

ANNUAL REPORT 1999 - 2000

SINGER



SINGER
Your Family Company

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SINGER INDIA LIMITED

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BOARD OF DIRECTORS

Mr. S. K. Poddar, Chairman
Mr. Sukanta Dey, Managing Director
Mr. M. Ahmad
Mr. Rajiv Bhatnagar
Mr. Brahm Dutt
Mr. Rajiv Sud
Mr. Stephen H. Goodman
Dr. J.S. Juneja
Mr. Jim Kelly
Mr. T. Pooran
Mr. S. Ramanathan

COMPANY SECRETARY

Mr. Rajeev Bajaj

BANKERS

State Bank of Travancore
Corporation Bank
Bank of Nova Scotia
Banque Nationale De Paris
Bank of Baroda

AUDITORS

M/s. Price Waterhouse
Saidulajab
(Opposite D-Block, Saket),
Mehrauli-Badarpur Road,
New Delhi - 110 030

**REGISTERED &
CORPORATE OFFICE**

3, Devika Tower
6, Nehru Place,
New Delhi - 110 019
Tel : 6443045, 6446256
Fax : 6467827

WORKS

Lane No. 4,
SIDCO Industrial Estate,
Jammu

Lane No. 2
SIDCO Industrial Estate,
Phase-II, Jammu

50/2, Site-IV
Industrial Area, Sahibabad,
Dist. Ghaziabad, Uttar Pradesh

Please visit our website www.singerindia.com

SINGER INDIA LIMITED**ANNUAL REPORT 1999-2000****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF SINGER INDIA LIMITED, will be held on Friday, the 28th day of July, 2000 at 2.00 p.m. at Air Force Auditorium, Subroto Park, Delhi Cantt (Near Dhaula Kuan) New Delhi - 110 010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S. K. Poddar, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajiv Sud, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. J. S. Juneja, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. T. Pooran, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. S. Ramanathan, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. M. Ahmad, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
8. To appoint a Director in place of Mr. Rajiv Bhatnagar, who retires under Section 265 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.
9. To appoint Auditors for the ensuing year and fix their remuneration.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED that, pursuant to the provisions of Section 224-A and other enabling applicable provisions, if any, of the Companies Act, 1956, M/s Price Waterhouse, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of

this meeting till the conclusion of the next Annual General Meeting.

RESOLVED FURTHER that, the remuneration payable together with out-of-pocket expenses, if any, payable to the Auditors shall be such as shall be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without modification(s) as **ORDINARY RESOLUTIONS** :-

10. "RESOLVED THAT Mr. Stephen H Goodman who was appointed as a Director in casual vacancy on the Board of the Company w-e-f 13.02.1998 and who holds such office upto the date of this Annual General Meeting in terms of Section 262 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director be and is hereby appointed as a Director of the Company whose period of Office shall be liable to determination under Section 265 of the Companies Act, 1956."
11. "RESOLVED THAT Mr. Jim Kelly who was appointed as a Director in casual vacancy on the Board of the Company w-e-f 27.07.1999 and who holds such office upto the date of this Annual General Meeting in terms of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director be and is hereby appointed as a Director of the Company whose period of Office shall be liable to determination under Section 265 of the Companies Act, 1956."
12. "RESOLVED THAT Mr. Sukanta Dey who was appointed as an Additional Director on the Board of the Company w-e-f 25.01.2000 and who holds such office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination under Section 265 of the Companies Act, 1956."
13. "RESOLVED THAT Mr. Shankar Aggarwal in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director be and is hereby appointed as a Director of the

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Company whose period of Office shall be liable to determination under Section 265 of the Companies Act, 1956."

14. "RESOLVED THAT in pursuance of provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the Company accords its consent to the Board of Directors to borrow from time to time of all moneys deemed by them to be requisite or proper for carrying on the business of the Company from any one or more of the Company's bankers or financial institutions whether by way of Guarantee, Term Loan, Letter of Credit, loans or bill discounting or otherwise and other credit facilities whether unsecured or secured by charges, hypothecation or lien or pledge of the Company's assets and properties whether moveable or immoveable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, i.e. to say reserves not set apart for any specific purpose, but so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of Rs. 60 Crores (Rupees sixty crores only) exclusive of interest and the Directors are hereby further authorised to execute such deed or deeds or mortgages, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments in writing as they may deem fit containing such conditions and covenants.

