

ANNUAL REPORT 2008

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CONTENTS

	Page
Board of Directors	1
Notice	2-7
Directors' Report.....	8-12
Corporate Governance Report.....	13-19
Auditors' Report.....	20-23
Balance Sheet	24
Profit & Loss Account	25
Schedules to Accounts (1 to 19).....	26-31
Cash Flow Statement	32
Schedules to Accounts (20 to 21).....	33-41
Balance Sheet Abstract	42
Auditors' Reports on Consolidated Financial Statement	43
Consolidated Balance Sheet	44
Consolidated Profit & Loss Account	45
Consolidated Schedules to Accounts (1 to 19).....	46-50
Consolidated Cash Flow Statement	51
Consolidated Schedules to Accounts (20 to 21).....	52-58
Statement Pursuant to Section 212.....	59
Attendance Slip / Proxy Form.....	

In terms of approval granted by the Central Government under Section 212 (8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents / details upon request by any member of the Company interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection by any member at its registered office at the normal working hours (except Saturdays, Sundays & other Holidays)

Singer India Limited

2nd Floor, Guru Angad Dev Bhawan,
71, Nehru Place, New Delhi-110019

Dear Shareholder,

The Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 28.04.2008 approved the rehabilitation scheme for revival of the Company.

Pursuant to the said Scheme, the subscribed and paid up capital of the Company shall be reduced by 90% from Rs.15,65,23,500/- consisting of 1,56,52,350 equity shares of Rs.10/- each to Rs.1,56,52,350/- consisting of 1,56,52,350 equity shares of Rs.1/- each by writing off Rs. 14,08,71,150/- against accumulated losses. Thereafter 10 equity shares of Rs.1/- each shall be consolidated into 1 equity shares of Rs.10/- each. Members holding fractional shares shall be paid their fractional entitlements in due course.

The book closure date for the purpose of reduction of capital has been approved by the Board as 12th of August, 2008. Members holding shares in physical form shall be issued new share certificates with new distinctive numbers and the old share certificates held by them shall be treated as cancelled and destroyed on and from 12.08.2008 being the book closure date.

Thanking you
For Singer India Limited

(Roopali Grover)
Company Secretary

SINGER INDIA LIMITED**ANNUAL REPORT 2008****BOARD OF DIRECTORS**

Mr. K.K. Gupta, Chairman
Mr. Samya Sarkar, Managing Director
Mr. Deepak Sabharwal
Mr. P. N. Sharma
Mr. Phillip Watson
Mr. Theo Noel Renard

SECRETARY

Ms. Roopali Grover

BANKERS

ICICI Bank Limited
ABN AMRO Bank N. V.

**REGISTERED &
CORPORATE OFFICE**

2nd Floor, Guru Angad Dev Bhawan,
71, Nehru Place, New Delhi-110019
Tel. : 91-11-26464523
Fax : 91-11-26285125
E-mail : 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

SINGER INDIA LIMITED**ANNUAL REPORT 2008****NOTICE**

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

Day : Tuesday
 Date : 19th August 2008
 Time : 9:30 a.m.
 Place : The Executive Club, 439 Village Shahoorpur
 P.O Fatehpur Beri, New Delhi 110 074

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 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. Theo Noel Renard who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the ensuing year and fix their remuneration. M/s Ray & Ray Chartered Accountants, the retiring Auditors, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS

4. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. K. K. Gupta, who was appointed as an Additional Director on the Board of the Company w.e.f. 11th October 2007 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 not liable to retire by rotation".
5. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. P. N. Sharma, who was appointed as an Additional Director on the Board of the Company w.e.f. 27th June 2008 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 liable to retire by rotation".
6. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to Section 269, 309, 310, 311, 198 and in accordance with Schedule XIII and any other enabling, applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. Samya Sarkar as the Managing Director of the Company for a tenure of one year effective from 14.10.2007 to 13.10.2008 on the basis of the recommendation of Remuneration Committee and approval by the Board of Directors in their meeting held on October 11, 2007 on the following terms and conditions:
 - a) **SALARY:**
 - i) Basic salary: Rs. 175,000/- p.m. (Rupees One lac Seventy five thousand per month)
 - b) Annual Performance Award/Incentives not exceeding 50% of the basic salary (Rs. 1,050,000/-).
 - c) Housing: Furnished residential accommodation or House Rent Allowance in lieu thereof up to Rs. 45, 000/- per month.
 Since Mr. Sarkar 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/ House Rent Allowance shall be subject to tax as per the Income Tax Rules.
 - d) Conveyance: Company maintained Car, Driver's salary up to a maximum of Rs. 90,000/- per annum.
 In addition, Mr. Sarkar shall be entitled to the following perquisites:
 - e) Reimbursement of gas, electricity, water and furnishings to be evaluated as per the Income Tax Rules, 1962.
 - f) Reimbursement of medical expenses incurred by Mr. Sarkar and family shall be as per the applicable rules of the Company.
 - g) Mediclaim Insurance: As per rules of the Company.
 - h) Leave/Leave Travel Assistance: Leave with full pay and allowances as per the rules of the Company.
 Leave Travel Concession: For self and family once in a year
 - i) Club Fees: Fees of one Club.
 - j) Personal Accident Insurance: As per rules of the Company.
 - k) Reimbursement of newspaper and periodicals: As per rules of the Company
 - l) Telephone and other communication facilities at the residence subject to the condition that the personal long distance calls will be borne by Mr. Sarkar.

