

48th Annual Report

2000 - 2001

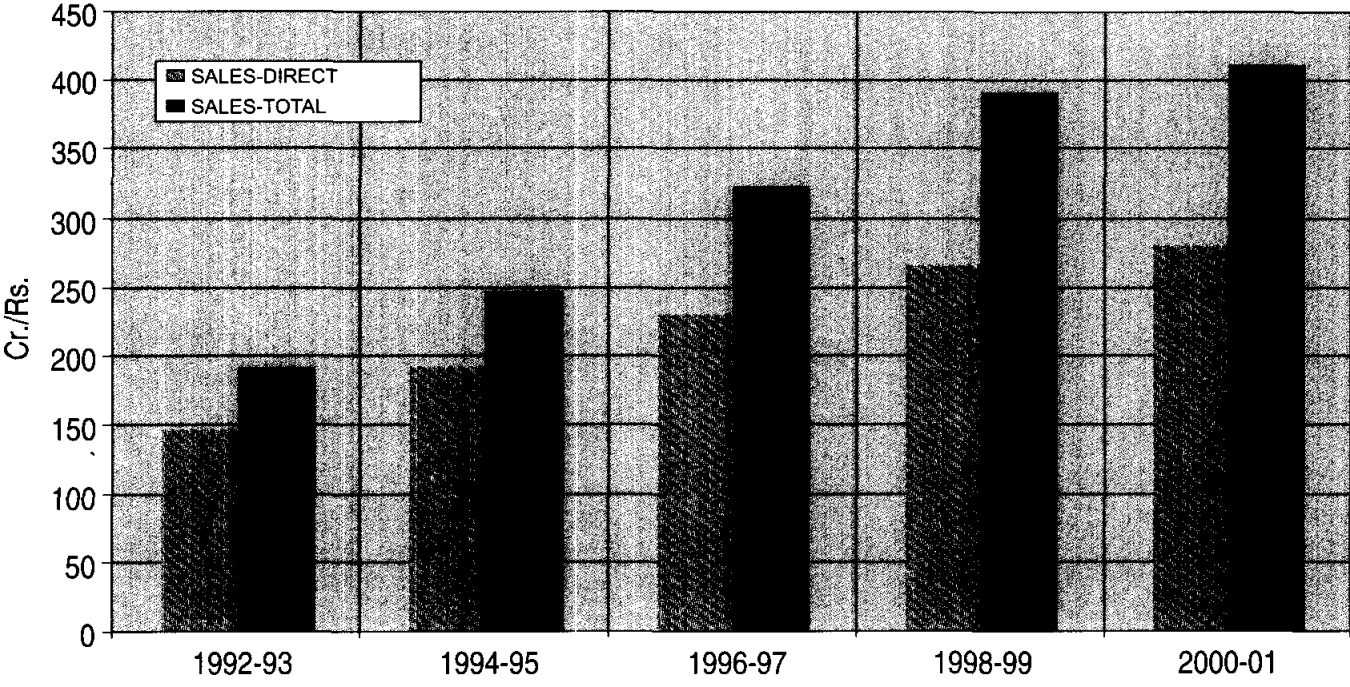
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USHA INTERNATIONAL LTD. *It's a better life*

