

**39<sup>th</sup>**

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**USHA**  
**(INDIA) LTD**

**USHA (INDIA)  
LIMITED**

**2001-2003**

**Mr. Kulwant Rai**

**Chairman Emeritus**

**BOARD OF DIRECTORS**

Mr. Vinay Rai

Chairman

Mr. Anil Rai

Co-Chairman

Mr. Rajiv Manchanda

Chief Operating Officer & Whole Time Director

Mr. A.K. Jain

Whole Time Director

Dr. M.C. Gupta

Director

Mr. R.C. Jain

Nominee Director-G.I.C. of India

Mr. M.P. Setia

Nominee Director-Unit Trust of India

**AUDITORS**

**P. Bholusaria & Co.**  
Chartered Accountants  
26/11, Shakti Nagar,  
New Delhi - 110 007

**REGISTERED OFFICE**

Road No. 1  
UPSIDC Industrial Estate,  
Jagdishpur, Distt. Sultanpur,  
Uttar Pradesh - 227 817

**REGISTER & TRANSFER AGENT**

**RCMC Share Registry (P) Ltd.**  
1515, 1st Floor, Bhasham Pitamah Marg,  
Near South Extn., Kotla Mubarakpur,  
New Delhi-110003

**LOCATION OF PLANT  
ELECTRONIC DIVISION**

12/1, Delhi-Mathura Road,  
Faridabad - 121 003 (Haryana)

Report  junction.com

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## NOTICE

To

The Members,

**USHA (INDIA) LIMITED**

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, the 29<sup>th</sup> July, 2003 at 11.00A.M. at Road No. 1, UPSIDC Industrial Estate, Jagdishpur, Distt. Sultanpur, Uttar Pradesh – 227 817 to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2003 (16 months), the Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

**SPECIAL BUSINESS:**

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Rajiv Manchanda be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** in accordance with the provisions of Section 198, 269 read with Schedule XIII, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of Article 95A of the Articles of Association of the Company and subject to approval of Central Govt. Mr. Rajiv Manchanda be and is hereby appointed as Whole-time Director of the Company designated as Chief Operating Officer, for a period of five years w.e.f. 28.06.2002 upon such remuneration as detailed below and that he shall be responsible for all day to day affairs of the Company.

Basic Salary : Rs. 18,000 in scale of 18,000-2,500-28,000  
HRA : Rs. 50% of Basic Salary  
Special Allowance : Rs. 7,500/-p.m.

**Other Perquisites:**

In addition to the salary, he shall also be entitled to perquisites like medical reimbursement, leave travel concession for himself and his family, car, reimbursement of petrol, repair & maintenance exp. of car, club fees, medical insurance, earned leave, hard and soft furnishing etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors with Mr. Rajiv Manchanda subject to maximum of 50% of Basic and HRA.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Rajiv Manchanda will be governed in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956 in the event of the Company suffering loss or having inadequate of profits in any accounting year."

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Anil Kumar Jain be and is hereby appointed as Director of the Company.

**RESOLVED THAT** in accordance with the provisions of Section 198, 269 read with Schedule XIII, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of Article 95A of the Articles of Association of the Company and subject to approval of Central Govt., Mr. A.K. Jain be and is hereby appointed as Whole-time Director of the Company, for a period of five years w.e.f. 28.06.2002 upon such remuneration as detailed below:

Basic Salary : Rs. 14,000 in scale of  
14,000- 2,000 22,000

HRA : Rs. 50 % of Basic Salary  
Special Allowance : Rs. 7000 per month

**Other Perquisites:**

In addition to the salary, he shall also be entitled to perquisites like medical reimbursement, leave travel concession for himself and his family, car, reimbursement of petrol, repair & maintenance exp. of car, club fees, medical insurance, earned leave, hard and soft furnishing etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors with Mr. A.K. Jain subject to maximum of 50% of Basic and HRA

**RESOLVED FURTHER THAT** the remuneration payable to Mr. A.K.Jain will be governed in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956 in the event of the Company suffering loss or having inadequate of profits in any accounting year."

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** vacancy in Board of Directors caused by retirement of Dr. M.C. Gupta, be not filled up for the present."

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: "To note that the net worth of the company has further eroded in the period 2001-2003 (16 months) and therefore a fresh reference be filed with Board for Industrial and Financial Reconstruction (BIFR) under provisions of Sick Industrial Companies (Special provisions) Act 1985 and board of directors of the company be authorized to take such steps as necessary in this matter and further all acts, deeds and things etc. done by Board of Directors in this connection be and is hereby ratified."

