

# ANNUAL REPORT 2011

SINGER

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**BOARD OF DIRECTORS**

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

**SECRETARY**

Mr. Ashish Srivastava

**BANKERS**

ICICI Bank Limited  
Yes Bank Limited

**REGISTERED &  
CORPORATE OFFICE**

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

**WORKS**

Lane No. 4  
SIDCO Industrial Estate  
Jammu

Lane No. 2  
SIDCO Industrial Estate  
Phase II, Jammu

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

**NOTICE**

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

Day : Wednesday

Date : 5th October, 2011

Time : 4:00 P.M.

Place : Sri Sathya Sai International Centre,  
Institutional Area, Pragati Vihar,  
Lodhi Road, New Delhi - 110003

to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as on 30th June 2011 and the Profit & Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gavin Walker, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Deepak Sabharwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

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

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** subject to the approval of the Central Government and as per section 198(4), 269, 309(3),310 and 311 read with Schedule XIII and other enabling provisions, if any of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Rajeev Bajaj, Managing Director of the Company, effective 1st July 2011 till the remaining period of his tenure upto 30th September 2011 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.

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 reappointment of Mr. Rajeev Bajaj as the Managing Director of the Company and payment of remuneration to Mr. Bajaj as the Managing Director of the Company, effective 1st October 2011 for a period 3 years 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

**NOTICE**

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shall also be the minimum remuneration payable to Mr. Rajeev Bajaj pursuant to Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956.

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

Place : New Delhi  
Dated: 3rd August, 2011

**Ashish Srivastava**  
COMPANY SECRETARY

**NOTES**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Special Business.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th September 2011 to 5th October 2011. (both days inclusive).
5. In order to preserve the environment & minimize use of paper, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report.
6. Members who are holding 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.
7. Members are requested to produce the enclosed attendance slip, duly signed in accordance with the specimen signatures registered with the Company for admission in the meeting hall.
8. It will be desirable that queries, if any, on the accounts and operation of the Company are sent to the Company 10 days in advance of the meeting so that the answers may be made readily available, which would be appreciable.
9. The shares of the Company are being compulsorily traded in dematerialized (i.e. electronic form only) in the Bombay Stock Exchange. If you are still holding the shares in physical form, you are advised to dematerialise your shares. For your information ISIN no of the company is INE638A01027 for both the depositories, viz National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).
10. Documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered office of the Company during office hours on all working days except Saturdays, Sundays and other Holidays between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
11. Pursuant to Clause 49 iv (G) (i) of Listing Agreement, profile of directors to be re- appointed at the ensuing Annual General Meeting has been given in the Corporate Governance Report attached to the Annual Report.
12. **NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

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

In conformity with the provisions of Section 173 of the Companies Act, 1956 the following explanatory statement

**NOTICE**

which sets out the material facts relating to the Special Business under item no's. 5 and 6 of the accompanying notice dated 3rd August, 2011 are taken as forming part of the Notice.

**Item no. 5**

Mr. Rajeev Bajaj was appointed as the Whole time Director designated as Finance Director & C.F.O. of the Company w.e.f. 1st October 2008 for a period of three years which was also approved by the shareholders and the Central Government vide letter No. SRN No.A53234738-CL-VII dated 17th August 2009 and SRN No. A53234738/3/2009-CL-VII dated 23rd December 2009. The Board of Directors in their Meeting held on 29th day of September, 2010 re-designated Mr. Rajeev Bajaj as Managing Director of the Company w.e.f. 1st day of October, 2010 upto the remaining period of his tenure.

The Board of Directors in their meeting held on 29th July 2009 and 30th July 2010 based on the recommendation of the Remuneration Committee, had increased his remuneration by way of Annual increment as per Policy of the Company effective 1st July 2009 to 30th June 2010 and from 1st July 2010 to the remaining period of his tenure. This was also approved by the shareholders in their Annual General Meeting held on 10th November 2010 and the Central Government vide letter No. SRN No.A85603132/1/2010-CL-VII dated 19th January 2011 and Letter No. SRN No. A94697570/4/2010-CL-VII dated 12th January 2011 respectively.

The Board of Directors in their meeting held on 3rd August 2011 based on the recommendation of the Remuneration Committee as a part of Company Policy approved the Annual Increment effective 1st July, 2011 till the remaining period of his tenure upto 30th September 2011. The proposed increase in the remuneration is approximately 31% over his existing remuneration. Annual Performance Award limit has been increased from the present limit of 100% to 120% of the basic salary.

- |                                   |   |
|-----------------------------------|---|
| 1. Basic Salary                   | : Rs. 820,800 p.a. paid in<br>12 equal monthly payments.  |
| 2. All Perquisites and allowances | : Rs. 2,013,420 p.a. paid in<br>12 equal monthly payments |

- |  |   |
|--|---|
| 3. Contribution to Gratuity & Provident Fund | : Rs. 137,976 p.a. paid in<br>12 equal monthly installments                       |
| 4. Annual Performance Award                  | : As decided by the Board from<br>time to time up to 120% of the<br>basic salary. |

The application for approval from Central Government for the above increase is being filed.

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

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

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

**Statement in terms of Section II (C) (iv) of Part II of Schedule XIII of the Companies Act, 1956 has been given after item no. 6 below**

**Item no. 6**

The Board of Directors on the recommendation of the Remuneration Committee in its meeting held on 3rd August 2011 re-appointed Mr. Rajeev Bajaj as Managing Director of the Company for a further term of three years effective 1st October, 2011 on remuneration as detailed below:

**A) For the period 1st October 2011 to 31st December 2011**

- |  |   |
|--|---|
| 1. Basic Salary                              | : Rs. 820,800 p.a. paid in<br>12 equal monthly payments.                          |
| 2. All Perquisites and allowances            | : Rs. 2,013,420 p.a. paid in<br>12 equal monthly payments                         |
| 3. Contribution to Gratuity & Provident Fund | : Rs.137,976 p.a. paid in<br>12 equal monthly installments                        |
| 4. Annual Performance Award                  | : As decided by the Board from<br>time to time up to 120% of the<br>basic salary. |

**NOTICE****B) For the period 1st January 2012 upto the remaining period of his tenure.**

- |  |   |
|--|---|
| 1. Basic Salary                                | : Rs.1,026,000 p.a. paid in 12 equal monthly payments.                      |
| 2. All Perquisites and allowances              | : Rs.2,516,796 p.a. paid in 12 equal monthly payments                       |
| 3. Contribution to Gratuity and Provident Fund | : Rs.172,471 p.a. paid in 12 equal monthly payments                         |
| 4. Annual Performance Award                    | : As decided by the Board from time to time up to 120% of the basic salary. |

The Board of Directors based on the recommendation of the Remuneration Committee shall have the liberty to revise the remuneration every year not exceeding 10% of the total remuneration based on the performance of Mr. Rajeev Bajaj.

The application for approval from Central Government for the above Re-appointment and payment of remuneration is being filed.

**Statement in terms of Section II (C) (iv) of Part II of Schedule XIII of the Companies Act, 1956 for item no 5 & 6 is given as under:**

**I. General Information:**

- |  |   |
|--|---|
| 1. Nature of Industry  | : Sewing Machines & other Consumer durable  |
| 2. Date of Commencement of business                                      | : 13th 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 30.06.2011, the Company recorded a turnover of Rs. 119.64 crores and made a profit of Rs. 6.25 crores before tax and exceptional |

items. The profit before tax (after recording exceptional items) was Rs. 1.55 crores. The profit after tax and after recording exceptional items for the year under review was Rs. 2.92 crores. Accumulated losses were reduced from Rs. 12.21 crores as at 30th June 2010 to Rs. 7.68 crores as on 30th June 2011.

- |  |  |
|--|--|
| 5. Export performance and net foreign exchange | : The Company had exported goods worth Rs. 0.11 crores during the year ended on 30.06.2011   |
| 6. Foreign investments or collaborators        | : Singer (India) B V, The Netherlands is the promoter Company and holds 78.90 % 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 27 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial. |
|-----------------------|--|

Mr. Bajaj was earlier working in Steel Authority of India Limited. Thereafter he joined Singer India Limited as senior officer in 1986 and was subsequently appointed as Company Secretary in February 1999 to October 2005. In October 2005 Mr. Bajaj joined Brand Trading (India) Private Limited as a

**NOTICE**

Company Secretary & G.M Commercial. From October 2008 he is working with Singer India Limited.

2. Past remuneration : Singer India Limited = Rs. 22,42,679 for year ended 30.06.2011

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 27 years of rich experience in overall financial management of companies.

5. Remuneration proposed : As approved by Remuneration Committee and the Board of Directors as per details set out in the explanatory statement attached with the Notice of the meeting.

6. Comparative Profile w.r.t. industry size of the Company, profile of the position and person. : In line with the Industry

7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any : He is entitled to the remuneration as proposed in the resolution. He is not related to any managerial personnel. He has no other direct or indirect pecuniary relationship with the Company.

**III Other information :**

1. Reasons of loss or inadequate profits : N.A.

2. Steps taken or proposed to be taken for improvement : The Hon'ble BIFR has also vide its Order dated 28th April, 2008 sanctioned the rehabilitation scheme for the revival of the Company.

The Company is in the process of implementing the Scheme.

3. Expected increase in productivity and profits in measurable terms. : The Company expects that volumes will grow by 8 to 10 % annually in the respective business, which the Company will continue as per the restructuring plan in the current financial year as well.

**IV Disclosures**

1. Remuneration package of the managerial person : Remuneration package of Mr. Rajeev Bajaj is as given in the resolution and Explanatory Statement annexed with the Notice to the members

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

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

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

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

Place: New Delhi  
Dated: 3rd August, 2011

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



**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the Thirty Third Annual Report and the audited accounts for the year ended 30th June 2011.

**FINANCIAL RESULTS**

	<b>(Rs. in Crores)</b>	
	For the year ended 30th June 2011	For the 15 months period ended 30th June 2010
Sales & Services	118.91	111.79
Other Income	0.73	1.38
	119.64	113.17
Profit/(Loss) before Interest, Depreciation & impairment and tax, contingencies and exceptional items	6.79	8.42
Interest & bank charges	0.14	0.33
Depreciation	0.40	0.69
Profit / (Loss) before tax contingencies and exceptional items	6.25	7.40
Exceptional items, contingencies etc.		
(Income)/ (Expenditure)	4.70	4.74
Profit / (Loss) before tax	<b>1.55</b>	<b>2.66</b>
Tax (Including adjustments related to earlier years)	1.37	0.21
Profit / (Loss) after tax	2.92	2.45
Balance of loss from previous years	12.21	14.66
Adjustment relating to deferred tax	(1.61)	0
Balance carried forward	7.68	12.21

**OPERATIONS**

The results of your Company for the year under review continued to be encouraging with the net worth turning positive as at 30th June 2011 by over Rs. 4 crores. The turnaround was possible due to increasing profitability achieved ever since the Company restructured its operations in line with the rehabilitation scheme sanctioned by the Hon'ble BIFR coupled with the concessions and relief's accounted

for in the accounts that had been sanctioned under the scheme.

The sewing business turnover of Rs.117.9 crores accounted for 99 % of the total turnover achieved during the 12 months period ended 30th June 2011 which increased by 32 % compared to Rs. 111.67 crores during the previous period of 15 months. While price increase also contributed 10% to the revenue growth, the volume increased by 22 % coming mainly by expansion to unrepresented territories and focus on high value products. This strategy will continue to be pursued and the Company will further strengthen its core sewing business. Simultaneously, the Company will diversify by entering into small appliances business having completed test marketing in the year ended 30th June 2011.