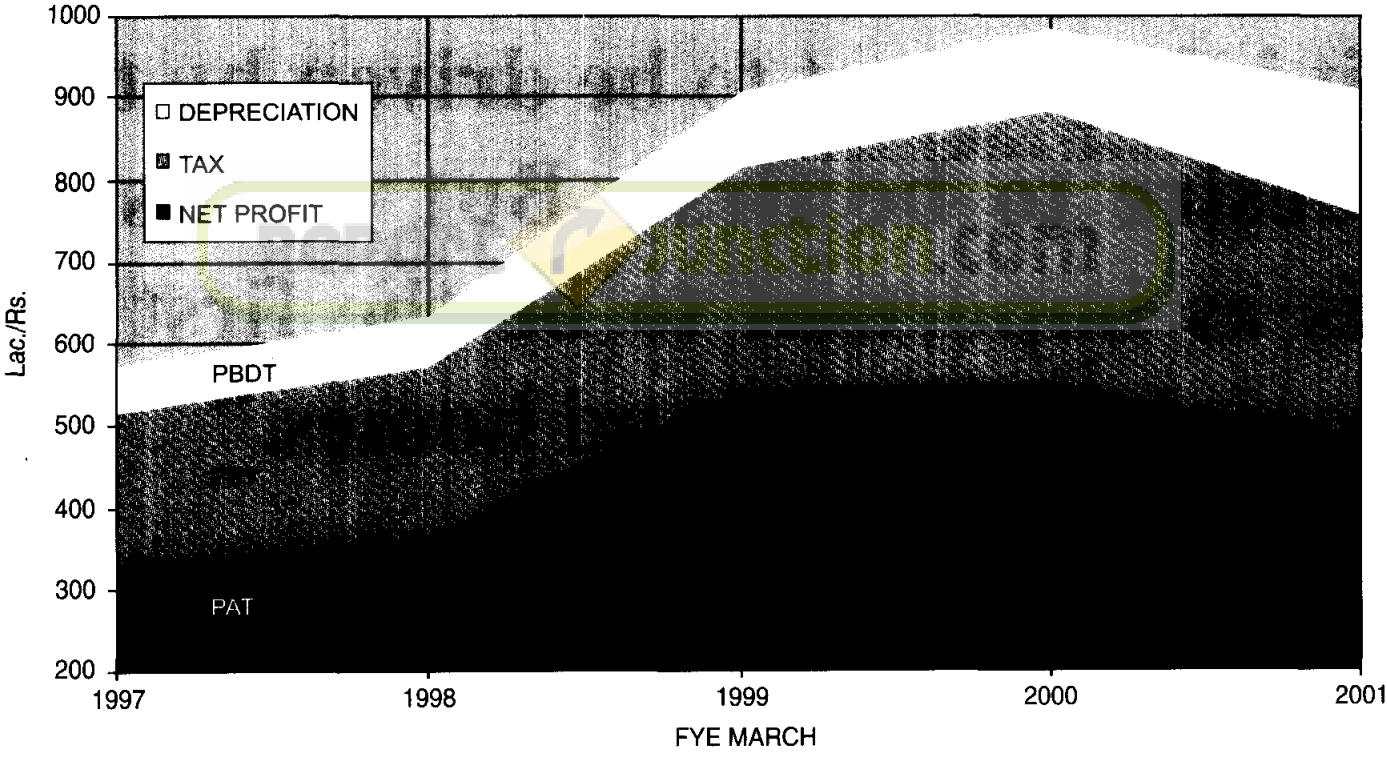
“In the competitive global market it is important to be driven by the desire to be first. But for us it is as important to be the first in people’s hearts. And homes.”