RESOLVED FURTHER that the consent of the Company be and is hereby also accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of all the moveable and immoveable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour, of the Company's Bankers and/or financial institutions to the extent of Rs. 60 Crores to secure moneys to be borrowed from the Company's bankers and financial institutions.

RESOLVED FURTHER that the Board of Directors be and are hereby further authorised to do all such acts,

deeds and things, as may be deemed necessary, fit and proper and to sign/execute all such documents, agreements, papers as may be deemed necessary.

15. "RESOLVED THAT pursuant to the provisions of Section 269, 309, 311, 198 and any other enabling applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, consent of the Company be and is hereby accorded to the appointment and remuneration of Mr. Sukanta Dey as the Managing Director of the Company for a tenure of three years effective from 25-01-2000 to 24-01-2003 on the following terms and conditions:

1. REMUNERATION

a) SALARY :

- i) Basic salary of Rs. 900,000 (Rupees Nine lacs only) per annum.
- ii) Special salary and special allowance of Rs. 300,000 (Rupees Three lacs only) per annum each.

- b) Annual Performance Award/Incentives upto a monetary limit of Rs. 600,000 (Rupees Six lacs only) per annum to be determined by the Board of Directors on achievement of set targets.

In addition to the salary, Mr. Dey shall be entitled to the following perquisites/allowances:

- c) Housing : Provision by the Company of furnished residential accommodation.

In case no accommodation is provided by the Company, Mr. Dey shall be entitled to house rent allowance as per rules of the Company.

Since Mr. Dey will be required to reserve a part of the accommodation for office use to do such office work as may be necessary at his residence and to meet the Company's Executives, Suppliers, Customers, etc. for business discussions as and when necessary, a part of the cost of providing residential accommodation, not exceeding one-third thereof, shall be considered for official purpose.

The housing accommodation shall be subject to tax as per the Income Tax Rules, 1962.

- d) Reimbursement of gas, electricity, water and furnishings to be evaluated as per the Income Tax Rules, 1962.
- e) Reimbursement of medical expenses incurred by Mr. Dey and family as per rules of the Company.
- f) Leave/Leave Travel Assistance : Leave with full pay and allowances as per rules of the Company. Encashment of accumulated Privilege Leave will be allowed as per the rules of the Company.

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Leave Travel Concession : For self and family once in a year upto Rs. 75,000/- per annum.

- g) Club Fees: Fees including entrance fee of one Club.
- h) Personal Accident Insurance : As per rules of the Company.
- i) Mediciam Insurance : As per rules of the Company.
- j) Membership fee for professional bodies upto a limit of Rs. 9,000/- per annum
- k) Provision of car with driver for office use.
- l) Telephone and other communication facilities at the residence subject to that the personal long distance calls will be borne by Mr. Dey.

Mr. Dey shall also be entitled to the following perquisites:

- i) Contribution to Provident Fund, Superannuation Fund and Annuity/Pension Fund on basic salary as per rules of the Company applicable to Executive Cadre.
- ii) Gratuity amount equal to one month's basic salary for each completed year of service as per rules of the Company applicable to Executive Cadre.

"Family" covers the spouse, the dependant children and dependant parents of Mr. Dey.

- 2. Mr. Dey shall not be entitled to any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
- 3. Mr. Dey shall not, so long as he functions as Managing Director of the Company, become interested or otherwise concerned directly or indirectly or through his wife and/or minor children in any selling agency of the Company without prior approval of the Central Government.
- 4. Modifications, if any, in terms of the appointment of Mr. Dey by the members and/or Central Government and as agreed upon between the Board of Directors of the Company and Mr. Dey shall be embodied by way of executing a Supplementary Service Agreement.