The Company recorded a profit of Rs. 6.25 crores before taking into account the extraordinary /exceptional items and a profit of Rs. 2.92 crores after recording all items including taxes during the year ended 30th June 2011. The increased volumes and controlled expenses helped to maintain healthy profits in spite of the pressure on margins due to rise in input costs which could not be passed fully on to the consumers. The accumulated losses as of 30th June 2011 had reduced to Rs. 7.7 crores.

**DIVIDEND**

In view of the accumulated losses, no dividend is recommended for the period under review.

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

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

As informed last year, the Company had already completed its capital restructuring including the additional new subscription by its Promoters, settling with the Secured Creditors and some of the Unsecured Creditors. Litigation with some of the

Unsecured Creditors is pending before the Hon'ble AAIFR. An appeal filed by the National Small Industries Corporation, a shareholder of the Company, before the Hon'ble Supreme Court against capital restructuring was dismissed.

The operations at Jammu manufacturing Unit remained suspended. The Company has been in active discussions with the remaining workers for reaching an amicable settlement to restart manufacturing operations. Meanwhile, the contract manufacturing of sewing machines which was undertaken last year continues.

### **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 both the shareholders of Himec India Limited and Singer India Trading Limited has completed all necessary formalities and filed his Report with the Official Liquidator and 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. Deepak Sabharwal and Mr. Gavin Walker, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Tenure of Mr. Rajeev Bajaj, as Managing Director will come to an end on 30th September, 2011. The Board of Directors' in their meeting held on 3rd day of August, 2011 have re-appointed Mr. Bajaj as the Managing Director for a further period of three years effective from 1st day of October, 2011.

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.

### **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 as per the directions of the Hon'ble Delhi High Court except for the unclaimed amount of Rs. 3.08 lacs to 22 depositors who have not furnished the original deposit receipts or indemnities. Reminders to these depositors have also been sent.

### **DEPOSITORY SYSTEM**

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). As on June 30, 2011, 21.78% of the total shareholding of the Company was held in dematerialized form.

### **AUDITORS**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

- iv) That the Directors had prepared the annual accounts on a going concern basis.

#### **DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms a part of this Report. Since the factory of the Company was not in operation during whole of the year, only relevant information has been included in this report.

#### **EMPLOYEES**

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

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

#### **INDUSTRIAL RELATIONS**

Industrial relations have remained cordial and harmonious during the year. As said before, the operations of the factory at Jammu remained suspended from 6th April 2005.

#### **CORPORATE GOVERNANCE**

As required under Clause 49 of the Listing Agreement, a separate report on Corporate Governance is enclosed as a part of this Annual Report, duly certified by M/s Ray & Ray, Chartered Accountants, the Auditors of the Company, confirming the compliance of the conditions of Corporate Governance.

#### **ACKNOWLEDGEMENT**

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

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi

Date: 3rd August, 2011

**K. K.GUPTA**

**CHAIRMAN**

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

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

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

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

##### **B FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

- |   |                  |
|---|------------------|
| a) Foreign Exchange Earnings on exports (accrual basis) | Rs. 0.11 crores  |
| b) Foreign Exchange Outgo                               |                  |
| - CIF value of imports of raw materials and components  | NIL              |
| - Finished goods  | Rs. 13.36 crores |
| - Expenditure in foreign currency -                     | Rs. 0.41 crores  |

**ANNEXURE TO DIRECTORS' REPORT****APPENDIX  
FORM B****DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****RESEARCH AND DEVELOPMENT (R & D)**

Not Applicable as explained above.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- Information in case of imported technology (imported during last five years).
  - Technology imports - N.A.
  - Year of Import - N.A.
  - Has technology been fully implemented - N.A.
  - If not fully absorbed, area where this has not taken place, reason therefore and future plans of action. - N.A.

**Statement of employees pursuant to section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975****(A) (I) Employees drawing Remuneration of not less than Rs. 5 lacs per month and employed for full year**

Sl.	Name	Age in year	Designation Nature of Duties	Remuneration Received (Rs. '000)	Qualification	Date of Commencement of employment	Total Experience in years	Last position held before joining the company
1	2	3	4	5	6	7	8	9
1.	K K Gupta	73	Whole time director designated as Chairman	9744	B.Sc. (Mechanical Engineering) (MS Industrial Engineering)	11.10.2007	48	Chairman and Managing Director-Brand Trading (India) Private Limited

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

1. Nature of employment is contractual.
2. Remuneration includes Salary, Special allowance, Housing allowance, Utilities/repair & maintenance, Leave Travel Assistance, Medical and Personal Accident Insurance, Club Membership, Medical Reimbursement, Gas & Electricity, Furniture, Provident Fund and Annual Performance Award.
3. The above employee is not related to any Director of the Company.
4. Percentage of equity shares held by the employee in the Company - NIL

**ANNEXURE TO DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****Annexure A**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**MANAGEMENT DISCUSSION****Industry Structure and Development**

As per our estimates the sewing machines market continues to grow at a very small rate of 2-3% with branded machines growing at a faster rate. The Zig Zag Sewing machines offer a higher potential for growth in future with increasing awareness of this products amongst consumers who can afford to pay now higher price for added features.

**Outlook of Opportunities**

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

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

With increasing competition, margins will remain under pressure.

**Segment-wise Performance**

The Company is concentrating on sewing machines business only; other businesses form only a negligible percentage of the total turnover. Even geographical segmentation is not applicable Hence, segment-wise performance is not being given.

**Internal Control Systems and Adequacy**

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

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

The weak areas are being reviewed for further strengthening.

**Financial Performance**

Sales and service Income of the Company increased by 32% in the financial year ended 30th June 2011 compared to the previous 15 months period ended 30th June, 2010. This came 10% from price inflation and balance from better product mix/volumes .The Company posted a profit of Rs.2.92 crores after recording all exceptional items during the year ended 30th June 2011.

**Human Resources**

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

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

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

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

**1. Board of Directors**

1.1 As on 30th June 2011, the strength of your Company's Board is seven. Two are the Whole-time Directors, viz. Mr. K. K. Gupta is the Chairman and Mr. Rajeev Bajaj is the Managing Director. The rest five Directors are the non-executive Directors. Four are Independent Directors including One Special Director nominated by the Hon'ble BIFR. All Directors are professional 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 the judgment of the director.

The details of constitution of the Board and the number of directorships and committee memberships held in other companies as on 30th June 2011, and their attendance at the Board Meetings held during the period 1st July, 2010 to 30th June 2011 and at the last Annual General Meeting, are given below:

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

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 10 Nov. 2010	No. of outside directorships*
1.	Mr. K.K Gupta, Chairman	Executive	5	5	Yes	1
2.	Mr. P.N Sharma	Non-Executive Independent	5	4	Yes	1
3.	Mr. Gavin Walker	Non-Executive	5	1	No	0
5.	Mr. Deepak Sabharwal	Non-Executive Independent	5	5	Yes	0
8.	Mr. Rajeev Bajaj	Executive	5	5	Yes	0
9.	Mr. Ajit Kumar	Non-Executive Independent	5	5	No	1
11.	Mr. K.K. Goel	Special Director nominated by the Hon'ble BIFR	5	5	No	0

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

- 1.2** The meetings of the Board of Directors are held at periodical intervals. During the year under review, five Board Meetings were held on 30th July, 2010, 29th September, 2010, 10th November, 2010, 13th February, 2011 & 4th May, 2011. The gap between two Board Meetings did not exceed four months.
- 1.3** As on 30th June, 2011, the Company was required to have an optimum combination with not less than 50% of the Board of Directors comprising of non- executive independent directors. The Company had fully complied with the above requirement and in the financial year ending 30th June 2011 the Company had 50% as non-executive Independent Directors

## 2. Code of conduct

- 2.1** The Company is committed in conducting business in accordance with the highest standards of business ethics and complying with the applicable laws, rules and regulations. The Company had posted its Code of Conduct on the website of the Company as it believes that a good Corporate Governance structure would not only encourage value creation but also provide accountability and control system commensurate with the risk.
- 2.2** All Directors have as on 30th June, 2011, filed the requisite declaration stating that:
- The disqualification contemplated under 274(1) (g) of the Companies Act 1956 did not apply to them.
  - The Code of Conduct for prevention of insider trading in its equity shares has been complied with.
- 2.3** The Company has framed the Code of Conduct and Ethics for members of the Board and Senior Management personnel of the Company. The Company takes great care that the members of Board and Senior Management comply with the clauses of the code of conduct. The said Code of Conduct is also uploaded on the website of the Company. Declaration towards the confirmation that the code of conduct was followed is mentioned below. In addition, separate code of conduct for dealing in equity shares is also in place.

### "I hereby confirm

The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the financial year ended 30th June, 2011 "

**K.K. Gupta**

Chairman

**REPORT ON CORPORATE GOVERNANCE (Contd.)****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

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

**3.3** The Committee acts as a link between Statutory Auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and the integrity and quality of financial reporting. The Audit Committee reviews areas as specified under clause 49 of the Listing Agreement read with the provisions of section 292A of the Companies Act, 1956.

**3.4** Brief terms interalia include:

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

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

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

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

During the financial year ended 30th June, 2011 the Audit Committee meetings were held five times, i.e. 30th July, 2010, 29th September, 2010, 10th November, 2010, 13th February, 2011 & 4th May, 2011. The Audit Committee has fully complied with the requirements of clause 49 of the Listing Agreement. The Company has also complied with the relevant provision of sub section (1) of section 292A of the Companies Act, 1956 under which the committee should consist of at least three members of which two-third member out of the total number of directors should be Independent Directors.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****4. Remuneration Committee**

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

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

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

4.2 The Committee was constituted to review and recommend to the Board, the remuneration packages of the Chairman & the Managing Director who are the Whole -time Director(s) and such other matters as the Board may refer to the committee from time to time.

4.3 The Remuneration Committee met on 30th July, 2010 & 4th May, 2011 to consider and approve the increase in remuneration of Mr. K K Gupta, Whole -time Director designated as Chairman of the Company and Mr. Rajeev Bajaj, as the Whole-time/Managing Director of the Company.

4.4 No remuneration, other than sitting fee for attending the meeting of the Board and Committee are being paid to the Non- Executive Directors of the Company

**5. Remuneration policy**

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

5.2 The details of the remuneration paid to Whole -time Directors during the financial year ended 30th June 2011 are given below:

Rs. ('000)

Name and Designation	Salaries (Rs)	Other Benefits (Rs)	Contribution to provident & other fund (Rs)	Total (Rs)
Mr. K K Gupta Whole time Director designated as Chairman	8943	386	415	9744
Mr Rajeev Bajaj, Managing Director	1806	357	79	2242
<b>TOTAL</b>	<b>10749</b>	<b>743</b>	494	<b>11986</b>

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

The services can be terminated by 6 months notice or on payment of 6 months salary in case of Mr. K K Gupta and in case of Mr. Rajeev Bajaj, the services can be terminated by 3 months notice or on payment of 3 months salary in lieu thereof.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

**5.3** The Non –Executive Directors are paid sitting fee amounting to Rs, 20000/- for attending meeting of Board of Directors and Rs. 5000/- for all Committee meeting. The detail of payment of Sitting Fee during the financial year ended 30th June 2011 are given below:

S.No.	Name	Sitting Fee (Rs.)
1	Mr. Deepak Sabharwal	200,000
2	Mr. P.N. Sharma	165,000
3	Mr. Ajit Kumar	135,000
4	Mr. K.K. Goel	135,000

No Sitting fee was paid to foreign director.

**5.4** Equity shares held by the directors

Mr. P. N. Sharma held 5 equity shares of the Company as on 30th June, 2011.