USHA INTERNATIONAL LTD. *It’s a better life*

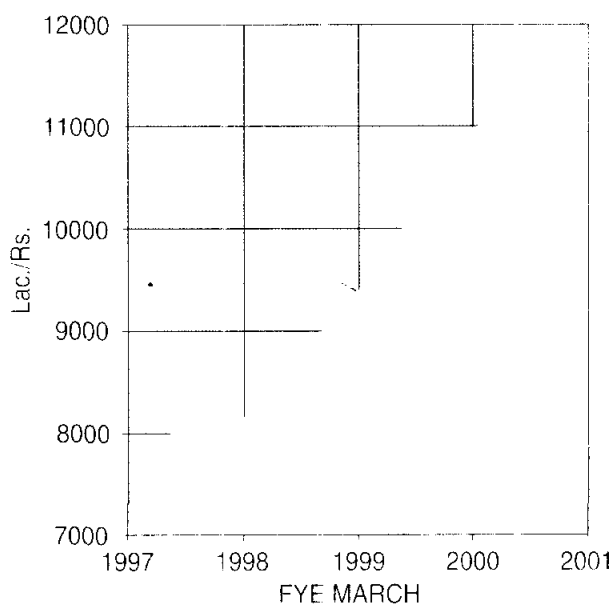
SALES



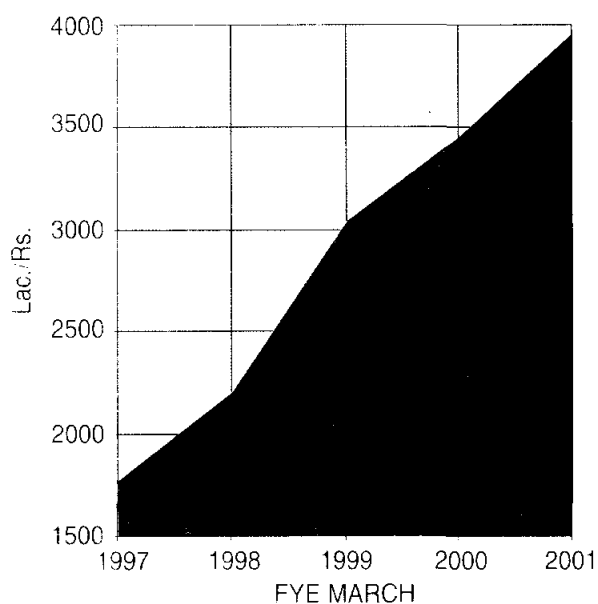
PROFITS



TOTAL ASSETS



NET WORTH



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TEN YEAR FINANCIAL SUMMARY

FYE MARCH

PARTICULARS	UNIT	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
SALES(INCLUDING ORDERS BOOKED ON PRINCIPALS)	Cr/Rs.	409.96	417.21	390.06	344.05	320.00	289.36	247.54	215.67	190.84	184.67
SALES-DIRECT	Cr/Rs.	279.86	281.21	265.06	226.05	229.00	224.36	191.74	162.97	145.76	149.27
PROFIT BEFORE DEP. & TAX	Cr/Rs.	9.09	9.86	9.04	6.34	5.71	4.95	4.61	4.04	3.08	4.10
NET PROFIT	Cr/Rs.	4.69	5.44	5.39	3.59	3.32	1.90	2.39	1.36	1.47	1.46
SHARE CAPITAL	Cr/Rs.	2.28	2.28	2.28	1.98	1.88	1.88	1.88	0.94	0.94	0.94
NET WORTH	Cr/Rs.	39.56	34.47	30.36	22.02	17.64	14.21	12.82	9.04	8.01	6.86
TOTAL ASSETS	Cr/Rs.	112.66	109.76	93.77	81.68	79.06	68.59	63.63	54.72	51.23	41.89
BOOK VALUE PER EQUITY SHARE	Rs.	173.82	151.45	133.40	111.44	94.02	75.76	68.35	96.33	85.38	73.17
EARNING PER EQUITY SHARE	Rs.	20.59	23.92	23.69	18.15	17.68	10.14	12.76	14.45	15.71	15.57

Directors

Mr. Siddharth Shriram-Chairman

Mr. A.K. Jain

Mr. Siddhartha Sen

Mr. Deepak Shriram

Mr. Sunil Wadhwa-Managing Director

Principal Executive

Mr. S.S. Singhal

Asstt. Company Secretary

Ms. Vinita Chaudhry

Bankers

Bank of Baroda

Auditors

Thakur, Vaidyanath Aiyar & Co.,

Chartered Accountants

Equity Shares Listed At

Delhi Stock Exchange

(Annual Listing fee paid for the year 2001-2002)

Regd. Office

19, Kasturba Gandhi Marg,

New Delhi-110 001.



DIRECTORS' REPORT

The Directors present their 48th Annual Report alongwith audited accounts of the Company for the year ended March 31, 2001.

The gross profit for the year after provision of interest but before depreciation and taxes, amounted to Rs. 9.1 Crores against Rs. 9.9 Crores last year.

A sum of Rs. 10.47 Crores is being transferred to General Reserve, making it Rs. 24.8 Crores against Rs. 14.3 Crores last year.

The Directors have recommended that the Dividend be paid to the Equity Shareholders @ 50 % for the year 2000-2001.

The performance of your Company has been satisfactory considering the overall economic situation in the country. Your Company has managed its affairs profitably but its total turnover during the year, including indirect turnover of Rs. 130 Crores (Rs. 136 Crores during previous year), has marginally decreased from Rs. 417 Crores to 410 Crores.