SPECIAL BUSINESS - SPECIAL RESOLUTION**16. To Amend the Articles of Association**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Article 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Association of the Company be and are hereby altered, substituted or

inserted suitably in the manner as enumerated below :

- 1. In Article 2 the definition of "Member" shall be substituted by the following definition:
 "Members"- "Member" means the duly registered holder from time to time of the shares of the Company of any class and includes every person whose name is entered as beneficial owner in the records of the depository, but does not include the bearer of a share warrant of the Company issued in pursuance of Section 114 of the Act.
- 2. A new Article 66A be inserted with the new heading after the Article 66 as under :-

66A DEMATERIALISATION/REMATRIALISATION OF SECURITIES**(i) Definitions**

For the purpose of this Article :

"Beneficial Owner" means a person whose name is recorded as such with the Depository.

"Depository" means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of Registration under the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof.

"Registered Owner" means a Depository whose name is entered as such in the records of the Company.

"Securities" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ii) Dematerialisation/ Rematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/ rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act.

(iii) Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with the depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of securities.

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If a person opts to hold his/her security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the securities.

(iv) Securities in fungible Form

All securities held by a Depository shall be dematerialised and shall be in fungible form. No certificate shall be issued for the securities held by the Depository.

(v) Transfer of Securities

Nothing contained in these Articles shall apply to transfer of securities held in Depository.

(vi) Allotment of Securities

Where the securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(vii) Service of Documents

Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronics mode or by delivery of floppies or discs.

(viii) Distinctive Numbers of Securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

(ix) Register and Index of Beneficial Owners

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of members and other security holders.

(x) Rights of Depository and Beneficial Owners

As a registered owner, Depository shall not have any voting rights or any other rights in respect of the securities held by it. Every person whose name is entered as the beneficial owner of shares in the records of the Depository shall be deemed to be a member of the Company. Every beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by the Depository.

Provided further that notwithstanding anything to the contrary contained in these Articles, the shares and securities issued and/or held in electronic medium in fungible form, will be governed by the provisions of the Depository Act, 1996.

3. A new Article 66B be inserted with the new heading after the Article 66A as under :-

66B NOMINATION

- (a) Every shareholder or debentureholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
- (b) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights of the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

4. A new Article 66C be inserted with the new heading after the Article 66B as under:-

66C TRANSMISSION OF SECURITIES BY NOMINEE

A nominee, on production of such evidence as may be required by the Board and subject, as hereinafter provided, elect, either -

- i) to be registered himself as holder of the shares or debentures, as the case may be, or
- ii) to make such transfer of the shares or debentures as

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- the case may be, as the deceased shareholder or debentureholder could have made.
- iii) if the nominee elects to be registered as the holder of the shares or debentures, himself, he shall deliver or send to the Company, a notice in writing signed by him, stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the shares or debentures except that he shall not, before being registered as member in respect of his shares or debentures, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice, requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the shares or debentures, until the requirements of the notice have been complied with.

NOTES

1. 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.
2. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of ordinary and special business under item Nos. 9 to 16 (both inclusive) as set out above are annexed hereto.
3. The Register of Members and Transfer Books of the Company will remain closed for 8 days from Friday 21st July 2000 to Friday 28th July, 2000 (both days inclusive).
4. 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.

5. Members are requested to produce the enclosed attendance slip, duly signed in accordance with the specimen signatures registered with the Company for admission to the meeting hall.

6. Queries on Accounts

It will be appreciated 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.

7. Members are hereby informed that all unclaimed dividends upto the financial year ended 31st March, 1995 (Interim) have been transferred to the General Revenue of the Central Government. Individual notices to the concerned members in this regard have also been served upon by the Company. The concerned members are requested to claim the amount from the Registrar of Companies, NCT of Delhi and Haryana, New Delhi.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and insertion of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend which remains unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrant(s) so far for Final Dividend 1994-95 or any subsequent dividend payment (s) are requested to make their claims to the Company.

8. Members are hereby informed that consequent to the insertion of Section 109A and 109B in the Companies Act, 1956, the shareholders can now make nomination in favour of the person(s) who shall be entitled to get the shares transmitted in their name in the event of death of the shareholder. The members are therefore, requested to submit the nomination with the Company at its registered office in Form no. 2B as prescribed under the Companies (Central Government's) General Rules and Forms, 1956 which can be obtained from the Company on request.

