265 (2012 - Rs. Nil)		
<b>27.</b>		
<b>DEPRECIATION &amp; AMORTIZATION</b>		
Tangible Assets	5,822	4,036
Intangible Assets	74	-
	<u>5,896</u>	<u>4,036</u>
<b>28.</b>		
<b>OTHER EXPENSES</b>		
Contractual Services	2,726	764
Sales Outlet Variable Expenses	8,398	6,652
Freight Outward	34,277	26,987
Power & Fuel	2,990	2,282
Cash Discount	32,919	26,302
Rent / Lease Charges [Net of Recovery of Rs. 128 (2012 - Rs. 226)]	23,847	18,175
<u>Repairs &amp; Maintenance</u>		
Building	54	1,618
Plant & Machinery	88	1,814



# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

	(Amount in '000)	
	As at 30th June	
	2013	2012
	(Rupees)	(Rupees)
Others	8,064	4,906
Insurance [Net of Recovery of Rs. 83 (2012 - Rs. 48) ]	3,732	2,610
Rates & Taxes	2,075	1,658
Advertisement, Publicity & Other Promotion Expenses	53,347	34,207
Trade Mark License Fee (including cess & service tax) (Note 45)	24,866	-
Product Warranties	4,028	3,775
Commission	7,899	4,914
Travelling, Conveyance & Car Maintenance [Net of Recovery Rs. Nil (2012-Rs. 96)]	24,109	17,244
Postage, Telephone & Telex	4,872	3,875
Printing & Stationery	759	628
Provision / Write Off Debts & Advances	428	814
Legal & Professional Expenses	11,947	12,156
Loss on Sale / Discard of Assets [ Net of Gain Rs. 36 (2012 - Rs. 6) ]	231	143
Directors Sitting Fee	878	670
Auditors' Remuneration (Note 41)	1,117	1,037
Foreign Exchange Fluctuation (Net)	87	580
Meeting & Training	6,984	3,372
Bank Charges [net of gain Rs. 83 (2012 - Rs. 65)]	2,143	1,216
Miscellaneous Expenses [including impairment loss of assets Rs. Nil (2012 - Rs. 1,700)]	2,655	3,603
	<b>265,520</b>	<b>182,002</b>

### 29.

#### TAX

Current Tax (Note 44)

- Income Tax	22,795	4,635
- Less : MAT Credit Entitlement	22,795	4,635

- -

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

A. Contingent liabilities not provided for in respect of:

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

	2013	2012
	(Rupees)	(Rupees)
a) Income tax	-	3,000
b) Excise Duty	6,038	6,038
c) Value added tax / Sales tax	15,519	8,263
d) Others ( including present & ex staff)	83,924	86,771

\*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. 8,745 (2012 – Rs. 7,628).

B. Capital Commitments



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

**(Amount in '000)**

The estimated amount of contracts remaining to be executed on Capital Account and not provided for net of advances Rs. 1,033 (2012 – Rs. Nil).

- 31.** 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.
- 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 have been disclosed.

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

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

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

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

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

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

**33.1.** 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.

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

	As at 30 <sup>th</sup> June	
	2013	2012
	(Rupees)	(Rupees)
The principal amount due and remaining unpaid	11,132	14,109

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

**34.** Disclosures pursuant to Accounting Standard-15 "Employee Benefits"

a) The Company makes contribution towards Employees' provident fund and Employees' State Insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 2,897 (2012 – Rs. 2,000) towards provident fund and Rs. 184 (2012 – Rs. 83) as expense towards contribution to these plans. Out of the total contribution made for employees' provident fund a major part of the contribution is made to Singer India Limited Staff Provident Fund Trust and the balance amount in respect of pension fund is made to provident fund plan operated by Regional Provident Fund Commissioner. The funds of the trust have been invested under

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

(Amount in '000)

various securities as prescribed under the rules of the trust. The Company also makes good the deficiency, if any in the interest rate declared by the trust vis-à-vis the statutory rate.