By Order of the Board  
For USHA (INDIA) LTD.

Place: New Delhi

Date: 18.06.2003

COMPANY SECRETARY

## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE ROAD NO. 1, UPSIDC INDUSTRIAL ESTATE, JAGDISHPUR, DISTRICT SULTANPUR, UTTAR PRADESH – 227 817 NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> July, 2003 to 29<sup>th</sup> July,2003 (both days inclusive) in connection with Annual General Meeting.
- In accordance with the provisions of the Companies Act, 1956, the Company will transfer unclaimed dividend relating to the year 1995-96 to the **"INVESTOR EDUCATION AND PROTECTION FUND"**. Once the amount transferred to the said fund, no claim shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment. Members whose dividend for the year 1995-96 is still unpaid are advised to claim the dividend.
- Limited arrangement will be made for taking members located in Delhi to attend the Annual General Meeting at Jagdishpur, which is about 500 Kilometres away from Delhi. The arrangement will depend upon response received and will be strictly on **FIRST COME FIRST SERVED** basis. Interested individual members should intimate the Company on or before 16<sup>th</sup> July, 2003
- In pursuance to the requirement of SEBI circular no. D&CC/FITTC/

**USHA (INDIA) LIMITED**

CIR-15/2002 dated 27<sup>th</sup> December, 2002), company has appointed M/s **RMC Share Registry (P) Ltd.** [Unit: Usha (I) Ltd.], 1515, 1<sup>st</sup> Floor, Bhisham Pitamah Marg, Kotla Mubarakpur (Near South Extn.), New Delhi – 110 003 as Common Agency for Share Registry work for its both Physically and electronically. Members holding shares in physical form are requested to notify change of address/residential status, etc., under their signature and quoting respective folio nos. to the R & T Agent of the company.

7. The Register of Contract/arrangement and Register of Directors' shareholding shall be kept open for inspection by the members during the continuance of the meeting.
8. The shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days in advance of the meeting so that the information called for can be made available at the time of meeting.
9. All documents referred to in the accompanying Notice and Explanatory Statement are kept open for inspection at the Registered Office of the Company during office hours on all working days upto the date of Annual General Meeting between 11.00 A.M. and 1.00 P.M.

**EXPLANATORY STATEMENT****Pursuant to Section 173 of the Companies Act, 1956****ITEM NO. 3**

The Board of Directors appointed Mr. Rajiv Manchanda as Whole-time Director of the Company in their meeting held on 28.06.2002 in place of Mr. Sandeep Sinha for a period of five years w.e.f. 28<sup>th</sup> June, 2002. He is associated with the company since 18.06.93. He is B.S.C in electronics and having experience of more than 16 years in Electronics industry. Since Mr. Rajiv Manchanda is working as V.P. (Sales & Marketing) and is looking after Electronics Division-Faridabad by virtue of his appointment as Director of the Company, he would also be Whole-time Director of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member along with prescribed deposits signifying his candidature for appointment as director of the company. The Central Government has granted necessary approval vide its letter NO. 1/378-379/2002-CL.VII dated 9<sup>th</sup> April 2003 for the period of 3 years. This may also be treated as an abstract of the terms of the contract/agreement between company and Mr. Rajiv Manchanda pursuant to section 302 of the Companies Act, 1956. Therefore, the Board recommends this resolution for approval by the shareholders.

Except Mr. Rajiv Manchanda, no other director is concerned or interested in this resolution.

**ITEM NO. 4**

Mr. Anil Kumar Jain was co-opted as Additional Director of the Company by Board of Directors in their meeting held on 28.06.2002. By virtue of the provisions of Section 260 of the Companies Act, 1956, his term as an Additional Director expires at this ensuing Annual General Meeting. He is associated with the company since 23.10.78. He is B.S.C. in Electrical Engineering and MBA having experience of more than 23 years in Production in Electronics Industry. He has started his career in Usha (India) Ltd. since 23<sup>rd</sup> October, 1978. Since Mr. A.K. Jain is working as V.P. (Production) in Electronics Division Faridabad by virtue of his appointment as Director of the Company, he would also be Whole-time Director of the Company. The Company has received a notice U/s 257 of the Companies Act, 1956 from a member along with prescribed deposits signifying his candidature for appointment as director of the company. The Central Government has granted necessary approval vide its letter NO. 1/378-379/2002-CL.VII dated 9<sup>th</sup> April, 2003 for the period of 3 years. This may also be treated as an abstract of the terms of the contract/agreement between company and Mr. A.K. Jain pursuant to section 302 of the Companies Act, 1956. Therefore, the Board recommends the resolution for your approval.