BY ORDER OF THE BOARD OF DIRECTORS
FOR SINGER INDIA LIMITED

NEW DELHI
16th June, 2000

RAJEEV BAJAJ
G. M. (Finance) and
Company Secretary

SINGER INDIA LIMITED**ANNUAL REPORT 1999-2000****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 sets out all material facts relating to Ordinary/Special business under item Nos. 9 to 16 (both inclusive) of the accompanying notice dated 16th June, 2000 and should be taken as forming part of the Notice.

ITEM NO. 9

Section 224-A of the Companies Act, 1956, provides that in the case of a Company in which not less than 25% of the subscribed share capital is held by a public financial institution or a Government Company or any other financial institution referred to therein, appointment or re-appointment of Auditors shall be made by way of a Special Resolution. Since National Small Industries Corporation Limited, a Central Government Enterprise is holding 26% of the subscribed share capital of the Company, the shareholders approval is being sought for their re-appointment and the remuneration payable to them by means of a Special Resolution.

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

None of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 10

The Board of Directors of the Company had appointed Mr. Stephen H Goodman as a Director with effect from 13.02.1998 to fill the casual vacancy caused by the resignation of Mr. James Yuan pursuant to Section 262 of the Companies Act, 1956 read with Article 121 of the Articles of Association of the Company. The said appointee shall hold such office upto the date of the 22nd Annual General Meeting. The Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with the requisite deposit proposing his candidature for the office of Director.

Mr. Stephen H Goodman, is the President and Chief Executive Officer of The Singer Company. Mr Goodman has extensive experience in the fields of corporate strategy, international finance and mergers and acquisitions. The Board of Directors are of opinion that his further continuance as a Director would be of immense help in the future growth of the Company.

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

No Director of the Company except Mr Stephen H Goodman is concerned or interested in the said resolution.

ITEM NO. 11

The Board of Directors of the Company had appointed Mr. Jim Kelly as a Director with effect from 27.07.1999 to fill the casual vacancy caused by the resignation of Mr R S Turnbull pursuant to Section 262 of the Companies Act, 1956 read with Article 121 of the Articles of Association of the Company. The said appointee shall hold such office upto the date of the 22nd Annual General Meeting. The Company has received a notice in writing from a member pursuant to Section 257 of the Companies

Act, 1956 along with the requisite deposit proposing his candidature for the office of Director.

Mr. Jim Kelly, is the Regional Vice President, The Singer Co. N.V. He has extensive experience in formulating marketing strategies and developing new business. The Board of Directors are of opinion that his further continuance as a Director would be of immense help in the future growth of the Company.

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

No Director of the Company except Mr Jim Kelly is concerned or interested in the said resolution.

ITEM NO. 12

The Board of Directors of the Company had appointed Mr. Sukanta Dey as an Additional Director on the Board of the Company at their meeting held on 25.01.2000 with effect from 25.01.2000 itself pursuant to Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company. The said appointee shall hold such office upto the date of the 22nd Annual General Meeting. The Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with the requisite deposit proposing his candidature for the office of Director.

Mr Sukanta Dey has a rich experience of 25 years and has worked in the senior positions with the number of MNCs and other Corporate giants like Unilever India, United Breweries Ltd, Estee Lauder and Pepsico India Holdings Limited and has played a key pioneering role. Further out of the 25 years, he has spent nearly 14 years in building and developing new businesses, products and markets.

The Board of Directors are of the opinion that with such rich experience to his credit, his further continuance as a Director will be beneficial to the Company in the years to come.

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

No Director of the Company except Mr Sukanta Dey is concerned or interested in the said resolution.

ITEM NO. 13

The Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with the requisite deposit proposing the candidature of Mr Shankar Aggarwal for the office of Director. Mr Aggarwal is Joint secretary in the Ministry of SSI & ARI. The appointment of Mr Aggarwal as the Director will be of immense help to the Company.

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

No Director of the Company except Mr Shankar Aggarwal is concerned or interested in the said resolution.