b) The Company makes Superannuation Fund contribution to Life Insurance Corporation of India towards defined contribution retirement for qualifying employees. The Company has recognized Rs. 874 (2012 – Rs. 777) as expense towards contribution made during the year.

c) Defined Benefit Plan

i) Disclosure relating to Defined Benefit Plan as per Actuarial Valuation as on 30<sup>th</sup> June, 2013 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	
		2013	2012	2013	2012
	Expenses recognized in the statement of Profit & Loss for the year ended 30 <sup>th</sup> June 2013.				
a)	Current Service cost	1,158	576	4,300	796
b)	Interest Cost	330	400	393	296
c)	Expected return on plan assets	(394)	(357)	N.A.	N.A.
d)	Net Actuarial (Gains) / Losses	4,655	(143)	(2,072)	(683)
e)	Past Service cost	-	-	-	-
f)	Total Expense	5,749	476	2,621	409
	Net Asset / (Liability) recognized in the balance sheet as on 30 <sup>th</sup> June 2013				
a)	Present value of Defined Benefit Obligation as at 30 <sup>th</sup> June 2013	9,232	5,410	8,225	5,871
b)	Fair Value of plan assets as at 30 <sup>th</sup> June 2013	4,228	4,730	-	-
c)	Funded status {Surplus / (Deficit)}	(5,004)	(680)	(8,225)	(5,871)
d)	Net asset / (liability) as at 30 <sup>th</sup> June 2013	(5,004)*	(680)	(8,225)*	(5,871)
	Change in Defined Benefit Obligations (DBO) during the year ended 30 <sup>th</sup> June 2013				
a)	Present value of Defined Benefit Obligation at the beginning of the year	5,410	4,835	5,871	6,542
b)	Service Cost	1,158	576	4,300	796
c)	Interest Cost	330	400	393	296



**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	
		2013	2012	2013	2012
d)	Past Service Cost	-	-	-	-
e)	Actuarial ( Gains)/ Losses	4,743	(77)	(2,072)	(683)
f)	Benefit Paid	(2,409)	(324)	(267)	(1,080)
g)	Present value of Defined Benefit Obligation at the end of the year.	9,232	5,410	8,225	5,871
	Change in Assets during the year ended 30 <sup>th</sup> June 2013				
a)	Plan assets at the beginning of period	4,730	4,626	-	-
b)	Expected Return on Plan Assets	394	357	N.A.	N.A.
c)	Contributions by Employer	1,424	5	-	-
d)	Actual benefits paid	(2,409)	(324)	(267)	(1,080)
e)	Actuarial Gains / (Losses) on Plan Assets	89	66	-	-
f)	Plan assets at the end of the year	4,228	4,730	-	-
g)	Actual return on plan assets	483	423	N.A.	N.A.
	Major categories of plan assets as a percentage of total plan	Invested by LIC		N.A.	N.A.

\* includes liability of Jammu Factory workers on commencement of operations.

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

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



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

**(Amount in '000)**

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

• **Gratuity (Funded)**

	2013	2012	2011	2010	2009
Defined benefit obligation	9,232	5,410	4,835	4,273	5,058
Plan assets	4,228	4,730	4,626	4,293	4,176
Surplus / (deficit)	(5,004)	(680)	(209)	20	(882)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(4,202)	(99)	(97)	(189)	N.A.

• **Leave Encashment (Non funded)**

	2013	2012	2011	2010	2009
Defined benefit obligation	8,225	5,871	6,542	4,442	1,647
Plan assets	-	-	-	-	-
Surplus / (deficit)	(8,225)	(5,871)	(6,542)	(4,442)	(1,647)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(2,458)	(724)	(479)	(955)	(829)

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

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

**35.** The Company has reviewed the impairment of assets at the year end and noted that none of the assets have to be impaired as on 30<sup>th</sup> June, 2013.

**36.** The Company appointed Government Registered approved valuer to assess the fair market value of Leasehold Land and Building at Jammu and accordingly revalued the book value of Leasehold Land and Building as at 30<sup>th</sup> June, 2013. This resulted in increase in value of Leasehold Land and Building by Rs. 61,906 and Rs. 31,651 respectively and creation of Revaluation Reserve aggregating to Rs. 93,557.