Except Mr. A.K. Jain, no other director is concerned or interested in this resolution.

**ITEM NO. 5**

Dr. M.C. Gupta has been the Managing Director of the Company since 7<sup>th</sup> February, 1998. He has resigned from the post of Managing Directorship vide letter dated 09.05.2003 but he continued as a director of the Company. The letter of resignation has been accepted by the Board of Directors in their meeting held on 18<sup>th</sup> June, 2003. His retirement by rotation is to be considered at the ensuing Annual general meeting. However, in view of non-receipt of his willingness to be re-appointed, it is proposed to not to fill the vacancy caused by the retirement by rotation of Dr. M.C. Gupta. Consequently, Dr. M.C. Gupta shall cease to be a Director of the company with effect from the date of the ensuing Annual General Meeting.

Further, the provisions of Section 256 of the Companies Act, 1956 requires that where the vacancy caused by the retirement of a Director be not being filled, the same has to be confirmed by the shareholders by way of an ordinary resolution. Hence the Board recommends the resolution for the approval of shareholders.

Except Dr. M.C. Gupta, none of the directors is deemed to be concerned or interested in the resolution.

**ITEM NO. 6**

As per the Annual Accounts of the Company for the period ended on 31<sup>st</sup> March, 2003 (16 months) the accumulated losses exceeded the net worth of the company, which has resulted in the total erosion of its entire peak net worth. The Board of Directors have taken the view based on the audited accounts placed in the Board Meeting of the Company held on 18.06.2003 and formed an opinion that the company prima facie has become a Sick Industrial Company in the meaning of section 3(1)(O) of the Sick Industrial Companies (Special provision) Act 1985 and pursuant to the provisions of the said Act a reference has to be filed with Hon'ble Board for Industrial & Financial Reconstruction (BIFR) in prescribed format with in 60 days from the date of finalization of the duly audited accounts for that period. Further due to adverse market conditions and liquidity crunch resulting in lower capacity utilization, company is not recovering its fixed cost / overheads (including interest) and incurring losses, it is, therefore, essential to approach BIFR so that speedy measures are taken by the Hon'ble BIFR for the revival of the company. It may be noted that the reference filed in January, 2001 on the basis of Audited accounts for the period ended 30<sup>th</sup> November, 2001 (11 months) registered as BIFR Case no.117 / 2002, was dismissed by the Hon'ble BIFR vide its order dated 28<sup>th</sup> October, 2002. Against the said order passed by the Hon'ble BIFR, the company has filed an appeal before the Hon'ble AAIFR on 26<sup>th</sup> December, 2002, which is pending before Hon'ble AAIFR. None of the directors is deemed to be concerned or interested in the resolution.

**DIRECTORS' REPORT**

To the Members

**USHA (INDIA) LIMITED.**

Your Directors presenting the 39<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Statement of Accounts for the period ended on 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS:**

(Rs. in Lacs)

PARTICULARS	2001-2003 (16 months)	2001 (11 months)
<b>TURNOVER</b>	<b>1825.85</b>	6631.06
Profit/(Loss) before Interest & Depreciation	<b>(4433.31)</b>	(102358.40)
Less: Interest	<b>2576.08</b>	1857.92
Depreciation	<b>2076.16</b>	6317.85
Net Profit/(Loss) after taxation	<b>(9085.55)</b>	(110534.17)
Less: Prior Period Adjustments	<b>(1.16)</b>	(287.20)
Add: Transfer from General Reserve	-	80.44
Profit/(Loss) brought forward from last period	<b>(110740.93)</b>	-
Profit/(Loss) carried to Balance Sheet	<b>(119827.64)</b>	(110740.93)

**OPERATIONS AND FUTURE OUTLOOK:**

During the period under review company registered a sale of approx. 18.26 Crores against Rs. 66.31 crores in the previous period. During the period Company suffered the loss before Interest and depreciation of Rs. 44.33 crores against Rs. 1023.58 crores in the previous period. Since last one year company is not receiving sufficient orders from the market due to recession in world over and total stoppage of export order from Fairchild (Samsung, Korea). Due to Funds problem, the company is unable to execute the orders in time. Even though the company is suffering cash losses, it is still making all current statutory payments such as Excise duty, Custom duty, Sales tax, ESIC, Provident Fund, Wages, & TDS etc.