7 equity shares are held by Mr. Rajeev Bajaj as the Joint Holder, first shareholder being his wife. No Directors other than the above directors held any shares in the Company as on 30th June, 2011

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

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

**6.1** The composition of the Committee is as follows:

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

**6.2** The Shareholders/Investors Grievance and Share Transfer Committee are normally held every month. During financial year ended 30th June, 2011 the Company received 11 complaints from the shareholders and all were resolved to the satisfaction of the shareholders.

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

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

**6.5** During the financial year ended 30th June 2011, Company received 553 shares for transfer from 84 parties, which were approved. There were no transfers pending as on 30th June 2011.

**6.6** Certificate from CEO & CFO

Certificate from Mr. K.K. Gupta, Chairman and Mr. S. C. Nagpal, Controller of the Company in terms of clause 49(V) of the Listing Agreement with the stock exchange for the financial year ended 30th June, 2011 was placed before the Board of Directors of the Company in its meeting held on 3rd August, 2011.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****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
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
2009	13 <sup>th</sup> August 2009	9.30 a.m	The Executive Club, 439, Village Shahoorpur, P O Fatehpur Beri, New Delhi 110074	6
2008	19 <sup>th</sup> August 2008	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 30th June, 2011, 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 to identify and mitigate various identifiable risks faced by the Company from time to time. At the Meetings of the Board, these risks are reviewed and new risks are identified. After assessment, controls are put in place with specific responsibility of the concerned officer of the Company.
- 8.2** No money was raised by the Company during the financial year ended 30th June 2011.
- 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 transactions during the financial year ended 30th June 2011, with the related parties which were not in the ordinary course of business.
- 8.5** All material transactions during the financial year ended 30th June 2011, either with the related parties or others was on arm's length basis and on commercial consideration.
- 8.6** There were no materially significant transactions during the financial year ended 30th June 2011 with the related parties such as the promoters, directors, key managerial personnel or relatives that could have potential conflict with the interest of the Company.
- 8.7** The mandatory disclosures of transactions with the related parties in compliances with the Accounting Standard AS – 18 is a part of this Annual Report and disclosed in Notes to the Accounts in Schedule 21.
- 8.8** In preparing the Annual Accounts in respect of the financial year ended 30th June 2011 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.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****10. Disclosure of accounting treatment**

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

**11. Means of communication**

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

**12. Disclosure regarding Directors seeking reappointment as required under clause 49 (VI) (A) of the Listing Agreement entered into with Stock Exchanges.****i) Mr. Deepak Sabharwal**

Mr. Deepak Sabharwal (49) is an Advocate & Solicitor having expertise in Corporate Laws, Income Tax and other Laws including Mergers & Acquisitions.

**ii) Mr. Gavin Walker**

Mr. Gavin Walker (42) 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, Regins (Lanka) PLC, Singer (Sri Lanka) PLC, Singer Bangladesh Limited, Singer Pakistan Limited, Singer Industries (Cylon) 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.

**iii) Mr. Rajeev Bajaj**

Mr. Rajeev Bajaj (51) is a Fellow member of the Institute of Chartered Accountant of India (ICAI) and Fellow member of the Institute of Company Secretaries of India (ICSI) having over more than 27 years of experience in the field of Finance and Corporate Laws.

**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 : 5th October, 2011

Time : 4:00 PM

Venue : Sri Sathya Sai International Centre  
Institutional Area, Pragati Vihar,  
Lodhi Road, New Delhi - 110003

**REPORT ON CORPORATE GOVERNANCE (Contd.)****14.2. Financial calendar**

The financial year of the Company for the current year is of the twelve months period from 1st July, 2010 to 30th June, 2011

For the financial year ended 30th June 2011 from 1st July, 2010 to 30th June, 2011, results were announced on:

First Quarter	:	10th November, 2010
Half yearly	:	13th February, 2011
Third Quarter	:	4th May, 2011
Fourth Quarter & Audited Results	:	3rd August, 2011
(1st July, 2010 to 30th June, 2011)		

For the year ended 30th June 2012, results will be announced on:

First Quarter	:	1st week of November, 2011
Half yearly	:	1st week of February, 2012
Third Quarter	:	1st week of May, 2012
Fourth Quarter & Audited Annual Results (2011-12)	:	2nd week of August 2012

**14.3 Book closure date**

The register of members and share transfer register of the Company will remain closed from 29th September 2011 to 5th October 2011. (both days inclusive).

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

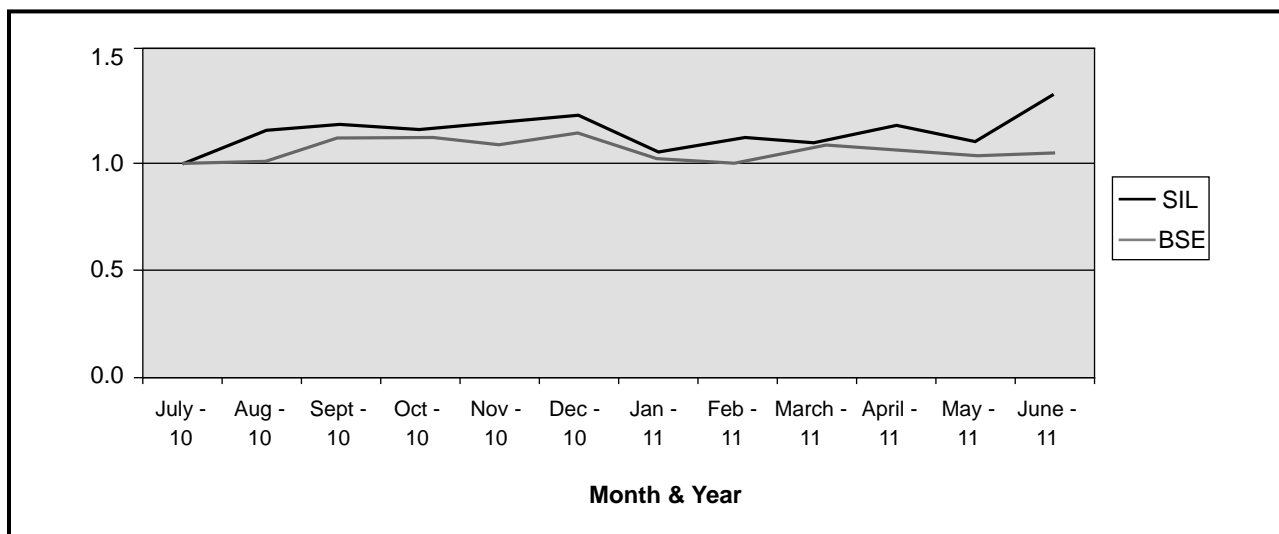
S.No.	Name of the stock exchange	Stock Code
1	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	505729

The Company confirms that it has paid annual listing fee to Bombay Stock Exchange Limited, Mumbai for the year 2011-2012.

**14.5 Market price data**

Monthly high/low quotations of shares traded of each month at Bombay Stock Exchange Limited, Mumbai during the financial year ended 30th June, 2011 are as follows:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
July 2010	35.70	30.00	January 2011	48.00	32.60
August 2010	47.20	30.00	February 2011	38.65	29.00
September 2010	42.50	34.00	March 2011	42.40	31.00
October 2010	41.10	35.70	April 2011	46.20	33.65
November 2010	41.70	32.00	May 2011	39.95	32.30
December 2010	40.00	31.75	June 2011	42.00	32.80

**REPORT ON CORPORATE GOVERNANCE (Contd.)****14.6 Performance of Company's equity shares in comparison to BSE Sensex is given below:****14.7 Registrar and Transfer Agent**

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

M/s MCS Limited  
 Sri Venkatesh Bhawan  
 F – 65 Okhla Industrial Area Phase – I  
 New Delhi – 110020  
 Phone: 011 – 41406149 – 11,  
 Fax: 011 – 26384907,  
 Email: [admin@mcsdel.com](mailto: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 20 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.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****14.9 Distribution of shareholding as on 30<sup>th</sup> June 2011**

S.No.	Shares		Shareholders		No. of shares	
	Nominal value			% of		% of
	Rs.	Rs.	Number	Total	Number	Total
1	1	500	10050	96.28	383412	3.57
2	501	1000	189	1.81	154749	1.44
3	1001	2000	92	0.88	148481	1.38
4	2001	3000	42	0.40	107722	1.00
5	3001	4000	11	0.11	37666	0.35
6	4001	5000	13	0.13	62209	0.58
7	5001	10000	14	0.13	87980	0.82
8	10001	50000	16	0.15	351106	3.27
9	50001	100000	6	0.06	453501	4.22
10	100001	And above	5	0.05	8956309	83.37
<b>TOTAL</b>			<b>10438</b>	<b>100.00</b>	<b>10743135</b>	<b>100.00</b>

**Broad shareholding pattern As on 30th June 2011**

Category	No. of shares held	% age of shareholding
Singer (India) B. V., The Netherlands (Promoters)	8476564	78.90
Banks, Financial Institutions & Insurance Companies	123317	1.15
NRIs/ OCBs	4911	0.05
Indian Public	2138343	19.90
<b>TOTAL</b>	<b>10743135</b>	<b>100.00</b>

Pursuant to the SEBI Circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 amending Clause 40A of the Listing Agreement with Bombay Stock Exchange relating to minimum public holding to 25%, the promoters Singer (India) B.V. has started reducing its shareholding through sale in the secondary market. As on 30th June, 2011 Promoters' Shareholding was 78.90%.

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**REPORT ON CORPORATE GOVERNANCE (Contd.)**

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**14.10 Dematerialization of shares and liquidity**

21.78% of the equity shares have been dematerialized up to 30th June, 2011. 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 view of the company's financial condition and the results of its operation.

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

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

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

**16. Compliance Certificate of the Auditors.**

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

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

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

**Nil**

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

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**19 Location of Plants**

- i. Lane No. 4,  
SIDCO Industrial Estate, Jammu
- ii. Lane No. 2,  
SIDCO Industrial Estate, Jammu

**20. Address for Correspondence:**

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

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, 3rd August, 2011

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

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To,  
The Members of  
Singer India Limited

We have examined the compliance of conditions of Corporate Governance by Singer India Limited for the year ended on 30th June, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to the examination of the procedures adopted by the Company and implementation thereof for ensuring the compliance of the conditions of the Corporate Governance. Our examination was carried out in accordance with the Guidance Note on 'Certification of Corporate Governance' (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

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

New Delhi, 3rd day of August, 2011

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



**AUDITOR'S REPORT****TO THE MEMBERS OF SINGER INDIA LIMITED**

1. We have audited the attached Balance Sheet of Singer India Limited ('the Company') as at 30th June, 2011, the Profit and Loss Account and the Cash Flow Statement for the period ended 30th June, 2011 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') as amended by Companies (Auditor's Report) (Amendment) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Attention is invited to the following Note 10.2 in Schedule 21:
- "Based on the Hon'ble BIFR's Order dated 28th April, 2008 (SS – 08), the Company had written back 90% of the liability of unsecured creditors aggregating to Rs. 228,762 in earlier years and taken the same to Income under the head exceptional items. However, in the appeal against the SS-08 by nine unsecured creditors, the Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR) vide its order dated 28th May, 2010 set aside paras 11.8 (a) to (c) of the above SS-08 relating to unsecured creditors and had directed the BIFR to hear the appellants before passing appropriate orders. After hearing the appellants and the Company, the Hon'ble BIFR vide its order dated 24th February, 2011 directed that these unsecured creditors be paid 25% (as against 10% in the SS-08) of the principal outstanding dues in respect of pre-sickness supplies for the year to that extent. The Company being aggrieved with the said order of the Hon'ble BIFR is vigorously contesting the matter before competent Authorities. The nine unsecured creditors have also filed appeal against this order before the Hon'ble AAIFR, which are pending. The amounts if at all will become due and payable to the Creditors only after the final decision by the Competent Courts. However, since the Hon'ble AAIFR has not stayed the direction of Hon'ble BIFR passed on 24th February, 2011 and as a matter of abundant prudence the Company has accounted for Rs. 38,595 (being the difference of 15% of all unsecured creditors covered under paras 11.8 (a) to (c) of the above referred order of BIFR) under the Provision for Contingencies (Schedule 18). This has resulted in reduction of profit after tax for the year by Rs. 26,669, increase in deferred tax asset by Rs. 11,926 and increase in accumulated losses by Rs. 26,669."
5. Subject to our remarks in paragraphs 3 & 4 above:
- 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;
  - 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;
  - the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - on the basis of written representations received from the directors as on 30th June, 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - in our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules 1 to 21, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2011;
    - in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - in the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