The aggregate amount of perquisites shall not exceed 10% of the basic salary (Rs. 2,10,000 per annum).

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

SINGER INDIA LIMITED**ANNUAL REPORT 2008****MINIMUM REMUNERATION**

RESOLVED FURTHER THAT the above remuneration shall also be the minimum remuneration payable to Mr. Sarkar under the provisions of Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956 in the absence or inadequacy of profits."

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

"RESOLVED THAT pursuant to Section 269, 198, 309, 311 and in accordance with Schedule XIII and any other enabling provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the appointment and remuneration of Mr. K. K. Gupta as the Whole time Director of the Company for a tenure of three years effective from 11th October 2007 on the basis of the recommendation of Remuneration Committee and approval by the Board of Directors in their meeting held on 11th October 2007 on the following terms and conditions:

- a) **SALARY:**
Basic salary of Rs. 2, 415,000/- per annum paid in 12 equal monthly payments.
- b) **Special Allowance:** Rs.100, 000/- per annum paid in 12 equal monthly payments
In addition to the salary, Mr. Gupta shall be entitled to the following perquisites/allowances:
- c) **Housing:** Furnished residential accommodation or Housing Allowance of Rs. 1,200,000/- per annum paid in 12 equal monthly payments.
Since Mr. Gupta 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.
- d) **Utilities/Repair & maintenance:** Reimbursement of expenses for gas, electricity, water, and repair and maintenance costs for accommodation and furnishings up to a maximum of Rs. 275, 000/- per annum.
- e) **Conveyance:** Company will provide car and driver or suitable reimbursement in lieu thereof for performance of duties.
- f) **Leave Travel Assistance:** An allowance of Rs. 50, 000/- per annum will be paid to cover expenses related to travel whilst on annual leave.
- g) **Medical and Personal Accident Insurance:** Self and wife will be covered under Company's Medclaim Policy which covers hospitalization costs. Reimbursement for incidental medical costs which will include consultation fees and cost of medicines for self and wife. This should be claimed on a monthly expense report duly approved. Cover under Company's Personal Accident Insurance Policy will be for self only.
- h) **Newspaper & Periodicals:** Up to a maximum of Rs.3, 000/- per annum.
- i) **Club Membership** Up to a maximum of Rs. 6, 000/- per annum.
- j) **Provident Fund.** Company's contribution to Provident Fund at 12% of basic salary.
- k) **Superannuation / Gratuity:** Monthly allowance of Rs. 38,573/- to be paid at a sum equivalent to the benefits allowed for the Superannuation and Gratuity as per rules of the Company from time to time.
- l) **Annual Performance Award (APA):** Not exceeding 50% of the basic salary (Rs.1,207,500/-)
- m) **Leave:** As per Company's Policy.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT the above remuneration shall also be the minimum remuneration payable to Mr. K. K. Gupta under the provisions of Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956 in the absence or inadequacy of profits."

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

"RESOLVED THAT pursuant to Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 and Section 81(1A) and other enabling applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the equity shares of the Company are listed and subject to the consent of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and Foreign Investment Promotion Board (FIPB) and all other concerned authorities, if any, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more instalments up to 83,50,000 equity shares of Rs.10/- (Rupees Ten) each for subscription for cash at par on preferential basis to the promoters of the Company, Singer (India) B. V. and/or its associates, subject to the conditions that such additional equity shares shall rank pari passu with the existing equity shares of the Company except that the new equity shares to be issued shall have a lock in period of three years from the date of allotment as stipulated by the BIFR.