During the period company has filed a reference with the Board for Industrial & financial Reconstruction in January, 2002 under the provision of Section 15 of the Sick Industrial Contracts (Regulation) Act, 1956 subsequent to erosion of net worth of the company. The reference was registered as case no. 117/2002 in April 2002. Hon'ble Bench has rejected the reference vide its order dt. 28.10.2002. Company has filed appeal in AAIFR against the order of the Hon'ble BIFR and it is pending with the AAIFR. The company has also received the notices from Financial Institutions under Securitisation And Reconstruction Of Financial Assets and Enforcement Of Security Interest Ordinance (now Act) for recovery of their loan. The EXIM Bank had taken the possession of one of the collateral property charged situated at B-II/94, MCIE, Mathura Road, Delhi towards the recovery of its loan given to the company. Bankers had also stopped all facilities and had given the notices for the recovery.

EP division at Faridabad and MFR division at Bhimtal unit were closed during this year. As advised earlier the G.P. Sheet division of the company has been closed due to poor performance and liquidity crunch. However the workers have re-started the same on trial basis. Solar Division of the company is not functioning due to lack of orders and liquidity crunch. The Settlement Commission has accepted application in December, 2002 filed by Company with them under the Income Tax Act. The Investigation Authorities of Government of India conducted the raid on 12<sup>th</sup> January, 2002 for further investigation.

With a view to re-structure the overall operations, your company has discontinued unviable divisions and concentrating on its core competencies. Further Company had sold its holding in subsidiaries and other companies. These companies were suffering heavy losses and book value of shares of most of these companies was negative. Your Directors hope that this will enable the company to give focused attention to its Electronics business.

**SUBSIDIARIES**

Company has pledged the equity shares of Usha Ispat Limited with United Western Bank for securing the various facilities granted to Usha Ispat Ltd. The Bank has got transferred 55.25 lacs shares in their favour. As per letter received from Usha Ispat Ltd., company's holding is below the 51% of its total equity share capital. In view of this, Usha Ispat Ltd. had ceased to be a subsidiary company of Usha (India) Ltd. As advised earlier that the company has no control on the affairs of the Malvika Steel Limited (MSL) hereto a subsidiary of the company. A proposal for converting part of their overdue interest to 51% equity in MSL was filed by the Financial Institutions in the High Court. The company had already pledged/ committed to pledge all equity holding in MSL in favour of Financial Institutions/ Banks. Blank Share Transfer Deeds in respect of said holding had been submitted with the respective Financial Institution/ Banks. MSL has neither given the documents/ information nor confirmed the present status in spite of our various correspondences. The Board had decided that an application be made to Central Government u/s 212 of companies Act, 1956, to exempt from attaching the documents as required under Companies Act. During this period Company had sold its holding in other subsidiaries namely Usha Information Systems Ltd., Usha Marconi Micro Electronics Ltd., Ram Krishan Kulwant Rai Ent. Ltd, Fiz Com Ltd. and therefore these companies ceased to be subsidiaries of the company.

**DIRECTORS**

Mr. Vinay Rai and Mr. Anil Rai resigned from the post of Chief Executive Officer w.e.f. 27.03.2002 but they will continue as director of the company. Mr. Sandeep Sinha, Whole time Director of the Company has resigned from the Board of the Company w.e.f. 28.06.2002. Nomination of Mr. V.Mohan and Mr. Sanjoy Chowdhury have been withdrawn by the GIC and IFCI respectively. GIC had nominated Mr. I.J. Jain as its Nominee. Nomination of Mr. I.J.Jain has also been withdrawn by the GIC and nominated Mr. R.C. Jain as its Nominee. The Board places on record its appreciation for the services rendered by Mr. Sandeep Sinha, Mr. Sanjoy Chowdhury, Mr. V. Mohan and Mr. I.J.Jain. During the period, Mr. Rajiv Manchanda and Mr. Anil Kumar Jain has been appointed as Whole time Directors for a period of five years w.e.f. 28.06.2002. Mr. Rajiv Manchanda designated as chief operating officer of the company.

Dr. M. C Gupta has resigned from the post of Managing Directorship. He is also liable to retire by rotation at the ensuing Annual General Meeting. However, in view of non-receipt of his willingness to be re-appointed, Dr. M.C. Gupta will cease to be a Director of the company with effect from the date of the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) That in preparation of the annual accounts for the period ended on 31.03.2003, the applicable accounting standards which are in the opinion of the Board is practical had been followed along with proper explanations 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 financial period and of the profit of the Company for the period under report.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and by preventing and detecting fraud and other irregularities.
- iv) That the Directors had prepared the accounts for the period ended 31.03.2003 on a 'going concern basis'.