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

(A.K. Sharma)  
Partner

New Delhi, 3rd August, 2011

Membership no. 80085

**AUDITOR'S REPORT****Annexure to the auditors' report of even date to the members of Singer India Limited on the financial statements for the year ended 30th June, 2011**

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 (except at Jammu Location) 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification. The periodicity of physical verification of Jammu assets needs to be increased.
- c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. In respect of its inventories:
  - a) The inventory except goods in transit and stocks lying with third party(s) has been physically verified by the management during the year by the Management at reasonable intervals. In our opinion, the frequency of such verification are reasonable. All stocks lying with third parties at year end have been confirmed.
  - b) The procedures as explained to us, which were followed by the management for physical verification of inventory are 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/repurchased for which comparable alternative quotations are not available because of the nature / quality of such items and delivery schedules and for sale of certain goods/services which are for the buyers specialized requirements for which suitable alternative sources are not available for comparable quotations, there are generally adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services except for accounts of creditors which are under process of review/reconciliation. Subject to the above, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal control system.
5. a) On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 do not exceed the value of Rs. 5 lacs in respect of any party in any one financial year. Accordingly, the provisions of sub clause (b) of paragraph 4 (v) of the Order are not applicable to the Company.
6. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the rules framed there under, to the extent applicable, had been complied with by the Company. The Hon'ble High Court of Delhi vide Order dated 19.01.2011 in relation to the Appeal filed against the Order of the Hon'ble Company Law Board dated 25th June, 2009 on the composite scheme for repayment of deposits under section 58A and 58AA of the Companies Act, 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 22 depositors whose principal of Rs. 308 and interest of Rs. 162 is pending settlement due to non-submission of the original Fixed Deposit Receipts
7. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal and concurrent audit carried out by a firm of Chartered Accountants is commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company. Accordingly, the provisions of paragraph 4 (viii) of the Order are not applicable to the Company.

**AUDITOR'S REPORT**

9. a) Undisputed Statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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, 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 except for contingencies of Rs. 10,714 mentioned in Note 2.2 (a).

- c) According to the information and explanations given to us the Company did not have any disputed dues on account of customs duty, wealth tax, service tax and cess. The dues outstanding in respect of sales-tax, entry tax, excise duty and income-tax on account of dispute not provided for, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in '000)	Year	Forum before which Dispute pending
Sales Tax Act	Sales Tax	182	2005-06	First Appellate Authority, Delhi
Sales Tax Act	Sales Tax	995	1992-93, 2002-03 & 2007-08	First Appellate Authority, West Bengal
Sales Tax Act	Sales Tax	1479	1995-96	Appellate Tribunal, West Bengal
Sales Tax Act	Sales Tax	3962	1992-93, 1996-97 & 2004-05	First Appellate Authority, Maharashtra
Sales Tax Act	Sales Tax	13	1992-93, 1996-97 & 2004-05	First Appellate Authority, Goa
Income Tax Act	Income Tax	3000	2003-04	ITAT Mumbai
The Central Excise Act	Excise Duty	6038	2005-06	Appellate Authority, Delhi

10. The Company's accumulated loss at the end of the financial year is more than fifty percent of its net worth. Further, the Company has not incurred any cash loss during the year covered by our report and in the immediately preceding financial year/period.
11. The Company did not have any outstanding dues to any financial institutions & banks. The Company has not issued any debentures.
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. Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no

funds raised on short-term basis have been used for long-term investment.

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. According to the information and explanations furnished by the management which have been relied upon by us, there were no frauds on or by the Company which has been noticed or reported during the course of our audit.

**For Ray & Ray**

Chartered Accountants  
Firm Registration no. 301072 E

(A.K. Sharma)

New Delhi, 3rd day of August, 2011

Partner

Membership no. 80085

**Balance Sheet as at 30<sup>th</sup> June, 2011**

	Schedule	As at 30 <sup>th</sup> June 2011 (Rupees)	As at 30 <sup>th</sup> June 2010 (Rupees)	Rupees ('000) As at 30 <sup>th</sup> June 2010 (Rupees)
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
Capital	1	107,431	107,431	
Reserves and surplus	2	12,250	12,250	
			119,681	119,681
<b>Loan Funds</b>				
Unsecured loans	3	7,098	41,266	
			7,098	41,266
			126,779	160,947
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross block	4	144,363	142,846	
Less: Depreciation		119,877	116,410	
Net block			24,486	26,436
<b>Investments</b>	5		-	-
<b>Deferred Tax Asset (Note 12)</b>			29,762	-
<b>Current Assets, Loans and Advances</b>				
Interest accrued		401	968	
Inventories	6	118,333	91,404	
Sundry debtors	7	41,176	15,821	
Cash and bank balances	8	61,905	66,300	
Loans and advances	9	29,573	18,383	
		251,388	192,876	
<b>Less: Current Liabilities and Provisions</b>				
Current Liabilities	10	160,663	131,887	
Provisions	11	95,007	48,553	
		255,670	180,440	
<b>Net Current Assets</b>			(4,282)	12,436
<b>Profit and Loss Account (as per annexed Account)</b>			76,813	122,075
			126,779	160,947
<b>Significant Accounting Policies</b>	20			
<b>Notes to the Accounts</b>	21			

Schedules 1 to 11, 20 & 21 referred to above form an integral part of the Balance Sheet

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

For RAY & RAY  
Chartered Accountants

A.K.Sharma  
Partner  
Membership No. 80085

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

New Delhi, 3rd August, 2011

**Ashish Srivastava**  
Company Secretary

**Profit & Loss Account for the year ended  
30<sup>th</sup> June, 2011**

	Schedule	For the Year 1st July, 2010 to 30 <sup>th</sup> June, 2011 [12 months] (Rupees)	Rupees ('000) For the period 1st April, 2009 to 30 <sup>th</sup> June, 2010 [15 months] (Rupees)
<b>INCOME</b>			
Sales and Services	12	<b>1,189,081</b>	1,117,923
Less : Excise duty (Note 20)		-	-
Net sales and services		<b>1,189,081</b>	1,117,923
Other income	13	<b>7,292</b>	13,804
		<b>1,196,373</b>	<b>1,131,727</b>
<b>EXPENDITURE</b>			
Cost of materials	14	<b>940,739</b>	870,082
Personnel expenses	15	<b>46,394</b>	44,337
Manufacturing, Selling and Administration expenses	16	<b>141,312</b>	133,094
Financial cost	17	<b>1,382</b>	3,322
Depreciation		<b>3,996</b>	6,939
		<b>1,133,823</b>	<b>1,057,774</b>
<b>Profit Before Impairment, Contingencies, Exceptional Items and Taxation</b>		<b>62,550</b>	73,953
Impairment Loss on fixed assets (Note 9.2)		-	7,815
Contingencies (Net) (Note 2.2)	18	<b>44,093</b>	38,496
Exceptional Items Expense / (Income)	19	<b>2,957</b>	1,009
Profit Before Tax		<b>15,500</b>	26,633
Taxation		-	(2,102)
- Tax adjustment related to earlier years		-	-
- Deferred Tax		<b>13,657</b>	-
Profit After Tax		<b>2,9157</b>	24,531
Balance of Loss brought forward from previous year		<b>(122,075)</b>	(146,606)
Less : Adjustment of adoption of Deferred Tax (Note 12)		<b>16,105</b>	-
<b>Loss carried to Balance Sheet</b>		<b>(76,813)</b>	<b>(122,075)</b>
Basic and diluted Earnings per Share (in Rupees) Face Value 10/- (Note 22)			
Before Impairment Loss, Contingencies and Exceptional Items		7.09	7.90
After Impairment Loss, Contingencies and Exceptional Items		2.71	2.70
Weighted Average number of shares		10,743,135	9,100,998
<b>Significant Accounting Policies</b>	20		
<b>Notes to the Accounts</b>	21		

Schedules 12 to 20 referred to above form an integral part of the Profit & Loss Account

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

For RAY & RAY  
Chartered Accountants

A.K.Sharma  
Partner  
Membership No. 80085

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

New Delhi, 3rd August, 2011

**Ashish Srivastava**  
Company Secretary

**Cash Flow Statement**

	<b>For the year 1<sup>st</sup> July, 2010 to 30<sup>th</sup> June, 2011</b>	<b>Rupees ('000) For the year 1<sup>st</sup> April, 2009 to 30<sup>th</sup> June, 2010</b>
<b>A. Cash flow from operating activities :</b>		
Profit / (Loss) before tax	15,500	26,633
<u>Adjustment for:</u>		
Provision for Gratuity	209	-
Provision for Leave Encashment	2,100	2,795
Provision for Superannuation	52	-
Provision / write off: Debts & Advances	925	532
Impairment Loss	-	7,815
Depreciation	3,996	6,939
Interest Income	(3,231)	(3,085)
Provisions no longer required written back	(1,319)	(287)
Discard / Loss on sale of assets (net)	82	265
Unrealised Foreign Exchange (Gain) / Loss	181	(383)
Interest Expenses	191	1,115
Operating profit / (loss) before working capital changes	<u>18,686</u>	<u>42,339</u>
Adjustment for :		
Trade and other receivables	(35,610)	17,739
Inventories	(26,929)	(35,697)
Trade payables	28,066	(2,380)
Cash Generated from Operations	<u>(15,787)</u>	<u>22,001</u>
Payment of Direct Taxes	(629)	(2,237)
Net Cash from Operating Activities before Contingencies & Exceptional Items	<u>(16,416)</u>	<u>19,764</u>
Contingencies & Exceptional Items	47,050	39,505
Net Cash from Operating Activities after Contingencies & Exceptional Items	<u>30,634</u>	<u>59,269</u>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets	(2,464)	(2,129)
Sale of fixed assets	336	1,452
Interest received	3,797	2,420
Net cash generated from investing activities	<u>1,669</u>	<u>1,743</u>
<b>C. Cash flow from financing activities :</b>		
Proceeds from fresh issue of Share Capital		45,000
Unsecured Creditors from Associate	(33,687)	(56,848)
Fixed deposits	(173)	(10,236)
Interest paid	(2,838)	(4,726)
Net cash used in financing activities	<u>(36,698)</u>	<u>(26,810)</u>
Net increase/(decrease) in cash / cash equivalent (A+B+C)	<u>(4,395)</u>	<u>34,202</u>
Cash and cash equivalent as at the beginning of the year	66,300	32,098
Cash and cash equivalent as at the end of the year*	<b>61,905</b>	<b>66,300</b>

\* includes restricted balance in Margin Deposit of Rs. 5,473 (2010- Rs. 1,636)

## Notes:

1. The Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard-3 Cash Flow Statement.
2. Cash and Cash Equivalents represents Cash & Bank balances.
3. 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