RESOLVED FURTHER THAT External Commercial Borrowings (ECB) of US\$ 1.7 millions of Singer Asia Holdings B.V., Netherlands be converted into Equity shares of the Company to the extent of 10% of the amount and in accordance with the provisions of Section 81(1A) and other enabling applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and the Listing agreement entered into by the Company with the Stock Exchange where the equity shares of the Company are listed and subject to the consent of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and Foreign Investment Promotion Board (FIPB) and all other concerned authorities, if any, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot equity shares of Rs.10/- (Rupees Ten) each at par at the exchange rate prevailing at the time of allotment to Singer Asia Holdings B.V., Netherlands

SINGER INDIA LIMITED**ANNUAL REPORT 2008**

and/or its associates, subject to the conditions that such additional equity shares shall rank pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted shall be listed with Bombay Stock Exchange.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to give all such directions as may be necessary or desirable and accept any modifications to the above proposal as may be required by the authorities involved in such issues and further to do all acts, deeds, matters and things and to execute all such deeds, documents and writings in connection with the issue of equity shares but not limiting the entering into such other arrangements and agreements as may be necessary."

BY ORDER OF THE BOARD OF DIRECTORS
FOR SINGER INDIA LIMITED

Place: New Delhi

Dated: 27th June 2008

ROOPALI GROVER
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 12.08.2008 to 19.08.2008 (both days inclusive).
5. Due to prohibitive cost of paper and printing, 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 stock exchange of Mumbai, where the shares are listed w.e.f 31.05.2001. If you are still holding the shares in physical form, you are advised to dematerialise your shares. Further for your information ISIN no of the company is INE638A01019 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 of Listing Agreement, profile of directors to be appointed/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 ACTS, 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's. 4 to-8 of the accompanying notice dated 27th June 2008 be taken as forming part of the Notice.

Item No. 4

Mr. K. K. Gupta was appointed as an Additional Director on the Board of the Company by the Board of Directors w.e.f. 11th October 2007. Mr. K K Gupta would cease to hold the office of Director as such on the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956. The Company has received a special notice under Section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/- from a member proposing his candidature for the office of Director.

Mr. K. K. Gupta has a wide and varied experience in the business and his further continuation, as Director would be of immense help for the future growth of the Company for years to come.

The Board of Directors are of the opinion that Mr. K. K. Gupta would be a building force to the Company which would ultimately be beneficial to the company.

Mr. Gupta being a whole- time Directors would also be not liable to retire by rotation.

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

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

SINGER INDIA LIMITED**ANNUAL REPORT 2008****Item no. 5**

Mr. P. N. Sharma was appointed as an Additional Director on the Board of the Company by the Board of Directors w.e.f 27-06-2008 pursuant to Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company. Mr. P. N. Sharma would cease to hold the office of Director as such on the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- proposing his candidature for the office of Director.

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

The Board of Directors are of the opinion that the continuance of Mr. P. N. Sharma on the Board would be a building force to the Company which would ultimately be beneficial to the company.

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

No Director of the Company except Mr. P. N. Sharma is concerned or interested in the said resolution.

Item no. 6

The Board of Directors in their meeting held on October 11, 2007 had re-appointed Mr. Samya Sarkar as Managing Director of the Company for a period of one year effective 14.10.2007 to 13.10.2008, which is subject to the approval of the members by means of Special Resolution. The Central Government vide their letter No. 12/142/2008-CL.VII dated 7th March 2008 has given its approval for re-appointment and payment of remuneration to Mr. Samya Sarkar.

Mr. Samya Sarkar is an Associate of The Institute of Chartered Accountants of India, L L B (Gen.) and has a Diploma in Operations management.

Mr. Sarkar has a very rich experience of over 30 years in the field of finance, budgetary controls and overall administration. During his long career he worked with Shipping Corporation of India, State Trading Corporation, Nuziveedu Seeds Ltd. and UTI.

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 year to come.

The Board had passed a resolution containing details of terms and conditions for the re-appointment of Mr. Samya Sarkar as Managing Director of the Company. The terms of re-appointment also contain a clause to the effect that services of Mr. Sarkar can be terminated by 6 months notice on either side or on payment of 6 months salary in lieu of notice by either party.