Exports including orders booked on manufacturers were higher at Rs. 73.5 Crores during the year as against Rs. 48 Crores last year. Exports are expected to be much higher during current year.

Fixed Deposits amounting to Rs. 7.64 lacs pertaining to 49 depositors remained unclaimed at the close of the year; of these, deposits amounting to Rs. 1.72 lacs have since been paid/renewed during the current year.

The provisions of energy conservation and technology absorption are not applicable to the Company.

The observations of the auditors are self-explanatory and/or suitably explained in various notes to the Accounts.

Information relating to particulars of personnel u/s 217(2A) of Companies Act, 1956 is annexed. The amount of foreign exchange earned/utilised during the year has been given in the schedules, which form an integral part of the report.

As required under section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made 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 of the profit of the company for that period.
- (iii) that proper and sufficient care has been taken 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 for preventing and detecting fraud and other irregularities.
- (iv) that the annual accounts have been prepared on a going concern basis.

Subsidiaries

During the year, M/s Piyu Finance Ltd. and M/s Woodlands Finance Ltd., the subsidiary Companies, applied to the Registrar of Companies u/s 560 of the Companies Act, 1956 for striking off their names from the register of the Registrar of Companies. Accordingly, the interest of your Company in these subsidiaries has since ceased.

Corporate Governance

The guidelines on Corporate Governance issued by SEBI will be applicable to the Company w.e.f. 31st March, 2002. However keeping in view the importance which your Directors attach to good Corporate Governance, it has been decided to implement these guidelines from this year itself. Accordingly, a separate report containing relevant information on Corporate Governance is attached to this report.

Depository System

The trading of the Shares of the Company is required to be in dematerialised form from 26.3.2001. Hence the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the dematerialisation of its Shares on NSDL w.e.f. 7.9.2000 and CDSL w.e.f. 11.9.2000.

The Directors wish to place on record their sincere thanks to the Company's principals, its bankers, dealers and all its business associates for their continued support and record their appreciation of devoted services rendered by all ranks of Company personnel during the year.

On behalf of the Board

New Delhi
May 28, 2001

SIDDHARTH SHRIRAM
(CHAIRMAN)



ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

a) Company's Philosophy

The Company firmly believes in and has consistently practised good Corporate Governance. The spirit of Corporate Governance prevailed in the Company and influenced its systems of functioning long before the guidelines were codified and do not require any major change in our management practices. In fact, the Company's essential character/complexion are shaped by transparency, professionalism and accountability.

b) Board of Directors

The Board of Directors comprises of a Managing Director and four Non-Executive Directors. Five Board Meetings were held during the year on 26.5.2000, 31.7.2000, 4.8.2000, 27.10.2000 and 29.1.2001. Other related particulars of the Directors are as under: -

Name	Category	Other Director ships (Nos.)	Board Meetings attended (Nos.)	Attendance at last AGM	Sitting Fee Paid (Rs.)	Remuneration/ Lac/Rs.
Mr. Siddharth Shriram	Non- Executive	13	5	Present	10,000	9.16
Mr. Sunil Wadhwa	Managing Director	-	5	Present	Nil	43.51
Mr. Deepak Shriram*	Non-Executive	3	2	Present	4,000	NIL
Mr. Siddhartha Sen	Non-Executive	4	4	Present	8,000	NIL
Mr. A.K. Jain	Non-Executive	1	5	Present	10,000	NIL

* Brother of Mr. Siddharth Shriram

c) Audit Committee

An Audit Committee was formed during the year. Prior to its formation, the Audit Reports used to be put up in the Board meetings for review. The role and powers of Audit Committee are substantially as per the recommendations of SEBI. The other details of Audit Committee are as under: -

Member Director	Category	Sitting Fees Paid	Meetings Attended
Mr. Siddharth Shriram	Non-Executive	NIL	2
Mr. Siddhartha Sen	Non-Executive	NIL	2
Mr. A.K. Jain	Non-Executive	NIL	2

d) Managerial Remuneration Committee

Separate Remuneration Committee has not been formed. Remuneration of employees consists of basic remuneration, perquisites and performance linked incentives. Remuneration is fixed on the basis of industry pattern, qualifications and experience, responsibilities assigned and performance, etc. The objective is to ensure that they excel in performance, contribution is recognised, rewarded and talent is retained in the organisation.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