**37.1** The Board of Industrial and Financial Reconstruction (BIFR) constituted under The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), vide its order dated 11th September, 2006, had declared the Company as a sick industrial company in terms of section 3(1)(o) of SICA. BIFR taking in account the positive net worth position of the Company as on 30th June 2012 observed that the scheme sanctioned for revival of Singer India Limited vide its order dated 28.4.2008/8.5.2008 have been substantially implemented, all secured creditors have been settled and all statutory dues paid, the Hon'ble bench vide its order dated 4<sup>th</sup> March, 2013 directed that:

a) the Company ceases to be a sick industrial company within the meaning of SICA and has discharged the Company from the provisions of SICA/ BIFR.

b) all creditors, statutory authorities are at liberty to recover their dues in accordance to Sanctioned Scheme in 2008.

c) un-implemented portions of the sanctioned scheme would be implemented by all concerned.

**37.2** The Company has also started its trial manufacturing operations at Jammu Factory in May-June 2013 after settlement of all its issues of the Jammu Factory. Productions commenced on and from July 3, 2013.

**37.3** 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.

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

(Amount in '000)

### 38. Proposed Dividend on Equity Shares of Rs. 10 each

	As at 30 <sup>th</sup> June	
	2013	2012
Amount of Dividend proposed	16,115	Nil
Dividend per Equity Share (Rs.)	1.50 per share	Nil

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

Particulars	2013		2012	
	Foreign currency (USD)	Amount (Rupees)	Foreign currency (USD)	Amount (Rupees)
Creditors	48,930	2,921	34,049	1,917
Advance given to supplier	-	-	3,348	188

### 39.2 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.

40. Mr. K.K.Gupta, the non-executive chairman was appointed as advisor on retainership fee and other bonafide reimbursement / benefits w.e.f. 1<sup>st</sup> January, 2012 which was subsequently approved by Shareholders through postal ballot, result of which was declared on 29<sup>th</sup> March, 2012. The Company made an application to Central Government seeking approval u/s 309(4) of the Companies Act, 1956, which was subsequently not approved on 31<sup>st</sup> May, 2013, on the technical ground that the tenure / period of proposed payment of remuneration was not specified in the resolution. The Company has made applications for reconsideration and review on 14<sup>th</sup> June, 2013 and 22<sup>nd</sup> July, 2013. The remuneration paid amounting to Rs. 774 for the period 1<sup>st</sup> January, 2012 to 30<sup>th</sup> June, 2012, and Rs. 855 for the period 1<sup>st</sup> July, 2012 to 31<sup>st</sup> December 2012 is subject to the approval of Central Government. However, as a matter of abundant precaution the Company is in the process of regularizing the appointment for this tenure at ensuing Annual General Meeting of Shareholders. The remuneration for the period 1<sup>st</sup> January 2013 to 30<sup>th</sup> June, 2013 amounting to Rs. 742 is subject to approval of Shareholder and Central Government. Mr. K.K.Gupta is holding this remuneration in trust on behalf of the Company.

### 41. Auditors' Remuneration (excluding service tax)

Particulars	2013 (Rupees)	2012 (Rupees)
As Auditors	700	620
As Tax Auditor	225	225
For Limited review and certification	192	192
Total	1,117	1,037

42. The Company deals (trades / manufactures) mainly in sewing machines and also traded (limited) in small appliances & Household/Consumer durables. The Company has also undertaken contract manufacturing. Small appliances & household / consumer durables & contract manufacturing forms only a negligible percentage of total turnover those are distinguishable and subject to same risks & returns on sewing machines. The Company's operating business is organized and managed according to the nature of products and services provided to offer



NOTES TO THE ACCOUNTS (Contd.)