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 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 is given as under: -

I. General Information:

- | | |
|--|--|
| 1. Nature of Industry | Sewing Machines & other Consumer durable |
| 2. Date of Commencement of business | 13 th March.1978 |
| 3. In case of new companies, expected date of commencement of activities | Not applicable |
| 4. Financial performance | During the financial year 2007-2008, the Company recorded a turnover of Rs. 49.55 crores and made a profit of Rs. 2.74 crores before interest, depreciation and tax. The profit before tax (after recording exceptional items was Rs. 0.97 crores against a loss before tax of Rs. 3.41 crores in the previous year. The profit after tax and after recording exceptional items for the year under review was Rs. 27.33 crores and accumulated losses reduced from Rs. 76.7 crores as on 31 st March 2007 to Rs. 49.4 crores as at 31 st March 2008. |
| 5. Export performance and net foreign exchange | The Company had exported goods worth Rs.1.06 lacs in the financial year 2007-2008 |
| 6. Foreign investments or collaborators | Singer (India) B V, The Netherlands is the promoter Company and holds 49.64% of the paid up equity share capital of the Company. |

II. Information about the appointee

- | | |
|-------------------------------------|--|
| 1. Background details | Mr. Samya Sarkar has to his credit vital, varied and wide experience of 32 years in the field of finance, budgetary controls and overall administration
Mr. Samya Sarkar is a professional Managing Director and the Board of Directors is of the opinion that Mr. Sarkar's rich experience will be beneficial to the company and the company will succeed in its future endeavors. |
| 2. Past remuneration: | Singer India Limited = Rs.18.90 Lacs per annum |
| 3. Recognition or awards | Nil |
| 4. Job profile and his suitability: | Mr. Sarkar will be looking after the restructuring proposal of the Company in terms of BIFR guidelines for revival of the Company. He has over 32 years of rich experience in overall management of companies. He has also served the Company as Managing Director during the period 2005 to 2007. |
| 5. Remuneration proposed | As approved by Remuneration Committee and the Board of Directors as per details set out in the Notice of the meeting. |

SINGER INDIA LIMITED**ANNUAL REPORT 2008**

- | | |
|---|--|
| 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, managerial personnel, if any related to any managerial personnel. |

III Other information:

- | | |
|---|--|
| 1. Reasons of loss or inadequate profits | Due to fierce competition in the industry, volumes and gross margins declining, Company had posted huge losses in the past. |
| 2. Steps taken or proposed to be taken for improvement. | The Company is in process of developing a restructuring plan for revamping its direct sales business and wholesale business in sewing machines and appliances. The Hon'ble BIFR has also vide its Order dated 28 th April 2008 sanctioned the rehabilitation scheme for the revival of the Company. |
| 3. Expected increase in productivity and profits in measurable terms. | The Company expects that volumes will grow by 5 – 8% in the respective business, which the Company will continue as per the restructuring plan in the current financial year. |

IV Disclosures

- | | |
|--|---|
| 1. Remuneration package of the managerial person | Remuneration package of Mr. Sarkar is as given in the resolution in the Notice to the members |
|--|---|

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

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

Item No. 7

The Board of Directors in their meeting held on October 11, 2007 had appointed Mr. K. K. Gupta as Whole-time Director (designated as Chairman) of the Company for a period of three years effective 11.10.2007 to 10.10.2010, which is subject to the approval of the members by means of Special Resolution. The Central Government vide their letter No. 12/143/2008-CL.VII dated 7th March 2008 has given its approval for appointment and payment of remuneration to Mr. K. K. Gupta.

Mr. K. K. Gupta is B.Sc. (Mechanical Engineering), MS (Industrial Engineering) with over 43 years of experience in the field of production, marketing, finance and overall administration. Mr. Gupta was earlier occupying the office of the Managing Director of the Company from May 1983 to December 1996 when he was also holding the office of Chairman besides the position of the Managing Director. He was again appointed as Vice Chairman and Managing Director of the Company from September 2004. In October 2005, Mr. Gupta was re-assigned to a new project in Singer group. After completing the new project, he has been re-inducted in Singer India Limited to seek his services to turnaround the Company. Accordingly, he has been appointed as Chairman of the Company for a period of three years effective 11th October 2007. The Board of Directors are of the opinion that Mr. Gupta's rich experience and past association with the Company will be beneficial to the Company and will help in turning around the Company's performance.

The Board had passed a resolution containing details of terms and conditions for the appointment of Mr. K. K. Gupta as Chairman of the Company. The terms of appointment also contain a clause to the effect that services of Mr. Gupta can be terminated by 6 months notice on either side or on payment of 6 months salary in lieu of notice by either party.