A.K.Sharma  
Partner  
Membership No. 80085

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

New Delhi, 3rd August, 2011

**Ashish Srivastava**  
Company Secretary

**Schedules to Accounts**

	As at 30 <sup>th</sup> June, 2011 (Rupees)	Rupees ('000) As at 30 <sup>th</sup> June, 2010 (Rupees)
<b>1. SHARE CAPITAL</b>		
AUTHORISED		
15,000,000 (2010 - 15,000,000) Equity Shares of Rs.10 each	<b>150,000</b>	150,000
500,000 (2010 - 500,000) Redeemable Preference Shares of Rs.100 each	<b>50,000</b>	50,000
	<b>200,000</b>	200,000
ISSUED, SUBSCRIBED, CALLED & PAID UP		
1,07,43,135* (2010 - 1,07,43,135) Equity Shares of Rs.10 each fully paid up)	<b>107,431</b>	107,431
	<b>107,431</b>	107,431

**Notes**

- a) Out of the above Issued, Subscribed, Called and Paid up (as certified by the management)
- 7,826,175 Equity Shares were allotted through rights issue in the ratio of 1:1 to Equity Shareholders during the year ended 31 March 2003.
- 800,000 Equity Shares allotted in part consideration for the transfer of the net assets of the undertaking and business in India of Singer Sewing Machine company, USA, in terms of amalgamation sanctioned by the Mumbai High Court in the year 1981 without payments being received in cash.
- 4,608,725 Equity Shares of Rs.10 each were allotted as fully paid up bonus shares by capitalisation of Rs. 20,000 of general reserve, during the year 1989-90 and a further capitalisation of share premium amounting to Rs.26,088 during 1994-95.
- 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.
- b) 8,476,564 (2010 - 9,171,439) Equity shares are held by Singer (India) B.V., Netherlands - the Holding Company.

**2. RESERVES AND SURPLUS**

Securities Premium Account	<b>12,250</b>	12,250
As per last Account	<b>12,250</b>	12,250

**3. UNSECURED LOANS**

Fixed Deposits*	-	481
Other Loans & Advances - Brand Trading (India) Pvt. Ltd. (Note 13)	<b>7,098</b>	40,785
	<b>7,098</b>	41,266

## Notes :

\*Fixed Deposit includes Rs. Nil (2010 - Rs. 481) repayable within one year.

## Schedules to Accounts (Contd.)

Rupees ('000)

## 4. FIXED ASSETS

Particulars	Gross Block			Depreciation					Net Block	
	Cost as at 30 <sup>th</sup> June 2010*	Additions	Sales/ Adjustments	Cost as at 30 <sup>th</sup> June 2011*	As at 30 <sup>th</sup> June 2010*	For the Year	Impairment Loss**	On Sales/ Adjustments	As at 30 <sup>th</sup> June 2011*	As at 30 <sup>th</sup> June 2010*
Tangible										
Leasehold land	959	-	-	959	112	11	-	-	836	847
Building	29,197	-	-	29,197	15,701	975	-	-	12,521	13,496
Plant & Machinery	103,247	454	-	103,701	94,147	1,488	-	-	8,066	9,100
Vehicles	900	-	898	2	470	19	-	487	2	430
Office Equipments	2,735	521	7	3,249	1,346	477	-	1	1,822	1,389
Computers	3,714	965	11	4,668	2,841	681	-	11	1,157	873
Furniture & fixtures	1,852	524	31	2,345	1,609	287	-	30	1,866	243
Intangible										
Computer Software	242	-	-	242	184	58	-	-	242	58
<b>Total</b>	<b>142,846</b>	<b>2,464</b>	<b>947</b>	<b>144,363</b>	<b>116,410</b>	<b>3,996</b>	<b>-</b>	<b>529</b>	<b>119,877</b>	<b>26,436</b>
2010	<b>145,598</b>	<b>2,129</b>	<b>4,881</b>	<b>142,846</b>	<b>104,820</b>	<b>6,939</b>	<b>7,815</b>	<b>3,164</b>	<b>116,410</b>	<b>26,436</b>

\* Note 9



**Schedules to Accounts (contd.)**

	As at 30 <sup>th</sup> June 2011 (Rupees)	Rupees ('000) As at 30 <sup>th</sup> June 2010 (Rupees)
<b>5. INVESTMENTS</b>		
<b>Long Term Investments (Non Trade - Unquoted)</b>		
<b>Investment in Subsidiary Companies (under liquidation) (Note 30)</b>		
Singer India Trading Limited		
610,008 (2010 - 610,008 shares) Equity Shares of Rs. 10 each fully paid up	6,100	6,100
Himec India Limited		
100,008 (2010 - 100,008 shares) Equity Shares of Rs. 10 each fully paid up	1,000	1,000
	<u>7,100</u>	<u>7,100</u>
Less: Provisions	7,100	7,100
	<u>-</u>	<u>-</u>
Aggregated Value of unquoted Investment (gross)	<u>7,100</u>	<u>7,100</u>
<b>6. INVENTORIES</b>		
<b>Stock -in -Trade*</b>		
Raw Material (lying with third parties)	1,148	1,573
Finished goods - traded [ includes Rs.8,737 (2010 - Rs.1,240) in transit Warehouse to Warehouse]	93,305	85,555
Goods in transit (at cost)	23,880	4,276
	<u>118,333</u>	<u>91,404</u>
<i>*as taken, valued and certified by the Management</i>		
<b>7. SUNDRY DEBTORS (UNSECURED)</b>		
Debts outstanding for period exceeding six months		
Considered good	-	394
Considered doubtful	91	219
<b>(A)</b>	<u>91</u>	<u>613</u>
Other debts		
Considered good	41,176	15,427
Considered doubtful	-	2
<b>(B)</b>	<u>41,176</u>	<u>15,429</u>
<b>(A+B)</b>	<u>41,267</u>	<u>16,042</u>
Less: Provisions	91	221
	<u>41,176</u>	<u>15,821</u>
<b>8. CASH &amp; BANK BALANCES</b>		
Cash in hand	564	633
With Scheduled Banks in:		
- Current Accounts	23,563	16,941
- Fixed Deposit	32,305	47,090
Margin Deposits (Note 5)	5,473	1,636
	<u>61,905</u>	<u>66,300</u>

**Schedules to Accounts (contd.)**

	As at 30 <sup>th</sup> June 2011 (Rupees)	Rupees ('000) As at 30 <sup>th</sup> June 2010 (Rupees)
<b>9. LOANS &amp; ADVANCES (UNSECURED)</b>		
Advances recoverable in cash or in kind or for value to be received:		
- Considered good *	19,732	9,644
Other Deposits - Considered good	7,585	6,724
- Considered Doubtful	-	910
Claims recoverable from Custom Authorities	200	415
Deposit with Sales Tax Authorities under protest	225	398
Income Tax Advance (net of provision)	1,831	1,202
(Represents excess payment of advance tax over provision for taxation in certain Assessment Years)		
	<u>29,573</u>	<u>19,293</u>
Less: Provisions	-	910
	<u>29,573</u>	<u>18,383</u>
*Notes:		
Includes Rs.Nil (2010 - Rs.Nil) due from Singer (India) B.V., Netherlands-the Holding Company. Maximum balance outstanding Rs. Nil (2010 - Rs.425)		
<b>10. CURRENT LIABILITIES</b>		
Sundry creditors		
-Total outstanding dues of Micro & Small enterprises (Note 7)	10,825	7,944
-Total outstanding dues of Creditors other than Micro & Small enterprises	131,715	101,457
-Due to Director	2	-
Advance from Customers / Dealers	6,460	6,873
Security deposits	5,448	5,659
Due to Subsidiary Company - Singer India Trading Limited	826	826
Due to Singer Asia Limited	438	379
Other liabilities	4,479	3,663
Unclaimed Fixed Deposits (Note 14)	308	-
Interest due on unclaimed Fixed Deposits (Note 14)	162	-
Interest accrued but not due on unsecured loans (Fixed Deposits)	-	5,086
	<u>160,663</u>	<u>131,887</u>
Note : There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
<b>11. PROVISIONS</b>		
Gratuity	209	-
Leave encashment	6,542	4,442
Contingencies (Schedule 18) (Note 2.2)	88,075	43,982
Superannuation	181	129
	<u>95,007</u>	<u>48,553</u>

**Schedules to Accounts (contd.)**

	<b>For the year 1<sup>st</sup> July, 2010 to 30<sup>th</sup> June 2011 (12 Months) (Rupees)</b>	<b>Rupees ('000) For the period 1<sup>st</sup> April, 2009 to 30<sup>th</sup> June, 2010 (15 Months) (Rupees)</b>
<b>12. SALES AND SERVICES</b>		
Domestic sales	1,187,860	1,095,207
Exports sales	1,094	22,459
Service income [ net of expenses Rs. 1,619 (2010 - Rs. 4,331) ]	127	257
	<u>1,189,081</u>	<u>1,117,923</u>
<b>13. OTHER INCOME</b>		
Interest - Gross		
- fixed deposits [ Income tax deducted at source Rs. 413 (2010 - Rs. 244) ]	3,033	3,083
- others	198	2
Scrap sales	1,487	1,517
Export Incentives	-	285
Foreign exchange fluctuation (net)	12	946
Miscellaneous income	731	676
Provision / liabilities no longer required written back	1,319	287
Insurance claim received	-	508
Debts/Advances written off recovered	512	-
Transfer of Tenancy Rights	-	6,500
	<u>7,292</u>	<u>13,804</u>
<b>14. COST OF MATERIALS</b>		
<b>Raw materials consumed</b>		
Opening stock	1,573	-
Add: Purchases	13,442	3,988
	<u>15,015</u>	<u>3,988</u>
Less: Closing stock	1,148	1,573
	<u>13,867</u>	<u>2,415</u>
<b>Conversion Charges on Contract Manufacturing**</b>	<b>1,060</b>	<b>1,352</b>
<b>Purchases Traded*</b>	<b>953,166</b>	<b>900,439</b>
<b>Opening stock</b>		
Finished goods	85,555	45,606
Goods in transit	4,276	10,101
	<u>89,831</u>	<u>55,707</u>
<b>Less: Closing stock</b>		
Finished goods	93,305	85,555
Goods in transit	23,880	4,276
	<u>117,185</u>	<u>89,831</u>
Increase / (decrease)	<u>(27,354)</u>	<u>(34,124)</u>
	<u>940,739</u>	<u>870,082</u>

**Notes**

\*i) The Company has manufactured / traded certain components (Arm & Bed) of Sewing Machine on contract basis and revenue generated from such aggregating to Rs. 10,699 (2010 - Rs.4,657) has been adjusted under Purchases Traded.

\*ii) Includes Rs.8,344 (2010 - Rs 7,762) on free replacement against warranty

\*\*iii) Excise Duty Rs. 61 (2010 - Rs. Nil) reimbursed to Contract Manufacturer.