**DIVIDEND**

Due to losses incurred during the year, no dividend has been recommended. In accordance with the provisions of the Companies Act, 1956, the Company had transferred unclaimed dividend relating to the year 1994-95 to the "INVESTOR EDUCATION AND PROTECTION FUND". The unclaimed dividend relating to the year 1995-96, which were unclaimed for a period of seven years from the date that they first become due for payment, will be transferred to the "INVESTOR EDUCATION AND PROTECTION FUND". Once the amount is transferred to the said fund, no claim shall lie against the Fund or the Company in respect of individual amounts. Members whose dividend for the year 1995-96 is still unpaid are advised to claim the dividend.

**DEPOSITS**

The Company has not accepted any deposits from the public during the year under review. However, fixed deposits amounting to Rs. 47,500/- were outstanding as on 30th November, 2001 and the said amount along with interest has been transferred to *INVESTOR EDUCATION AND PROTECTION FUND*.

**CORPORATE GOVERNANCE**

A separate report on the Corporate Governance is enclosed as a part of the Annual Report.

**PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of particulars

**USHA (INDIA) LIMITED**

in the Report of Board of Directors) Rules, 1988, is annexed and forms a part of this Report.

**PARTICULARS OF EMPLOYEES**

There is no employee in the company during the year covered under section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1957. Cordial relations continue to exist between the management and the workers. None of the employee is the relative of the Directors.

**AUDITORS & AUDITORS' REPORT**

The Board recommends for appointment of M/s P. Bholusaria & Co., Chartered Accountants, as Auditors of Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Company has received a certificate from M/s P. Bholusaria & Co., Chartered Accountants to the effect that their appointment, if made, will be within the permissible limits under Section 224(1B) of the Companies Act, 1956.

The Board has taken note of the Auditors Observations and reply to the same has been given in part B (Notes to the Accounts) of schedule "P" i.e Significant Accounting Policies and Notes to the Accounts and are self-explanatory.

**LISTING ARRANGEMENTS**

The Company's shares are listed on U.P., Delhi and Mumbai Stock Exchanges. The Company has paid listing fee to U.P. Stock Exchange upto 96-97 and also partly for 97-98. Listing fee of Delhi and Mumbai Stock Exchanges have been paid upto 95-96 and 97-98 respectively. Due to severe liquidity crunch, listing fee to the stock exchanges could not be paid.

**ACKNOWLEDGEMENT**

The Board wishes to place on record their deep appreciation of the continued support of shareholders. The Board also acknowledges with gratitude the co-operation and assistance given by the Government Authorities and other business constituents.

On behalf of the Board  
For USHA (INDIA) LTD.

Place: New Delhi  
Date: 18.06.2003

Vinay Rai  
Chairman

**ADDENDUM TO DIRECTORS' REPORT (IN COMPLIANCE TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956)****A. CONSERVATION OF ENERGY****(a) Energy Conservation Measures taken**

- (1) Scheduling of Electricity for maximization power utilization.
- (2) Implementation of energy Audit Report.

**(b) Additional investments and proposals, if any being implemented for reduction of consumption of energy.**

None

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

- (1) Overall saving in air Compressor power consumption by 20% as a result of implementation of Energy Audit Report.

**(d) Total energy consumption and energy consumption per unit.**

As per Form A

**B. TECHNOLOGY ABSORPTION:****(e) Efforts made in technology absorption**

As per Form B

**C. FOREIGN EXCHANGE EARNING AND OUTGO****(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans;**

- (1) Regular participation in exhibitions abroad.
- (2) Usha products being exported to across the world markets.
- (3) Efforts are to increase penetration into new markets.

**(g) Total foreign exchange earning and outgo**

The required details are given in item No. 40 of para g & h of Schedule P to the accounts (Notes to accounts)

**FORM A**

(See rule 2)

Form for disclosure of particulars with respect to Conservation of Energy

**A. POWER AND FUEL CONSUMPTION**

	C. Period (16months)	P. Period (11 months)	
<b>1. Electricity Purchased (HSEB)</b>			
(a) Units	936235	676932	
Total amount (Rs. in lacs)	39.53	31.37	
Rate/Unit	4.22	4.62	
(b) Own generation:			
(i) Through Diesel generators:			
Units	2688000	4782589	
Units per Ltr. of diesel Oil	3.50	0.54	
Cost/Unit	4.25	4.05	
(ii) Through Steam turbine/ generator:			
Units	-	-	
Units per Ltr. Of fuel/gas	-	-	
Cost/Unit	-	-	
<b>2. Coal (specify quality and where used.)</b>	-	-	
<b>3. Furnace Oil</b>			
Quantity (K. Ltrs.)	5.4 KL	12.65 KL	
Total amount (Rs.)	108000	183430	
Average rate	20.00	14.50	
<b>4. Other/Internal generation</b>	Nil	Nil	
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>Particulars</b>	<b>Standards (if any)</b>	<b>C. Period</b>	<b>P. Period</b>
Electricity	Units	1596.00	1,598.00
Furnace Oil	Ltr.	-	150.95