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 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 is given as under: -

I. General Information:

- | | |
|--|---|
| 1. Nature of Industry | Sewing Machines & other Consumer durable |
| 2. Date of Commencement of business | 13 th March 1978 |
| 3. In case of new companies, expected date of commencement of activities | Not applicable |
| 4. Financial performance | During the financial year 2007-2008, the Company recorded a turnover of Rs. 49.55 crores and made a profit of Rs. 2.74 crores before interest, depreciation and tax. The profit before tax (after recording exceptional items) was Rs. 0.97 crores against a loss before tax of Rs. 3.41 crores in the previous year. The profit after tax and after recording exceptional items for the year under review was Rs. 27.33 crores and accumulated losses reduced from Rs. 76.7 crores as on 31 st March 2007 to Rs. 49.4 crores as at 31 st March 2008. |
| 5. Export performance and net foreign exchange | The Company had exported goods worth Rs. 1.06 lacs in the financial year 2007-2008 |
| 6. Foreign investments or collaborators | Singer (India) B V, The Netherlands is the promoter Company and holds 49.64% of the paid up equity share capital of the Company. |

Information about the appointee

- | | |
|-----------------------|---|
| 1. Background details | Mr. K. K. Gupta is B.Sc. (Mechanical Engineering) & MS (Industrial Engineering) with over 43 years of experience in the fields of production, marketing, finance and overall administration. Mr. Gupta was earlier occupying the office of the Managing Director of the Company from May 1983 to December 1996 when he was also holding the office of Chairman besides the position of the Managing |
|-----------------------|---|

SINGER INDIA LIMITED**ANNUAL REPORT 2008**

2. Past remuneration
3. Recognition or awards
4. Job profile and his suitability

Director. During his period with the Company, the Company had successfully implemented many programs and the Company had been achieving consistent and steady growth in profits and payment of dividends. He was again appointed as Vice Chairman and Managing Director of the Company from September 2004 but he had resigned in October 2005.

Brand Trading India Private Limited = Rs. 44.99 Lacs per annum

Nil

Mr. Gupta will be looking after the whole of the affairs of the Company subject to the control and superintendence of the Board of Directors. He has over 43 years of rich experience in overall management of companies. He has also served the Company as Managing Director during the period from 1983 to 1996 & 2004 to 2005. When he resigned in 2005, he was also occupying the post of Vice-Chairman of the Company.

5. Remuneration proposed
6. Comparative remuneration profile w.r.t. industry size of the Company, profile of the position and person.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any

As approved by Remuneration Committee and the Board of Directors as per details set out in the Notice of the meeting.

In line with the industry

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
2. Steps taken or proposed to be taken for improvement.
3. Expected increase in productivity and profits in measurable terms.

Due to fierce competition in the industry, volumes and gross margins declining, Company had posted huge losses in past.

The Company is in process of developing a restructuring plan for revamping its direct sales business and wholesale business in sewing machines and appliances. 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 expects that volumes will grow by 5 – 8% 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. K K Gupta is as given in the resolution in the Notice to the members

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

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

Item No. 8

The Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 has sanctioned a Rehabilitation Scheme for the revival of the Company vide its order dated 08th May 2008. The scheme as sanctioned, inter-alia, provides for infusion of funds by way of equity participation by the promoters of the Company and/or their associates. The promoters are required to bring in Rs. 835 lacs in one or more instalments. Further the equity shares after allotment shall be under a lock in period of three years from the date of allotment.

The scheme further provides payment to promoters and associates External Commercial Borrowings (ECB) up to 10% of their principal outstanding dues of US \$ 1.7 millions as on 31st March 2007 with balance 90% of the principal amount including un paid interest being waived off. Singer Asia Holdings B.V., Netherlands have vide their letter dated 27th June 2008 given their consent to convert 10% of US\$ 1.7 millions into Equity shares of the Company with the balance 90% being written off. Hence it is proposed to allot equity shares against the ECB.

The Company has filed an appeal with Appellate Authority of Industrial and Financial Reconstruction (AAIFR) for exemption from complying with the provisions of Section 81 of the Companies Act, 1956. In case the appeal is upheld, the Company may not be required to seek shareholder's approval. However, as an abundant caution the Company is seeking shareholder's approval.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956.

None of the Directors of the company is, in any way, concerned or interested in the resolution.

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

BY ORDER OF THE BOARD OF DIRECTORS

FOR SINGER INDIA LIMITED

Place: New Delhi

Dated: 27th June 2008

ROOPALI GROVER
COMPANY SECRETARY