(Amount in '000)

similar products and serving similar markets. The primary reporting has been prepared on the basis of this business segment. The disclosures as required under AS-17 on primary business segment has not been provided as the Company deals only in one business segment based on risks & returns, the organization structure and internal financial reporting. The Company also exports its products, but the disclosure as required under AS-17 on geographic segment has not been provided as the total value of exports is less than 10% of total revenue.

43. The Company's manufacturing is also done under 'contract manufacturing' by parties. Based on the legal opinion, the liability to pay excise duty is of the contractor who is to pay excise duty on assessable value which has been reimbursed by the Company to them.
44. The Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). This has not resulted in an additional expense as MAT is to be set off against any future liability and accordingly MAT Credit Entitlement has been shown under long-term loans & advances in Balance Sheet.
45. Arising out of a decision taken by the Board of Directors and in terms of the trademark license agreement entered into between the Company and Singer Asia Holdings B.V. (Netherlands) (a related party), the Company has agreed to pay Trade Mark License fee @1% on Consolidated revenue (total external sale less cash discount) effective from 1<sup>st</sup> April, 2012. The Company has accounted Trade Mark License fee aggregating to Rs. 22,131 excluding taxes (inclusive of Rs. 3,858 for 1<sup>st</sup> April, 2012 to 30<sup>th</sup> June, 2012) and taxes of Rs. 2,735 thereon during the year ended 30<sup>th</sup> June, 2013.
46. In accordance with Accounting Standard on "Related Party Disclosures" (AS 18), the disclosure in respect of transactions with the Company's related parties are as follows:

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

- |      |   |   |
|------|---|---|
| i.   | Holding Company   | Singer (India) B.V. (Netherlands)   |
| ii.  | Ultimate Holding Company  | Retail Holding N.V. (Curacao)   |
| iii. | Holding Company of Singer Asia Holding B.V. (Netherlands)                             | Singer Asia Limited (Cayman Islands)  |
| iv.  | Subsidiary Companies  | Himec India Limited (under liquidation)<br>Singer India Trading Limited (under liquidation) |
| v.   | Associates  | Brand Trading (India) Pvt. Ltd.<br>Singer Asia Holdings B.V. (Netherlands)                  |
| vi.  | Key Management Personnel  | Mr. K.K. Gupta, Chairman<br>Mr. Rajeev Bajaj, Managing Director                             |
| vii. | Name of related parties* where control exists having no transactions during the year: |   |

Associates

- Btindia Limited (B.V.I.)  
Reality (Lanka) Ltd.  
Regnis (Lanka) PLC  
Regnis Appliances (Pvt.) Ltd.  
Singer Asean Trading Limited (B.V.I.)  
Singer (Broker) Limited  
Singer (Pakistan) B.V. (Netherlands)

# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

(Amount in '000)

Singer (Sri Lanka) B.V. (Netherlands)  
 Singer (Thailand) B.V. (Netherlands)  
 Singer Asia Finance B.V. (Curacao)  
 Singer Asia Holdings N.V. (Curacao)  
 Singer Bhold B.V. (Netherlands)  
 Singer Service Plus Co. Ltd.  
 Singer Bangladesh Limited  
 Singer Industries (Ceylon) PLC  
 Singer Leasing (Thailand) Co. Ltd.  
 Singer Corporation Limited (Hong Kong)  
 Singer Finance (Lanka) PLC  
 Singer Pakistan Limited  
 Singer Srilanka PLC  
 Singer Thailand Public Co. Limited  
 ThaiInvest B.V. (Netherlands)  
 Telshan (Pvt) Ltd.  
 UCLAsia Partners L.P.  
 ReHo Limited  
 UCL Holdings VII Ltd. (B.V.I.)

