

ANNUAL REPORT 2011

SINGER

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BOARD OF DIRECTORS

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

SECRETARY

Mr. Ashish Srivastava

BANKERS

ICICI Bank Limited
Yes Bank Limited

**REGISTERED &
CORPORATE OFFICE**

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

WORKS

Lane No. 4
SIDCO Industrial Estate
Jammu

Lane No. 2
SIDCO Industrial Estate
Phase II, Jammu

Please visit our website www.singerindia.net

NOTICE

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

Day : Wednesday

Date : 5th October, 2011

Time : 4:00 P.M.

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

to transact the following business:

ORDINARY BUSINESS

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

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

SPECIAL BUSINESS

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

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

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

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

“RESOLVED THAT subject to the approval of the Central Government and as per section 198(4), 269, 309(3), 310 and 311 read with Schedule XIII and other enabling provisions, if any of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the members be and is hereby accorded for reappointment of Mr. Rajeev Bajaj as the Managing Director of the Company and payment of remuneration to Mr. Bajaj as the Managing Director of the Company, effective 1st October 2011 for a period 3 years with the liberty to the Board of Directors to alter and vary the terms and conditions as set out in the Explanatory Statement annexed hereto.”

“RESOLVED FURTHER THAT if the Company has no profit or inadequate profit, the remuneration as set out in the Explanatory Statement annexed hereto

NOTICE

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

Ashish Srivastava
COMPANY SECRETARY

Dated: 3rd August, 2011

NOTES

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

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

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

NOTICE

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

Item no. 5

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

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

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

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

- | | |
|--|---|
| 3. Contribution to Gratuity & Provident Fund | : Rs. 137,976 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 application for approval from Central Government for the above increase is being filed.

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

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

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

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

Item no. 6

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

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

- | | |
|--|---|
| 1. Basic Salary | : Rs. 820,800 p.a. paid in 12 equal monthly payments. |
| 2. All Perquisites and allowances | : Rs. 2,013,420 p.a. paid in 12 equal monthly payments |
| 3. Contribution to Gratuity & Provident Fund | : Rs.137,976 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. |

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

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

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

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

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

I. General Information:

- | | |
|--|---|
| 1. Nature of Industry | : Sewing Machines & other Consumer durable |
| 2. Date of Commencement of business | : 13th March 1978 |
| 3. In case of new companies, expected date of commencement of activities | : Not applicable |
| 4. Financial performance | : During the financial year ended on 30.06.2011, the Company recorded a turnover of Rs. 119.64 crores and made a profit of Rs. 6.25 crores before tax and exceptional |

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

- | | |
|--|--|
| 5. Export performance and net foreign exchange | : The Company had exported goods worth Rs. 0.11 crores during the year ended on 30.06.2011 |
| 6. Foreign investments or collaborators | : Singer (India) B V, The Netherlands is the promoter Company and holds 78.90 % of the paid up equity share capital of the Company as on date. |

II Information about the appointee

- | | |
|-----------------------|--|
| 1. Background details | : Mr. Rajeev Bajaj is a Fellow member of the Institute of Chartered Accountant of India as well as Fellow member of the Institute of Company Secretaries of India with over 27 years of experience in the field of Finance, Accounts, Taxation, and Legal & Secretarial. |
|-----------------------|--|

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

NOTICE

- Company Secretary & G.M Commercial. From October 2008 he is working with Singer India Limited.
2. Past remuneration : Singer India Limited = Rs. 22,42,679 for year ended 30.06.2011
3. Recognition or awards : Nil
4. Job profile and his suitability : Mr. Bajaj will be looking after substantially the whole of the affairs of the Company subject to the control and superintendence of the Chairman. He has over 27 years of rich experience in overall financial management of companies.
5. Remuneration proposed : As approved by Remuneration Committee and the Board of Directors as per details set out in the explanatory statement attached with the Notice of the meeting.
6. Comparative Profile : 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 : N.A.
2. Steps taken or proposed to be taken for improvement : The Hon'ble BIFR has also vide its Order dated 28th April, 2008 sanctioned the rehabilitation scheme for the revival of the Company.

The Company is in the process of implementing the Scheme.

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

IV Disclosures

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

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

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

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

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

Place: New Delhi
Dated: 3rd August, 2011

Ashish Srivastava
COMPANY SECRETARY

DIRECTORS' REPORT**TO THE MEMBERS**

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

FINANCIAL RESULTS

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

OPERATIONS

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

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

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

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

DIVIDEND

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

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

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

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

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

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

SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS

Mr. Deepak Sabharwal and Mr. Gavin Walker, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

FIXED DEPOSITS

The Company has repaid all depositors along with interest as per the directions of the Hon'ble Delhi High Court except for the unclaimed amount of Rs. 3.08 lacs to 22 depositors who have not furnished the original deposit receipts or indemnities. Reminders to these depositors have also been sent.

DEPOSITORY SYSTEM

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

AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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