**Schedules to Accounts (contd.)**

	<b>For the year 1<sup>st</sup> July, 2010 to 30<sup>th</sup> June 2011 (12 Months) (Rupees)</b>	<b>Rupees ('000) For the period 1<sup>st</sup> April, 2009 to 30<sup>th</sup> June, 2010 (15 Months) (Rupees)</b>
<b>15. PERSONNEL EXPENSES</b>		
Salaries, wages and bonus	40,328	38,005
Training & Stipend	43	348
Contribution to provident and other funds	3,562	3,564
Staff welfare	2,461	2,420
	<u>46,394</u>	<u>44,337</u>
<b>16. MANUFACTURING, SELLING AND ADMINISTRATION EXPENSES</b>		
Power and fuel	1,611	1,649
Repairs - Others (including renovation of shops, offices etc. and net of recovery Rs. 247 (2010 - Rs. 384)	5,489	3,696
Freight outward	20,478	19,805
Rates and taxes	658	1,293
Rent [ net of recovery of Rs.2,108 (2010 - Rs. 4,389) ]	13,828	10,875
Insurance	2,062	1,764
Cash discount	19,067	17,202
Commission - others	-	255
- employees	5,069	5,297
Printing and stationery	453	603
Communication & Postage expenses	3,740	3,893
Vehicle expenses	2,924	3,462
Meeting and training	4,589	2,317
Sales outlet variable expenses	4,650	4,605
Advertising and sales promotion	28,426	17,996
Travelling and conveyance	10,401	11,148
Legal & Professional charges (Note 18)	14,788	18,406
Software/ ERP Subscription etc. (abandoned)	-	1,388
Directors' sitting fees	635	370
Sales Tax Expenses	148	904
Discard / Loss on sale of assets [ net of gain Rs.29 (2010 - Rs.115) ]	82	265
Provision / write off debts / advances / margin deposits (Note 5)	925	4480
Other expenses	1,289	1421
	<u>141,312</u>	<u>133,094</u>
<b>17. FINANCIAL COST</b>		
Interest on - Fixed deposits	35	864
- Others	156	251
Bank charges [ net of recovery Rs.32 (2010 - Rs.186) ]	1,191	2,207
	<u>1,382</u>	<u>3,322</u>
<b>18. PROVISION FOR CONTINGENCIES</b>		
<b>Balance as at June 30, 2010</b>	<b>43,982</b>	<b>5,486</b>
Add : Created during the year	47,752	39,566
Less : Utilised / Settled during the year	(1,793)	(1,070)
Less : Reversed during the year	(1,866)	-
Net provision to Profit & Loss Account (Net)	<u>44,093</u>	<u>38,496</u>
<b>Balance as at June 30, 2011 (Note 2.2)</b>	<b><u>88,075</u></b>	<b><u>43,982</u></b>

**Schedules to Accounts (contd.)**

	<b>For the year 1s<sup>t</sup> July, 2010 to 30<sup>th</sup> June 2011 (12 Months) (Rupees)</b>	<b>Rupees ('000) For the period 1<sup>st</sup> April, 2009 to 30<sup>th</sup> June, 2010 (15 Months) (Rupees)</b>
<b>19. EXCEPTIONAL ITEMS</b>		
Income :		
Fixed Deposit settled	-	105
Interest on Fixed Deposits written back (Note 14)	<b>5,178</b>	457
Provision for Doubtful Debts & Advances written back	-	1,526
<b>(A)</b>	<b>5,178</b>	<b>2,088</b>
Expenditure :		
Sales Tax Adjustments earlier years	<b>1,793</b>	3,097
Claim of electricity for earlier years	<b>6,342</b>	-
<b>(B)</b>	<b>8,135</b>	<b>3,097</b>
<b>( B - A )</b>	<b>2,957</b>	<b>1,009</b>

**20. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation**

- i) The financial statements have been prepared in accordance with applicable Notified Accounting Standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) Financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- iii) Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- iv) The Company has prepared the financial statements on a going concern basis, i.e. the Company will be able to realize all its assets at their carrying values as at 30 June 2011 and discharge all its liabilities as at 30 June 2011 in the normal course of business.

**2. 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 expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

**3. Tangible Fixed Assets**

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

**4. Intangible Assets**

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

**Schedules to Accounts (Contd.)**

Rupees ('000)

**5. Impairment**

Regular review is done to determine whether there is any indication of the 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.

**6. 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.

**7. Inventories**

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.

Inventories are valued at lower of cost or net realisable value, as certified by the management, on the basis of physical verification carried out by the management. Cost is arrived at on a FIFO basis and includes appropriate portion of allocable overheads. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost necessary to make the sale. Raw Materials are valued at cost (FIFO basis). Goods in transit is valued at cost.

**8. 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 and free replacement are accrued at 1% of sales to cover future costs. Cost of material includes free replacement against warranty.

**9. 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 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.

**10. Depreciation**

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

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

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

**11. 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 Profit & Loss Account on a straight-line basis over the lease term.

**Schedules to Accounts (Contd.)**

Rupees ('000)

**12. Foreign currency transactions**

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

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

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

**13. Employees Benefits****Defined Contribution Plans**

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

**Defined Benefit Plans**

Company provides retirement benefits in the form of gratuity (funded) and leave encashment (unfunded) which are measured using the Projected unit credit method with actuarial valuation being carried out at each valuation date. Contribution for Gratuity is made to Life Insurance Corporation of India as per Company's Scheme. Provision / write back, if any is made on the basis of the present value of liability as at the Balance Sheet date determined by an actuarial valuation. Termination benefits are recognized as an expense as and when incurred. Short term compensated absences are provided based on past experience of leave availed. Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.

**14. Research and development**

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

**15. Export benefits**

Export entitlements under the Duty Entitlement Pass Book (DEPB) scheme are recognized in the Profit and Loss Account when the right to receive credit as per the terms of the scheme is established in respect of the exports made.

**16. Taxes on Income**

Tax expenses comprises of current tax and deferred tax after taking into consideration benefits available under the provisions of Income tax Act, 1961.

The deferred tax charged or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed at each balance sheet date based on developments during the year and available case laws, to re-asses realisation /liabilities.

**17. Provisions, Contingent Liabilities & Contingent Assets**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved, in line with the provisions of Accounting Standard (AS) 29. Provisions are recognized when the Company has a legal / constructive obligation and on management judgement as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed.

**18. Earnings per share**

Earning per share are 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.

**19. 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.

**Schedules to Accounts (Contd.)**

Rupees ('000)

**21. NOTES TO THE ACCOUNTS**

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.228 (2010 – Rs.Nil).

2.1. Contingent liabilities not provided for in respect of:

	As at 30 <sup>th</sup> June	
	2011 (Rupees)	2010 (Rupees)
a) Claims against the Company not acknowledged as debts*		
- Employees State Insurance dues	1,496	1,496
- Others ( including present & ex staff)	83,664	89,670
b) In respect of demands pending disposal of appeals (excluding interest leviable, if any)*		
- Sales Tax	6,631	13,043
- Excise Duty	6,038	8,576
- Income tax	3,000	9,500

\*As certified by the management.

No provision has been made in the financial statements as the Board of Directors and Audit Committee considers the probability of the claim succeeding to be remote.

2.2 The Company has created a contingency provision of Rs. 47,752 (2010 – Rs. 39,566) for various contingencies resulting mainly from matters, which are under litigation / dispute and other uncertainties requiring the management judgment. The Company has also reversed / utilized / settled contingency provision of Rs.3,659 (2010 – Rs.1,070) due to the satisfactory settlement of certain disputes for which provision is no longer required. The details of class-wise provision are given below:

Description	2011				2010			
	Provision for				Provision for			
	Litigations and related disputes	Employees (present & ex) related disputes	Warranties	Total	Litigations and related disputes	Employees (present & ex) related disputes	Warranties	Total
(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Opening Balance	14,373	20,001	9,608	43,982	752	-	4,734	5,486
New Provisions	41,349*	4,122	2,281	47,752	14,691	20,001	4,874	39,566
Utilized / Settlement during the year	1,793	-	-	1,793	-	-	-	-
Less : Reversals	1,866	-	-	1,866	1,070	-	-	1,070
Total cost for the year in Profit & Loss Account	37,690	4,122	2,281	44,093	13,621	20,001	4,874	38,496
Closing Balance	52,063	24,123	11,889	88,075	14,373	20,001	9,608	43,982

\* include Rs. 38,595



**Schedules to Accounts (Contd.)****Rupees ('000)****Notes:**

- a) Litigations and related disputes represents estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (i.e. excise duty, service tax, sales & purchase tax, unsecured creditors of Rs. 38,595 as referred to in Note 10.2 etc.). Employees related disputes represent claims and other demand raised. The probability and the timing of outflow with regard to these matters depend on the ultimate settlement / conclusion with the relevant authorities.
- b) Warranties includes estimates made for the products sold by the Company which are covered under free replacement warranty on manufacturing defects of sewing machines and breakages of cast iron, plastic and wooden accessories. The probability and the timing of outflow with regard to these matters depend upon the warranty period of the products and settlement by the management.

## 2.3 Guarantees and Letter of Credits issued Rs. 5,473 (2010 – Rs.1,636)

3.1 In the opinion of the Board, the value on realization of current assets, loans & advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and Provisions for all known liabilities have been made.

3.2 Creditors are under process of review, confirmation and reconciliation. Adjustment, if any, arising will be accounted for on reconciliation.

4. No amount is paid / payable by the Company under Section 441A of the Companies Act, 1956 (Cess on turnover) since rules specifying the manner in which the Cess shall be paid has not been notified yet by the Central Government.

5. Margin Deposit Rs.5,473 (2010- Rs.1,636) have been lodged with banks for obtaining guarantees and Letter of Credits. Margin deposit Rs.3,948 was written off in 2010 due to non availability of expired guarantees and inability of banks to the refund of the same despite confirmation and follow-up by company on regular basis.

- 6.1 i) The Company has entered into operating lease arrangement for office premises, shops, warehouse and residential premises. Some of the significant terms and conditions of the arrangements are:
- agreement may generally be terminated by either party on serving a notice period.
  - the lease arrangements are generally renewed on expiry of lease period subject to mutual agreement.
  - the Company shall not sublet, assign or part with the possession of the premises without prior written consent of lessor.

ii) Rent in respect of above is charged to Profit & Loss Account.

iii) The year wise break up of future minimum lease payments in respect of leased premises are as under:

	2011 (12 Months) (Rupees)	2010 (15 Months) (Rupees)
Total future minimum lease payments as at 30.06.2011	29,460	25,578
Not later than one year	13,058	10,774
Later than one year but not later than five years	14,147	14,308
Later than five years	2,255	496

**Schedules to Accounts (Contd.)****Rupees ('000)**

- 6.2 The Company has given a part of its office premises & warehouses on sharing basis and during the current year the Company had received Rs. 2,108 (2010 – Rs. 4,389). Future rental income not later than one year is Rs. 234 (2010 – Rs. 3,598).
- 6.3 Rent inter-alia includes Rs. 676 paid to Jammu & Kashmir State Industrial Development Corporation Ltd. for earlier years.
- 7.1 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.
- 7.2 Details of dues to Micro, Small & Medium Enterprises as per MSMED Act, 2006 to the extent of confirmations received (Post pre-sickness Suppliers).

	As at 30 <sup>th</sup> June	
	2011 (Rupees)	2010 (Rupees)
The principal amount and the interest due thereon remaining unpaid to any suppliers at the end of each accounting year.	10,825	7,944
The amount of interest paid by the buyer in terms of Section 16 of the Act alongwith the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	Nil	Nil
The amount of interest accrued and remaining due and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible under Section 23 of the Act.	Nil	Nil

**Schedules to Accounts (Contd.)**

Rupees ('000)

## 8. Employees Benefits

## 8.1 Defined Contribution Plans

- a) The contribution of Provident Fund are made to a recognized Provident Fund/Family Pension Fund which covers all the employees. Condition for grant of exemption stipulates that employer shall make good deficiency, if any, in the interest rate declared by trust vis-à-vis statutory rate. During the year the Company has paid Rs. 800 (2010 – Rs. 667) for shortfall in interest.