ITEM NO. 14

According to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company in General Meeting is necessary for borrowings, where the money to be

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borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, the reserves not set apart for a specific purpose.

The aggregate of the paid-up capital and free reserves of the Company in the opinion of the Board of Directors, is insufficient having regard to the expansion activities of the Company.

Members are hereby informed that the Company has to seek borrowings from its bankers in the form of guarantees, term loans and other credit facilities for running day to day business of the Company. The Board of Directors are of the opinion that a sum of Rs. 60 Crores would be sufficient for the present and accordingly approval of the shareholders is being sought for the same by means of an Ordinary Resolution in terms of Section 293(1)(d) of the Companies Act, 1956.

Members are further informed that the creating of mortgage/charge on the immoveable and moveable properties of the Company in favour of the banks/financial institutions is in certain cases regarded as disposal of Company's property and falls thereby within the meaning and concept of Section 293(1)(a) of the Companies Act, 1956.

It is therefore, considered necessary to seek the approval of shareholders in terms of Section 293(1)(a) of the Companies Act, 1956.

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

None of the Directors of the Company are concerned or interested in the above resolution.

ITEM NO. 15

Members are hereby informed that Mr Sukanta Dey was appointed as Managing Director of the Company by the Board of Directors of the Company at their meeting held on 25.01.2000 for a tenure of three years effective from 25.01.2000 to 24.1.2003 which is subject to the approval of Central Government under section 269, 309, 311 and 198 of the Companies Act, 1956 and the members of the Company by way of an Ordinary Resolution.

Mr. Sukanta Dey has to his credit a vital, varied and wide experience of 25 years in the field of marketing and sales and he had been mainly responsible for overall management of the companies he has served including the areas of production, marketing, finance and administration.

Mr. Dey is a professional Managing Director and the Board of Directors are of the opinion that Mr. Dey's rich experience will be beneficial to the Company and under his able guidance and direction, the Company will succeed in its future endeavours.

The Members are hereby informed that the Company had entered into a service agreement with Mr Sukanta Dey on 25.01.2000 and a supplementary agreement on 17.5.2000 containing the details of terms and conditions as per the Resolution proposed above which may be terminated by either party by giving not less than six months advance notice in writing to either party. The said Agreement would be available

for inspection at the Registered Office of the Company on any working day (except Saturdays) between 11.00 a.m. to 1.00 p.m.

The above statement and the terms and conditions as contained in the above resolution may be regarded as an abstract of the terms and conditions under section 302 of the Companies Act, 1956.

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

No Director of the Company except Mr Sukanta Dey is concerned or interested in the said resolution.

ITEM NO. 16

With the introduction of Depositories Act, 1996 and the Depository System, some of the provisions of the Companies Act, 1956 pertaining to the issue, holding, transfer, transmission of shares have been amended to facilitate the smooth implementation of the new system of holding and trading in the securities of the Company electronically. The depository system of holding and trading the securities in the electronic form is far safer and much more convenient method for holding and trading in the securities of the Company. In view of the above, it is proposed to accordingly alter the provisions of the Articles of Association of the Company to provide for dematerialisation of securities, to spell out the rights of the beneficial owners of the securities and incorporate the important provisions of the Depositories Act, 1996 in the Articles of Association of the Company.

Further with the insertion of Sections 109A and 109B by the Companies (Amendment) Act, 1999, the holders of the security can nominate a person to whom the rights of security holders of the Company shall vest in the event of his/her death. It is therefore desirable to include the nomination provisions of the Act in the Articles of Association of the Company.

Members are hereby informed that the amendment in the Articles of Association attract Section 31 of the Companies Act, 1956 which requires the approval of members by means of passing a Special Resolution. The Board of Directors of the Company therefore recommend the passing of the resolution as a Special Resolution.

None of the Directors of the Company are concerned or interested in the said resolution.

A copy of the Articles of Association of the Company together with the proposed alterations is open for inspection at the Registered Office of the Company on any working day (except Saturdays) between 11.00 a.m. to 1.00 p.m.

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

NEW DELHI
16th June, 2000

RAJEEV BAJAJ
G. M. (Finance) and
Company Secretary