**FORM B**

(See rule 2)

Form for disclosure of particulars with respect to Absorption.

**RESEARCH AND DEVELOPMENT (R & D)****1. Specific areas in which R & D carried out by the Company.**

- i) Glass to metal seal for diodes caps - M/W, H, DO5, Z-type
- ii) Zener Diodes in DO 4 package
- iii) Development of Pigtails for H-diode, M/W, DO-4, DO-5 diodes.

**2. Benefits derived as a result of the above R & D.**

- i) Diodes with in-house developed cap are being supplied to various customers.
- ii) Zener Diodes are being supplied to M/s ECIL, Hyderabad.

**3. Future plan of action.**

Focus on Thyristors in TO 218 package

**4. Expenditure on (R & D)**

- (a) Capital -
- (b) Recurring Rs. 7350
- (c) Total Rs. 7350
- (d) Total R & D expenditure as a percentage of turnover

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:****(i) Efforts, in brief, made towards technology absorption, adoption and innovation. -NIL****(ii) Benefits derived as a result of the above efforts. -NIL****(iii) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year)****(a) Technology imported : Epitaxi growth on transistor wafer.****(b) Year of import : 1998.****(c) Has technology been fully absorbed : No.****(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.**

Due to shortage of funds

## CORPORATE GOVERNANCE

## INTRODUCTION

"Good Corporate Governance" is governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics. Your Company has always been managed with the principles of "Good Corporate Governance."

## I. CORPORATE PHILOSOPHY:

The Company's philosophy on code of Corporate Governance has been termed as "high levels of transparency and accountability by adopting best management practices and presentation of informations".

## II. BOARD OF DIRECTORS:

## a. Composition and Category of Directors

The Board of Directors of the Company comprises of Seven distinguished persons having specialised knowledge and professional experience in diverse fields such as accounts, finance, administration, law etc. However during this period the Board of Directors of the Company was in process of continuous restructuring and thus unable to comply with listing agreement. At present there are only two independent directors on the board. The composition and category of directors as on date are given below:

Name	Category	Designation
Mr. Vinay Rai	Non Executive Promoter Director	Chairman
Mr. Anil Rai	Non Executive Promoter Director	Co-Chairman
Mr. Rajiv Manchanda	Executive Directors	Whole time Director
Mr. Anil Kumar Jain	Executive Directors	Whole time Director
Dr. M.C. Gupta	Non Executive Directors	Director
Mr. M.P. Setia	Non Executive Directors	Nominee Director, UTI
Mr. R.C. Jain	Non Executive Directors	Nominee Director, GIC

b. Attendance of Directors at the Meeting of Board of Directors held during the period from 01.12.2001 to 31.03.2003 are as follows:

Sr. No.	Date	Board Strength	No. of Directors Present
1.	31.12.01	08	05
2.	27.03.02	06	04
3.	28.06.02	07	06
4.	30.09.02	07	04
5.	31.12.02	07	04
6.	14.01.03	07	06
7.	27.03.03	07	04

Majority of the Directors presently hold directorship in other renowned companies. However, no director is a member in more than ten Companies or act as Chairman of more than five committees across all companies in which he is a director.

## III. COMMITTEES OF BOARD OF DIRECTORS

## A. AUDIT COMMITTEE

The composition, names of members and Chairman are as under:

Sr. No	Name of members	Member/Chairman
1.	Mr. M.P. Setia	Chairman
2.	Mr. R.C. Jain	Member
3.	Mr. Rajiv Manchanda	Member

The Audit Committee reviews of the internal Audit report and Unaudited / Audited financial results, appointment of Auditors etc. and discuss the same periodically. Due to inadequacy of the required number of independent non executive directors on the Board, the Present Composition of the committee fails to meet the requirement of the listing Agreement. During the period under review only two meetings could be held. Change in composition of committee due to resignation/withdrawal of nomination and lack of quorum in the

meetings called resulted the non-compliance of the listing agreement of holding minimum number of meetings.

