

ANNUAL REPORT 2010

SINGER[®]
AT HOME WORLDWIDE

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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

NOTICE

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

Day : Wednesday

Date : November 10, 2010

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 at 30th June 2010 and the Profit & Loss Account for the period of 15 months ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. N. Sharma, who retires by rotation and, being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Ajit Kumar, who retires by rotation and, being eligible, offer 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 the 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 an Ordinary Resolution:

“RESOLVED THAT Mr. Rajeev Bajaj, who was appointed as Director on the Board of the Company w.e.f 27.07.2009 and holds office up to the date of this Annual General Meeting 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.”

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 consent and approval as may be required, consent of the members be and is hereby accorded for increase in the remuneration of Mr. K K Gupta, Whole time Director of the Company designated as Chairman, effective 1st July 2009 to 30th June 2010 and 1st July 2010 till the remaining period of his tenure up to 10th October, 2010 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. K. K. Gupta pursuant to Section 198 and 309 and any other applicable provisions, if any, of the Companies Act, 1956.

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

“RESOLVED THAT subject to the approval of the Central Government and as per section 198, 269, 309 and 311 and in accordance 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 consent and approval as may be required, consent of the members for Mr. Rajeev Bajaj, Wholetime Director, designated as Finance Director & CFO, effective from 27th July, 2009 and redesignated as Managing Director of the Company w.e.f. 1st day of October, 2010, be and is hereby accorded for the increase in remuneration effective

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from 1st July 2009 to 30th June 2010 and 1st July 2010 till the remaining period of his tenure up to 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 with the notice."

"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.

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

"RESOLVED THAT subject to the approval of the Central Government 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 consent and approval as may be required, consent of the members be and is hereby accorded for reappointment and payment of remuneration to Mr. K K Gupta, Whole time Director of the Company designated as Chairman, effective 11th October 2010 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 shall also be the minimum remuneration payable to Mr. K. K. Gupta 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

Ashish Srivastava

Dated: 29th September, 2010 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 03.11.2010 to 10.11.2010 (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

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dematerialise your shares. Further 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)

The Board of Directors commends the resolution for your approval.

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 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 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's. 5 to 8 of the accompanying notice dated 29th September, 2010 be taken as forming part of the Notice.

Item no. 5

Mr. Rajeev Bajaj was appointed as Alternate Director to Mr. Hemaka Amarsuriya on 19th August 2008. Mr Amarasuriya resigned as Director effective 27th July 2009 and Mr. Rajeev Bajaj ceased to be Alternate Director. The Board of Directors appointed Mr. Bajaj as a Director on the Board of the Company effective 27th July 2009. The Company has received a 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.

The Board of Directors are of the opinion that continuance of Mr Bajaj as a Director would be of immense help for the continued growth of the Company in the coming years.

Mr. Bajaj being a wholetime Director would not be liable to retire by rotation.

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1. Basic Salary : Rs.3,463,200/- p.a paid in 12 equal monthly payments.
2. Special Allowance : Rs.100, 000/- per annum paid in 12 equal monthly payments
3. Allowance in lieu of Superannuation Gratuity Fund : Rs.663,780 per annum paid in 12 equal monthly payments
4. House Rent Allowance : Furnished residential accommodation or Housing Allowance of Rs. 1,576,200/- per annum paid in 12 equal monthly payments.
5. Utilities/Repair & maintenance : Reimbursement of expenses for gas, electricity, water, and repair and maintenance costs for accommodation and furnishings as per rules of the Company (Present Limit Rs. 2,75,000 p.a.)
6. Leave Travel Assistance : An allowance of Rs. 50, 000/- per annum will be paid to cover expenses related to travel whilst on annual leave.
7. Medical reimbursement : For Self and wife up to a limit of Rs.100,000 per annum. 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.
8. Insurance : Insurance premium upto Rs.15,700 to cover Hospitalisation benefit for self and wife and personal Accident policy for self.
9. Newspaper & Periodicals : Up to a maximum of Rs.3, 000 per annum.
10. Club Membership : Entrance and membership fee for one club. (Present limit Rs. 6,000 p.a.)
11. Provident Fund (12% of basic salary) : Rs.415,584 per annum

12. Annual Performance Award (APA) : As per the scheme approved by the Board of Directors from time to time not exceeding 100% of the basic salary.
13. Leave : As per Company's Policy.
14. Conveyance : Car for official purpose.