ASB Guidance on implementing AS 15, Employee Benefits (revised 2005) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

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

- b) The Company makes contribution towards ESIC to a defined contribution benefit plan for qualifying employees. The ESIC plan is operated by Director, Employees State Insurance Corporation. The Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.
- c) The Company makes Superannuation Fund contribution to Life Insurance Corporation of India towards defined contribution retirement for qualifying employees.
- d) The Company has recognized in Profit & Loss Account of Rs.2,613 (2010 - Rs. 2,488) for Provident Fund and Rs.92 (2010 – Rs. 54) for ESIC and Rs.612 (2010 – Rs. 571) for Superannuation.

**Schedules to Accounts (Contd.)****Rupees ('000)**

## 8.2 Defined Benefit Plan

8.2.1 Disclosure relating to Defined Benefit Plan as per Actuarial Valuation as on 30.06.2011 and recognized in the financial statements.

Sl. No.	Description	Gratuity (Rupees)		Leave Encashment (Rupees)	
		As at 30 <sup>th</sup> June 2011	As at 30 <sup>th</sup> June 2010	As at 30 <sup>th</sup> June 2011	As at 30 <sup>th</sup> June 2010
	Expenses recognized in the statement of Profit & Loss for the year ended 30th June, 2011.				
a)	Current Service cost	418	414	2,629	3,678
b)	Interest Cost	367	441	213	152
c)	Expected return on plan assets	(341)	(401)	N.A.	N.A.
d)	Net Actuarial (Gains) / Losses	(212)	(133)	(611)	(690)
e)	Past Service cost	-	-	-	-
f)	Total Expense	232	321	2,231	3,140
	Net Asset / (Liability) recognized in the balance sheet as on 30th June, 2011				
a)	Present value of Defined Benefit Obligation as at 30th June 2011	4,835	4,274	6,542	4,442
b)	Fair Value of plan assets as at 30th June 2011	4,626	4,294	-	-
c)	Funded status {Surplus / (Deficit)}	(209)	20	(6,542)	(4,442)
d)	Net asset / (liability) as at 30th June 2011	(209)	-	(6,542)	(4,442)
	Change in Defined Benefit Obligations (DBO) during the year ended 30th June, 2011				
a)	Present value of Defined Benefit Obligation at the beginning of the year	4,274	5,058	4,442	1,647
b)	Service Cost	418	414	2,629	3,678
c)	Interest Cost	367	441	213	152
d)	Past Service Cost	-	-	-	-
e)	Actuarial ( Gains)/ Losses	(163)	(82)	(611)	(690)
f)	Benefit Paid	(61)	(1,557)	(131)	(345)
g)	Present value of Defined Benefit Obligation at the end of the year.	4,835	4,274	6,542	4,442
	Change in Assets during the year ended 30th June, 2011				
a)	Plan assets at the beginning of period	4,294	4,175	-	-
b)	Expected Return on Plan Assets	341	401	N.A.	N.A.
c)	Contributions by Employer	2	1,308	-	-
d)	Actual benefits paid	(61)	(1,641)	(131)	(345)
e)	Actuarial Gain/(Loss) on Plan Assets	50	51	-	-
f)	Plan assets at the end of the year	4,626	4,294	-	-
g)	Actual return on plan assets	390	-	N.A.	N.A.
	Major categories of plan assets as a percentage of total plan	Invested by LIC		N.A.	N.A.

**Schedules to Accounts (Contd.)****Rupees ('000)**

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

a)	Discount rate (%)	8	8	8	8
b)	Expected rate of return on plan assets	8	9	N.A.	N.A.
c)	Mortality rate	LIC (1994-96) Ultimate			
d)	Withdrawal rate	1-3%	1-3%	5%	5%
e)	Future salary increase (%)	7	6	7	6

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

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

## (i) Gratuity (Funded)

	2011	2010	2009	2008	2007
Defined benefit obligation	4,835	4,273	5,058	4,023	4,327
Plan assets	4,626	4,293	4,176	4,338	1,675
Surplus / (deficit)	(209)	20	(882)	315	(2,652)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(97)	(189)	N.A.	3,394	N.A.

## (ii) Leave Encashment (Non funded)

	2011	2010	2009	2008	2007
Defined benefit obligation	6,542	4,442	1,647	803	521
Plan assets	-	-	-	-	-
Surplus / (deficit)	(6,542)	(4,442)	(1,647)	(803)	(521)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liabilities	(479)	(955)	829	(79)	(225)

8.2.5 Gratuity expenses and Leave Encashment have been recognized under the head "Personnel Expenses".

**Schedules to Accounts (Contd.)****Rupees ('000)**

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

Particulars	Original cost 30 <sup>th</sup> June		Accumulated Depreciation / Impairment 30 <sup>th</sup> June		Written down value 30 <sup>th</sup> June	
	2011 (Rupees)	2010 (Rupees)	2011 (Rupees)	2010 (Rupees)	2011 (Rupees)	2010 (Rupees)
Leasehold land	959	959	123	112	836	847
Building	29,197	29,197	16,676	15,701	12,521	13,496
Plant & Machinery	97,352	97,352	90,029	88,777	7,323	8,575
Vehicles	2	2	2	2	0	0
Furniture & Fixtures	0	0	0	0	0	0
	127,510	127,510	106,830	104,592	20,680	22,918

As per past practice, the Company has charged depreciation on such assets aggregating to Rs.2,238 (2010 – Rs. 2,593) which has resulted in increased depreciation & reduced profit to that extent.

- 9.2 Based on the technical evaluation by an independent Chartered Professional Engineer, foundry equipments and machinery for 974 model are not economically viable and useful to resume production and accordingly a sum of Rs. Nil (2010 – Rs. 7,815) has been provided towards impairment cost of these assets.
- 9.3 In respect of other assets, the Board is of the view that no impairment is necessary as the Company intends to commence operations and is also supported by Independent Valuation report.
- 10.1 The Board of Directors had made a reference dated 17 May 2005 to the Board for Industrial and Financial Reconstruction (BIFR) constituted under Sick Industrial Companies (Special Provisions) Act, 1985. Subsequently, vide BIFR's order dated 11 September 2006, the Company was declared a sick industrial Company in terms of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985. BIFR vide order dated 28.4.2008/8.5.2008 has sanctioned the Rehabilitation Scheme for implementation and State Bank of Travancore has been appointed as Monitoring Agency. The scheme sanctioned envisaged:
- Infusion of fresh funds by promoters
  - Reliefs & Concession from various concerned parties viz. Creditors, Promoters, Associates, ECB lenders etc.
  - Capital / debt restructuring, induction of fresh funds, derating of existing equity capital and subsequent consolidation of derated shares
  - Write back of identified liabilities and payment of all liabilities under litigation appeal and not covered by scheme.
- 10.2 Based on the Hon'ble BIFR's Order dated 28th April, 2008 (SS – 08), the Company had written back 90% of the liability of unsecured creditors aggregating to Rs. 228,762 in earlier years and taken the same to Income under the head exceptional items. However, in the appeal against the SS-08 by nine unsecured creditors, the Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR) vide its order dated 28th May, 2010 set aside paras 11.8 (a) to (c) of the above SS-08 relating to unsecured creditors and had directed the BIFR to hear the appellants before passing appropriate orders. After hearing the appellants and the Company, the Hon'ble BIFR vide its order dated 24th February, 2011 directed that these unsecured creditors be paid 25% (as against 10% in the SS-08) of the principal outstanding dues in respect of pre-sickness supplies for the year to that extent. The Company being aggrieved with the said order of the Hon'ble BIFR is vigorously contesting the matter before competent Authorities. The nine unsecured creditors have also filed appeal against this order before the Hon'ble AAIFR, which are pending. The amounts if at all will become due and payable to the Creditors only after the final decision by the Competent Courts. However, since the Hon'ble AAIFR has not stayed the direction of Hon'ble BIFR passed on 24th February, 2011 and as a matter of abundant prudence the Company has accounted for Rs. 38,595 (being

**Schedules to Accounts (Contd.)****Rupees ('000)**

the difference of 15% of all unsecured creditors covered under paras 11.8 (a) to (c) of the above referred order of BIFR) under the Provision for Contingencies (Schedule 18). This has resulted in reduction of profit after tax for the year by Rs. 26,669, increase in Deferred tax asset by Rs. 11,926 and increase in accumulated losses by Rs. 26,669.

11. The accumulated losses are more than 50% of the paid-up Share Capital and Reserves. The Director's of the Company have prepared the financial statements on a going concern basis, i.e. the Company will be able to realize all its assets at their carrying values as at 30.06.2011 and discharge all its liabilities as at 30.06.2011 in the normal course of business. Further as such, the Financial Statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary in case the Company is unable to continue as a going concern. The Company is dependent on the support from the Holding Company.
12. In view of improved profitability and also the net worth of the Company as on 30th June 2011 becoming positive, the company is reasonably certain about realizing the Deferred tax assets in respect of various items of expenditure in future and has accordingly accounted for Deferred tax assets as per Accounting Standard (AS) – 22 "Accounting for Taxes on Income." The company has recognized the cumulative net Deferred tax assets as at 30th June 2010 of Rs. 16,105 as a deduction from debit balance in Profit & Loss Account as on 01-07-2010. Further net Deferred tax assets of Rs. 13,657 for the current year has been recognized in the Profit & Loss Account. The break-up is as under:

Particulars	2011 (Rupees)	2010 (Rupees)
Retirement Benefits	2,087	1,373
Provision for Doubtful Debts & Advances	28	68
Sums allowable on payment & contingencies	23,996	10,603
Depreciation (excess of net block as per Income Tax Act, 1961 over book value)	3,651	4,061
Total	29,762	16,105

The Deferred tax asset on account of unabsorbed depreciation and business loss estimated at Rs. 125,274 which has not been accounted for as a matter of prudence and in view of virtual certainty.

13. The loan from Brand Trading (India) Private Ltd., an Associate Company, shown under Unsecured Loan is repayable on demand and is interest free.
14. 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, 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 22 depositors whose principal of Rs. 308 and interest of Rs. 162 is pending settlement due to non-submission of the original Fixed Deposit Receipts. The Company has written back interest on Fixed Deposit Rs. 5,178 as exceptional items.
- 15.1 The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as mentioned below:

		2011		2010	
		Foreign currency (USD)	Amount (Rupees)	Foreign currency (USD)	Amount (Rupees)
a)	Creditors	17,693	795	16,107	748
b)	Advance given to supplier	250,953	11,280	108,088	5,020

**Schedules to Accounts (Contd.)****Rupees ('000)**

- 15.2 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.
16. Managerial Remuneration under Section 198 of the Companies Act, 1956 (excluding contribution to Gratuity fund and leave encashment since the same is provided on an actuarial basis for Company as a whole) paid / payable to whole time Directors (Chairman, Managing Director / whole time Director/ and Alternate Director).

Particulars	2011* (Rupees)	2010 (Rupees)
Salaries	10,749	13,298
Contribution to provident and other funds	494	647
Other benefits	743	625
Sitting fee	635	370
Total	12,621	14,940

\* The remuneration aggregating to Rs. Nil (2010 - Rs. 1,184) is subject to approval of the Central Government and the Shareholders.