## B. COMMITTEE OF DIRECTORS

The composition, names of members and Chairman are as under:

Sr. No	Name of members	Member/Chairman
1.	Dr. M.C.Gupta	Chairman
2.	Mr. Rajiv Manchanda	Member
3.	Mr. Anil Kumar Jain	Member

The Committee has been authorized to exercise powers, within the powers delegated to it by the Board for efficient control on operational area, for managing the affairs of the Company and for ensuring speedy disposal of matters requiring immediate approval. The Committee meets as and when any matter comes for its consideration and approval. During the financial period from 01.12.2001 to 31.03.2003 (16 months), the Committee of Directors met 12 (Twelve) times for disposal of matters related to the business of the Company.

## C. REMUNERATION COMMITTEE

The composition, names of members and Chairman are as under:

Sr. No	Name of members	Member/Chairman
1.	Mr. M.P. Setia	Chairman
2.	Mr. R.C. Jain	Member
3.	Dr. M.C.Gupta	Member

During the financial period from 01.12.2001 to 31.03.2003 (16 months), the Committee of Directors met once for approval of the remuneration paid to Mr. Rajiv Manchanda and Mr. A.K. Jain, all members were present during the meeting.

## D. INVESTORS' GRIEVANCE COMMITTEE

The composition and names of members are given below:

Sr. No	Name of members	Member/Chairman
1.	Mr. Vinay Rai	Chairman
4.	Mr. Rajiv Manchanda	Member
5.	Mr. Anil Kumar Jain	Member

A detailed report on the share transfer, transmission, non-receipt of annual report etc. are being placed before committee meeting by the Compliance Officer and the Committee members are reviewing the same. Similarly a detailed report on the redressal of Investor complaints by the Share Transfer Agent is also being placed before the Board Meetings. The Company is taking several steps to ensure the speedy redressal of complaints to the satisfaction of its shareholders. During the financial period from 01.12.2001 to 31.03.2003 (16 months) the Committee of Directors met 19 (Nineteen) times for disposal of matters related to the Shares of the Company.

## IV. REMUNERATION POLICY

## (i) NON-EXECUTIVE DIRECTORS

Non-executive Directors are paid only the Sitting Fees for attending the Board, Remuneration and Audit Committee Meetings.

## (ii) EXECUTIVE DIRECTORS

The details of the remuneration paid to Mr. Sandeep Sinha, Mr. Rajiv Manchanda and Mr. Anil Kr. Jain, Whole Time Directors are as follows:

## Name of the Director:

**Mr. Sandeep Sinha \*** [Whole Time Director]

**Basic Salary :** Rs. 23,500 p.m.

**Other Perquisites:** In addition to the salary, he shall also be entitled to perquisites like medical reimbursement, leave travel concession for himself and his family, car, reimbursement of petrol, repair & maintenance exp. of car, club fees, medical insurance, earned leave, hard and soft furnishing etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

**Mr. Rajiv Manchanda \*\*** [Whole Time Director]

**Basic Salary :** Rs. 18,000 p.m.

**USHA (INDIA) LIMITED**

**Other Perquisites:** In addition to the salary, he shall also be entitled to perquisites like medical reimbursement, leave travel concession for himself and his family, car, reimbursement of petrol, repair & maintenance exp. of car, club fees, medical insurance, earned leave, hard and soft furnishing etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors with Mr. Rajiv Manchanda subject to maximum of 50% of Basic and HRA.

**Mr. Anil Kumar Jain \*\* [Whole Time Director]**

**Basic Salary:** Rs. 14,000 p.m.

**Other Perquisites :** In addition to the salary, he shall also be entitled to perquisites like medical reimbursement, leave travel concession for himself and his family, car, reimbursement of petrol, repair & maintenance exp. of car, club fees, medical insurance, earned leave, hard and soft furnishing etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors with Mr. A.K. Jain subject to maximum of 50% of Basic and HRA.

\* Resigned w.e.f. 28.06.2002

\*\* Mr. Rajiv Manchanda & Mr. A.K. Jain were co-opted as whole time directors in the Board meeting held on 28<sup>th</sup> June, 2002.