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. K. K. Gupta.

The approval from Central Government for the above increase is awaited.

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 : 13th March 1978
3. In case of new companies, expected date of commencement of activities : Not applicable
4. Financial performance : During the period of 15 months ended on 30.06.2010, the Company recorded a turnover of Rs.113.17 crores and made a profit of Rs. 7.4 crores before tax and exceptional items. The profit before tax (after recording exceptional items) was Rs.2.66 crores. The profit after tax and after recording exceptional items for the year under review was Rs.2.45 crores. Accumulated losses was reduced from Rs.14.66 crores as on 31st March 2009 to Rs. 12.21 crores as at 30th June 2010.

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5. Export performance and net foreign exchange : The Company had exported goods worth Rs. 2.25 crores during the period of 15 months ended on 30.06.2010
6. Foreign investments or collaborators : Singer (India) B V, The Netherlands is the promoter Company and holds 80.43% of the paid up equity share capital of the Company as on date.

II Information about the appointee

1. Background details : Mr. K. K. Gupta is B.Sc. (Mechanical Engineering) & MS (Industrial Engineering) and has to his credit vast experience of more than 45 years in the fields of production, marketing, finance, overall administration & more particularly in the revival of sick companies.
- Mr. Gupta was earlier during the period May 1983 to December 1996 occupying the office of Managing Director and was also holding the office of Chairman.
- During his earlier period with the Company, the Company had achieved consistent and steady growth in sales & profits.
2. Past remuneration : Singer India Limited = Rs. 1,13,77,658 for the period 01.04.2009 to 30.06.2010
3. Recognition or awards : Nil
4. Job profile and his suitability : 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 45 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 : As approved by Remuneration Committee and the Board of Directors as per details set out in the Explanatory Statement attached to the Notice of the meeting.
6. Comparative Profile : In line with the Industry w.r.t. industry size of the Company, profile of the position and person.
7. Pecuniary relationship : 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 : Due to fierce competition in the industry, volumes and gross margins declining, Company had posted huge losses in past.
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 and as a part of the scheme infusion of funds by way of equity contribution from promoters amounting to Rs.8.35 Crores has been received till date.

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| 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. |
| 2. Housing Allowance | : Rs. 3,16,800 p.a. paid in 12 equal monthly payments |

IV Disclosures

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| 1. Remuneration package of the managerial person | : The increased remuneration package of Mr. K K Gupta is as given in the Explanatory Statement attached 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. K. K. Gupta is concerned or interested in the said resolution.

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

Item No. 7

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 based on the recommendation of the Remuneration Committee, increased his remuneration by way of Annual increment as per Policy of the Company effective 1st July 2009 as detailed below.

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| 1. Basic Salary | : Rs. 5,28,000/- p.a paid in 12 equal monthly payments. |
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| <p>5. Export performance and net foreign exchange : The Company had exported goods worth Rs. 2.25 crores during the period of 15 months ended on 30.06.2010</p> <p>6. Foreign investments or collaborators : Singer (India) BV, The Netherlands is the promoter Company and holds 80.43% of the paid up equity share capital of the Company as on date.</p> | <p>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.</p> <p>6. Comparative remuneration Profile w.r.t. industry size of the Company, profile of the position and person. : In line with the Industry</p> |
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II Information about the appointee :

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| <p>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 26 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial.</p> | <p>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.</p> |
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Mr. Bajaj was earlier in Steel Authority of India Limited occupying a significant position in Finance Department. 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 Commercials. From October 2008 he is working with Singer India Limited.

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| <p>2. Past remuneration : Singer India Limited = Rs.1,735,266 for the period 1.4.2009 to 30.06.2010</p> <p>3. Recognition or awards : Nil</p> <p>4. Job profile and his suitability : Mr. Bajaj will be looking after the whole of the financial and commercial affairs of the Company subject to the control and superintendence of the Chairman. He has over 26 years of rich experience in overall financial management of companies.</p> |
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III Other information:

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| <p>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 past.</p> <p>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.</p> | <p>The Company is in the process of implementing the Scheme and as a part of the scheme infusion of funds by way of equity contribution from promoters amounting to Rs.8.35 Crores has been received till date.</p> |
| <p>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</p> | |