

SINGER

Annual Report 2011-12



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CONTENTS

	Page
Corporate Information.....	1
Notice.....	2-5
Directors' Report.....	6-11
Corporate Governance Report.....	11-23
Secretarial Audit Report.....	24
Auditors' Report.....	25-28
Balance Sheet.....	29
Statement of Profit & Loss.....	30
Cash Flow Statement.....	31
Notes to Accounts.....	32-53
Attendance Slip & Proxy Form	

Corporate Information

BOARD OF DIRECTORS

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

SECRETARY

Mr. Ashish Srivastava

BANKERS

ICICI Bank Limited
Yes Bank Limited

**REGISTERED &
CORPORATE OFFICE**

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

WORKS

Lane No. 4
SIDCO Industrial Estate
Jammu

Lane No. 2
SIDCO Industrial Estate
Phase II, Jammu

Please visit our website www.singerindia.net

SINGER INDIA LIMITED

NOTICE

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

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

to transact the following business:

ORDINARY BUSINESS

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

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

SPECIAL BUSINESS:

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS
FOR SINGER INDIA LIMITED

Place: New Delhi
Dated: 22nd August, 2012

Ashish Srivastava
Company Secretary

NOTES

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

SINGER INDIA LIMITED

NOTICE

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

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

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

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

Item no. 5

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

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

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

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

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

SINGER INDIA LIMITED

NOTICE

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

I. General Information:

1. Nature of Industry Sewing Machines & other Consumer durables
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 30.06.2012, the Company recorded a turnover of Rs. 155.93 crores and made a profit of Rs. 8.61 crores (before tax and exceptional items). The profit before tax (after recording exceptional items) was Rs. 8.61 crores. The profit after tax (after recording exceptional items) for the year under review was Rs. 10.21 crores. Accumulated losses of the company had been completely wiped off.
5. Export performance and net foreign exchange The Company had exported goods worth Rs. .08 crores during the year ended on 30.06.2012
6. Foreign investment or collaborators Singer (India) B.V., The Netherlands is the promoter Company & holds 78.26% of the paid up equity share capital of the Company as on date.

II Information about the appointee:

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

SINGER INDIA LIMITED

NOTICE

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

III Other information :

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

IV Disclosures

- | | |
|--|---|
| 1. Remuneration package of the managerial person | Remuneration package of Mr. Rajeev Bajaj is as given in the resolution and explanatory statement annexed with the notice to the members |
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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: 22nd August, 2012

Ashish Srivastava
COMPANY SECRETARY

SINGER INDIA LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

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

FINANCIAL RESULTS

(Rs. in Crores)

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

OPERATIONS

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

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

SINGER INDIA LIMITED

DIRECTORS' REPORT

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

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

DIVIDEND

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

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

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

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

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

SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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