**V. PARTICULARS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST THREE YEARS.**

Particulars	F.Y. 1998-99 (12 months)	F.Y. 1999-2000 (18 months)	F.Y. 2001 (11 months)
<b>Day</b>	Thursday	Saturday	Wednesday
<b>Date</b>	2nd Dec. 1999	2nd June, 2001	20th Feb. 2002
<b>Time</b>	10.00 A.M.	11.00 A.M.	11.00 A.M.
<b>Venue</b>	Ushapuram, UPSIDC Industrial Estate, Jagdishpur, Distt. Sultanpur, U.P.	Ushapuram, UPSIDC Industrial Estate, Jagdishpur, Distt. Sultanpur, U.P.	Ushapuram, UPSIDC Industrial Estate, Jagdishpur, Distt. Sultanpur, U.P.

Whether Special Resolutions:

- a) Were put through postal ballot last year,  
Details of voting pattern : NO
- b) Person who conducted the postal ballot exercise : NA
- c) Procedure for postal ballot : NA

**VI. DISCLOSURES**

(i) **Disclosure on the materially significant party transactions of the company of material nature, with its promoters, Directors or the management their subsidiaries or relatives etc, that may have potential conflict with the interest of the Company at large:**

During this period company has not entered in the transactions with any of the related parties, which were in conflict with the interest of the Company.

(ii) **Details of Non-Compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during this year:**

The Company has complied with the requirement of regulatory authorities on matters related to capital market and no penalties imposed on the company during this period.

**VII. MEANS OF COMMUNICATION**

Quarterly financial results of the company are generally published in the PIONEER/SWATANTRA BHARAT. Quarterly financial results of the company are not sent to each shareholder. The Company ensures that its financial results are sent to the concerned Stock Exchanges immediately after the same have been considered and taken on record by the Board of Directors. Further, it has also been noticed that the Mumbai Stock Exchange displays the Company's financial results on its own website very promptly.

**VIII. INFORMATIONS REGARDING DIRECTORS PROPOSED TO BE APPOINTED**

Particulars of Director	Directorships in other Companies
Mr. Rajiv Manchanda, Whole-Time Director is B.S.C in Electronics and having experience of more than 16 years in Electronics industry. Since Mr. Manchanda was working as V.P. (Sales & Marketing) and is looking after Electronics Division Faridabad. Previously he was Sr. Manager Marketing in Instrumed India International in 1990. He is working since 18.06.93 in this company.	Nil
Mr. Anil Kumar Jain, Whole-Time Director is B.S.C. in Electrical Engineering and MBA having experience of more than 23 years in Production in Electronics Industry. Since Mr. A.K. Jain was working as V.P. (Production) in Electronics Division Faridabad. He is working since 23.10.1978 in this company.	Nil

**IX. GENERAL SHAREHOLDERS INFORMATION**

The following information would be useful to our shareholders:

**1. ANNUAL GENERAL MEETING**

- Date and time : 29th July, 2003 at 11.00 A.M.  
- Venue : Road No. 1, UPSIDC Industrial Estate, Jagdishpur, Distt. Sultanpur, Uttar Pradesh - 227 817.

**2. FINANCIAL YEAR**

: 01.12.2001 - 31.03.2003 (16 months)

**3. DATE OF BOOK CLOSURE**

: 22nd July, 2003 to 29th July, 2003 (both days inclusive)

**4. LISTING ON STOCK EXCHANGES AT :**

**The Delhi Stock Exchange Association Ltd.**  
3/1, Asaf Ali Road, DSE House,  
New Delhi-110 002.

**The Stock Exchange, Mumbai**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 023.

**The Uttar Pradesh Stock Exchange Assn. Ltd.,**  
Padam Tower, 14/113, Civil Lines,  
Kanpur - 208001.

**5. STOCK CODE**

: 431 (BSE)

**6. REGISTRAR & SHARE TRANSFER AGENT :**

(appointed as on 31.03.2003)

: RCMC Share Registry (P) Ltd.  
[Unit: Usha (India) Limited],  
1515, 1st Floor,  
Bhisham Pitamah Marg,  
(Nr. South Extn), Kotla Mubarakpur,  
New Delhi-110 003.

**CONTACT PERSON**

: Mr. N.C. Gupta/Mr. Rakesh Adhana

**CONTACT NUMBERS**

: 011-24692346  
011-24692345 (Fax)

E-Mail: [rcmc@dimension1.net](mailto:rcmc@dimension1.net)

Presently, the share transfers which are received in physical form are processed by our share transfer agent. The shareholders are also given the option to convert their shares in demat form.

**8. DEMATERIALISATION OF SHARES**

Being notified by SEBI to be under Compulsory demat segment, the trading in Equity Shares of the Company is permitted only in dematerialized form. Presently 87167249 shares (24.49%) are being held in demat form whereas 268728136 (75.51%) are held physically.