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

	Transactions	2013	Balance as on 30 <sup>th</sup> June 2013 (Credit) / Debit	2012	Balance as on 30 <sup>th</sup> June 2012 (Credit) / Debit
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
	Holding Company:				
i)	Equity Shareholding	-	(80,574)	-	(84,076)
ii)	Dividend #	16,115	(16,115)	-	-
	Subsidiary Company:				
iii)	Investment in Himec India Ltd.	-	1,000	-	1,000
iv)	Investment provision– Himec India Ltd.	-	(1,000)	-	(1,000)
v)	Investment in Singer India Trading Ltd.	-	6,100	-	6,100
vi)	Investment provision – Singer India Trading Ltd.	-	(6,100)	-	(6,100)
vii)	Advance received from Singer India Trading Ltd.	-	-	(826)	-



# SINGER INDIA LIMITED



## NOTES TO THE ACCOUNTS (Contd.)

(Table Continued)

(Amount in '000)

	Transactions	2013	Balance as on 30 <sup>th</sup> June 2013 (Credit)/Debit	2012	Balance as on 30 <sup>th</sup> June 2012 (Credit)/Debit
	Associate Company :				
viii)	Sales to Brand Trading India Pvt. Ltd.	108,936	-	99,946	-
ix)	Amount recovered from Brand Trading India Private Limited				
	- Rent	128	-	226	-
	- Insurance	83	-	48	-
	- Other - Vehicle expenses	-	-	96	-
x)	Unsecured loan / (advance) (net) received / receivable from Brand Trading (India) Private Limited	-	-	(7,098)	-
xi)	Trade receivable from Brand Trading (India) Private Limited	-	17,879	-	7,457
xii)	Trade Mark License fee to Singer Asia Holdings B. V. (Netherlands)	22,131	(22,131)	-	-
xiii)	Purchase of goods & services from Singer Asia Limited (Cayman Islands)	227	(447)	(236)	(674)
xiv)	Operating Lease Agreement with a relative of a director	180	(15)	180	-
xv)	Managerial remuneration to Key Personnel :				
	Mr. K. K. Gupta	1,717**	(6)	8,746**	-
	Mr. Rajeev Bajaj	5,107	(18)	3,886	-

As identified and certified by the Management

\*\* includes Retainer-ship fee and bonafide reimbursement / benefits Rs. 1,597 (2012 – Rs. 774) and Sitting fee Rs. 120 (2012 – Rs. 65)

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

### 47. Earnings per share

Particulars	Year ended 30 <sup>th</sup> June	
	2013 (Rupees)	2012 (Rupees)
Net Profit after taxation as per Statement of Profit & Loss	153,210	102,142
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)	14.26	9.51

**SINGER INDIA LIMITED****NOTES TO THE ACCOUNTS (Contd.)**

		2013 (Rupees)	2012 (Rupees)
48.	FOB value of exports – on accrual basis	-	835
49.	CIF value of imports – on accrual basis		
	- Finished goods	232,152	234,379
50.	Expenditure in foreign currency during the year (on accrual basis)		
	Trade Mark License Fee	22,131	-
	Others	1,577	1,298
51.	Value of imported and indigenous Raw material consumed:		

S.No.	Particulars	2013		2012	
		% of Consumption	Rupees	% of Consumption	Rupees
i)	Imported	-	-	-	-
ii)	Indigenous	100%	12,197	100%	8,705
	Total	100%	12,197	100%	8,705

52. 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.
53. The Previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amount and other disclosure for the preceeding year are included as an integral part of the current year's Financial Statements and are to be read in relation to the amount and other disclosure relating to the current year.

**On behalf of the Board of Directors**

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, 27<sup>th</sup> August, 2013

**ATTENDANCE SLIP**

**SINGER INDIA LIMITED**

Registered Office : A-26/4, 2<sup>nd</sup> 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 35<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 12<sup>th</sup> November, 2013 at 4.00 p.m. at Sri Sathya Sai International Centre, Pragati Vihar, Bhasham 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, 2<sup>nd</sup> Floor, Mohan Cooperative Industrial Estate, New Delhi - 110044

DP ID*	
--------	--

Master Folio No.	
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Client Id*	
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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 35<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 12<sup>th</sup> November, 2013 at 4.00 p.m. at Sri Sathya Sai International Centre, Pragati Vihar, Bhasham Pitamah Marg, Lodhi Road, New Delhi-110003.

Signed this ..... day of .....2013

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**



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