17. Computation under Section 350 read with Section 308 (5) is not being given as the Chairman, Managing Director & Alternate Directors have been / are being remunerated as per approval of Central Government under Section 198 (4) / 309 (3) read with section 637A & 637AA of the Companies Act, 1956.
18. Auditors' Remuneration

Particulars	2011 (Rupees)	2010 (Rupees)
Statutory Audit	520	550
Audit of account for fiscal year and Tax Audit	225	225
Limited Review	135	225
Certification Fee	55	80
Reimbursement of expenses	-	6
Service Tax	96	112
Total	1,031	1,198

19. The Company trades mainly in sewing machines. It also traded (limited) in small appliances & Household/Consumer durables. The Company has also undertaken contract manufacturing. Small appliances & household / consumer durables & contract manufacturing forms only a negligible percentage of total turnover that are distinguishable and subject to same risks & returns on sewing machines. The Company's operating business is organized and managed according to the nature of products and services provided to offer similar products and serving similar markets. The primary reporting has been prepared on the basis of this business segment. The disclosures as required under AS-17 on primary business segment has not been provided as the Company deals only in one business segment based on risks & returns, the organization structure and internal financial reporting. The Company also exports its products, but the disclosure as required under AS-17 on geographic segment has not been provided as the total value of exports is less than 10% of total revenue.
20. The Company's manufacturing is done under contract manufacturing by parties for the Company. Based on the legal opinion, the liability to pay excise duty is of the contractor who is to pay excise duty on assessable value which has been re-imbursed by the Company to them.



**Schedules to Accounts (Contd.)**

Rupees ('000)

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

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

- |                              |   |
|------------------------------|---|
| i. Holding Company           | Singer (India) B.V. (Netherlands)                               |
| ii. Ultimate Holding Company | Singer Asia Limited (Cayman Island)                             |
| iii. Subsidiary Companies    | Himec India Limited<br>Singer India Trading Limited             |
| iv. Associates               | Brand Trading (India) Pvt. Ltd.                                 |
| v. Key Management Personnel  | Mr. K.K. Gupta, Chairman<br>Mr. Rajeev Bajaj, Managing Director |

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

Associates

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

## Schedules to Accounts (Contd.)

Rupees ('000)

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

	Transactions	2011	Closing balance as on 30 <sup>th</sup> June 2011	2010	Closing balance as on 30 <sup>th</sup> June 2010
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
	Holding Company:				
i)	Issue of Equity Share	-	84,766	53,279	91,714
ii)	Refundable	-	-	(1,662)	-
iii)	Payment made on behalf of Holding Co.	-	-	(416)	-
	Subsidiary Company:				
iv)	Investment in Himec India Ltd.	-	1,000	-	1,000
v)	Investment provision– Himec India Ltd.	-	1,000	-	1,000
vi)	Investment in Singer India Trading Ltd.	-	6,100	-	6,100
vii)	Investment provision made – Singer India Trading Ltd.	-	6,100	-	6,100
viii)	Advance received from Singer India Trading Ltd.	-	826	(5)	826
	Associate Company:				
ix)	Purchase from Brand Trading (India) Pvt. Ltd.	-	-	147	-
x)	Sales to Brand Trading (India) Pvt. Ltd.	86,835	-	78,717	-
xi)	Amount paid to Brand Trading (India) Pvt. Ltd.				
	Insurance	42	-	92	-
	Others- Vehicle expenses	174	-	841	-
xii)	Amount received from Brand Trading (India) Pvt. Ltd.				
	- Rent	(205)	-	(61)	-
xiii)	Unsecured loan (net) received from Brand Trading (India) Pvt. Ltd.	(33,687)	7,098	(56,847)	40,785
	Ultimate Holding Company :				
xiv)	Advance received / (given) from Singer Asia Ltd.	59	438	(411)	379
xv)	Liabilities written back/settled	-	-	(21)	-
xvi)	License agreement with a relative of a director (also included in Managerial remuneration)	154	-	-	-
xvii)	Managerial remuneration to Key Personnel:				
	Mr. K.K.Gupta	9744	-	11378	-
	Mr. Rajeev Bajaj	2242	2	1735	-
	Mr. P.R.Nandan	-	-	1457	-
xviii)	Export made to Associates				
	Singer Bangladesh Ltd.	-	-	15,521	-
	Singer Industries (Ceylon) PLC	-	-	5,802	-

\* As identified and certified by the Management

**Schedules to Accounts (Contd.)****Rupees ('000)**

22. Earning per share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

Particulars		2011 (Rupees)	2010 (Rupees)
Profit attributable to equity shareholders			
Before Impairment Loss, Contingencies and Exceptional Items	A	76,207	71,851
After Impairment Loss, Contingencies and Exceptional Items	B	29,157	24,531
Weighted average number of equity shares outstanding during the year (in numbers).	C	10,743,135	9,100,298
No. of shares for diluted earning per share	D	10,743,135	9,100,298
Face value of equity share (in rupees)		10	10
Basic Earnings per share (in rupees)			
Before Impairment Loss, Contingencies and Exceptional Items	(A)/(C)	7.09	7.90
After Impairment Loss, Contingencies and Exceptional Items	(B)/(C)	2.71	2.70
Diluted Earnings per share (in rupees)			
Before Impairment Loss, Contingencies and Exceptional Items	(A)/(D)	7.09	7.90
After Impairment Loss, Contingencies and Exceptional Items	(B)/(D)	2.71	2.70

	2011 (Rupees)	2010 (Rupees)
23. FOB value of exports – on accrual basis	1,094	22,459
24. CIF value of imports – on accrual basis -Finished goods	133,561	65,616
25. Expenditure in foreign currency during the year (on cash basis)	1,373	305

- 26.1 The Company has undertaken contract manufacturing. Particulars in respect of each class of goods manufactured under contract manufacturing:

S. No.	Particulars	2011 (Nos.)	2010 (Nos.)
i)	Arm & Bed	-	10,045
ii)	Sewing Machine (Artisan Machine)	6,661	-

\*As certified by the Management. Licensed Capacity and Installed Capacity figures are not available.

**Schedules to Accounts (Contd.)****Rupees ('000)**

## 26.2 Particulars in respect of each class of goods manufactured:

Items	Unit	2011			2010		
		Licensed/ registered capacity*	Installed capacity*	Actual production*	Licensed/ registered capacity*	Installed capacity*	Actual production*
Zig Zag Sewing Machines	Nos.	100,000	65,000*	-	100,000	65,000*	-
Other Sewing Machines	Nos.	50,000	50,000	-	50,000	50,000	-
C.I. Castings	No.	1,200,000	1,200,000	-	1,200,000	1,200,000	-

\* As certified by the Management, based on recent technical evaluation.

## 27.1 Particulars in respect of each class of goods traded by the Company:

S. No.	Particulars	2011		2010	
		Quantity (Nos.)	(Rupees)	Quantity (Nos.)	(Rupees)
i)	Opening stock (including goods in transit)				
	Zig Zag Sewing machines	4,986	16,598	5,913	22,695
	Sewing machine and related accessories	69,213	70,293	41,962	31,917
	Others (including Household and Consumer Durable)		2,940		1,095
ii)	Purchases				
	Zig Zag Sewing Machines	38,620	133,727	21,317	78,648
	Sewing machine and related accessories	742,475	795,625	884,882	812,618
	Others (including Household and Consumer Durable)		23,814		9,173
iii)	Turnover / adjustments *				
	Zig Zag Sewing machines	31,730	173,270	22,244	128,797
	Sewing machine and related accessories	750,796	1,003,571	857,631	981,836
	Others (including Household and Consumer Durable)		12,113		7,033
iv)	Closing stock (including goods in transit)				
	Zig Zag Sewing machines	11,876	40,611	4,986	16,598
	Sewing machine and related accessories	60,892	66,104	69,213	70,293
	Others (including Household and Consumer Durable)		10,470		2,940

\* includes free replacement against warranty.

**Schedules to Accounts (Contd.)****Rupees ('000)**

## 27.2 Raw Materials Consumed (In Tons / No.s) :

S. No.	Particulars	2011		2010	
		Qty. (Ton)	Value	Qty. (Ton)	Value
i)	Pig Iron	-	-	85	2,052
ii)	Hard Coke	-	-	36	363
		Qty. (Nos)	Value	Qty. (Nos)	Value
iii)	Sewing Machine Arm & Bed	6,661	4,558	-	-
iv)	Sewing Machine Part Sets	6,661	7,068		
v)	Sewing Machine Other Components	-	2,241	-	-

## 27.3 Value of imported and indigenous Raw Material and stores and spare parts consumed :

S. No.	Particulars	2011		2010	
		% of Consumption	Amount	% of Consumption	Amount
i)	Imported	-	-	-	-
ii)	Indigenous	100%	13,867	100%	2,415

28. The Company has made necessary applications to Registrar of Companies/Regional Director/Company Law Board seeking approvals / condonation for various matters raised under Section 372A, 217 (2A) and 211 of the Companies Act, 1956. The Company has also made an application for withdrawal of such cases before The Hon'ble Lok Adalat for early disposal.
29. No provision for MAT is required to be made.
30. 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.
31. The previous year's/period figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. The figures for the previous year/ period (15 months) are not comparable to current year (12 months).

**Schedules to Accounts (Contd.)**

Rupees ('000)

## 30. Balance Sheet abstract and Company's General Business Profile

<b>I.</b>	<b>Registration Details</b>	
	Registration No.	25405
	State Code	55
	Balance Sheet Date	30th June, 2011
<b>II.</b>	<b>Capital Raised during the year</b>	(Amount in Rs. Thousand)
	Public issue	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
	Preferential Allotment	Nil
<b>III.</b>	<b>Position of Mobilisation and Deployment of funds</b>	(Amount in Rs. Thousand)
	Total Liabilities	382,449
	Total Assets	382,449
	<b>Sources of Funds</b>	
	Paid up Capital	107,431
	Reserves & Surplus	12,250
	Secured Loans	-
	Unsecured Loans	7,098
	<b>Application of Funds</b>	
	Net Fixed Assets	24,486
	Investments	-
	Deferred Tax Asset	29,762
	Net Current Assets	(4,282)
	Miscellaneous Expenditure	Nil
	Accumulated Losses	76,813
<b>IV.</b>	<b>Performance of Company</b>	(Amount in Rs. Thousand)
	Turnover (including other income & exceptional items)	1,196,373
	Total Expenditure (including exceptional items)	1,180,873
	Profit before Tax	15,500
	Profit after Tax	29,157
	Earnings per Share (after exceptional items) (Basic) – Rs.	2.71
	Dividend Rate %	Nil
<b>V.</b>	<b>Generic Names of three principal products / services of Company (As per monetary terms)</b>	
	Item Code No. (ITC Code)	845210010
	Product Description	Sewing Machines Complete with Stand / Table
	Item Code No. (ITC Code)	720130001
	Product Description	Cast Iron

Signatories to schedule 1 to 21

On behalf of the Board of Directors

**K.K. Gupta**  
Chairman

**Rajeev Bajaj**  
Managing Director

**Ashish Srivastava**  
Company Secretary

New Delhi, the 3rd August, 2011

**ATTENDANCE SLIP**

**SINGER INDIA LIMITED**

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

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

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

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

**NAME AND ADDRESS OF THE SHAREHOLDER**

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Wednesday, the 5th day of October 2011 at 4.00 p.m. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003

Signature of the shareholder or proxy

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

\* Applicable for investors holding shares in electronic form

-----**TEAR HERE**-----

**PROXY FORM**

**SINGER INDIA LIMITED**

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

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

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

I/We ..... of .....being member(s) of Singer India Limited hereby appoint..... of .....or failing him ..... of .....

as my/our proxy to vote for me/us on my/our behalf at the 33rd Annual General Meeting of the Company held on Wednesday, the 5th day of October 2011 at 4.00 p.m. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003

Signed this ..... day of ..... 2011

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**

## **BOOK POST**

*If undelivered please return to :*

**SINGER INDIA LIMITED**

A-26/4, 2nd Floor

Mohan Cooperative Industrial Estate

New Delhi -110044

Tel. : 91-11-40617777

Fax : 91-11-40617799

E-mail: [mail@singerindia.net](mailto:mail@singerindia.net)