The details of the remuneration paid to the Directors is given in part (b) of this report.

e) Share Transfers and Shareholders/Investors Grievances Committee

The already existing Share Transfer Committee has been re-designated during the year as Share Transfers and Shareholders/Investors Grievances Committee. The details of the Committee meetings are as under: -

MEMBER DIRECTOR	CATEGORY	MEETINGS ATTENDED
Mr. Siddhartha Sen (Chairman of the Committee)	Non-Executive	10
Mr. Sunil Wadhwa	Managing Director	13
Mr. Siddharth Shriram	Non-Executive	—
Mr. Deepak Shriram	Non-Executive	5
Mr. A.K. Jain	Non-Executive	—

f) General Body Meetings

The details of last three Annual General Meetings are as follows: -

YEAR	LOCATION	DATE	TIME
1997-98	FICCI Auditorium, Tansen Marg New Delhi - 110 001	18.8.1998	10.30 A.M.
1998-99	FICCI Auditorium, Tansen Marg. New Delhi - 110001	28.7.1999	11.00 A.M.
1999-00	FICCI Auditorium, Tansen Marg. New Delhi - 110001	04.8.2000	11.00 A.M.

No Special Resolutions were put through postal ballot last year.

g) Disclosures

During the year, an agreement for marketing the Airconditioners/Water Coolers was entered into with M/s Daikin Shriram Air-conditioning (P) Ltd. in which one of the Directors was interested. Applications were filed with the Central Government and its approval has been received from the Office of Regional Director vide their letter dated 10.4.2001 for a period of 2 years w.e.f. 1.4.2001 to 31.3.2003.

h) Means Of Communication

Quarterly Results are published in prominent daily newspapers viz. Economic Times and Navbharat Times. The results are also made available at the Company's website, www.ushairinternational.com



ANNEXURE TO DIRECTORS' REPORT (Contd.)

i) General Shareholders Information

- i) Dates of book closure : 1.8.2001 to 10.8.2001
(both days inclusive)
- ii) Listing on Stock Exchange : The Delhi Stock Exchange Association Ltd. Listing fee has been paid for the year 2001-2002
- iii) Stock Market price data on Delhi Stock Exchange for the year 2000-2001:-

MONTH	HIGH (RS./UNIT)	LOW (RS./UNIT)
2000 - April /May	56	56
- June	56	55
- July - Dec.	56	56
2001 - Jan. - March	64.40	64.40

iv) Share Transfer System

The share transfer work is handled within the Company to ensure prompt and efficient service to the shareholders. Valid share transfers are registered and duly transferred share certificates are despatched within 30 days from the date of receipt.

v) Investor Services

The Company has a system of attending and redressing all correspondence / grievances of the investors within 7-10 days from the date of receipt of the same.

vi) Distribution of Equity Shareholding As On 31.3.2001

Equity Shares Held	Upto 500	501-1000	1001-2000	2001-3000	3001-4000	4001-5000	5001-10000	10001 and above	TOTAL
Share-holders - Nos.	3126	55	21	11	5	5	9	23	3255
Share-holding - %	24.11	1.93	1.48	1.21	0.75	0.75	2.80	66.97	100

ANNEXURE TO DIRECTORS' REPORT (Contd.)

vii) CATEGORIES OF SHAREHOLDERS AS ON 31.3.2001

CATEGORIES	NO. OF SHARES	% SHAREHOLDING
Individuals	848808	37.30
Companies (excluding Promoters)	207904	9.14
NRI's	43384	1.90
Mutual Funds, Banks	24600	1.08
Promoters	1151304	50.58
Total	2276000	100.00

viii) Dematerialisation of Shares

Company signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) during the year for the dematerialisation of its Shares on NSDL w.e.f. 7.9.2000 and CDSL w.e.f. 11.9.2000. As on 31.3.2001, 98086 nos. of Equity Shares representing 4.30% of the total Share Capital of the Company have been dematerialised.

j) Investors' correspondence may be addressed to :

Asstt. Company Secretary,
Usha International Ltd.
19, K.G. Marg,
Surya Kiran Bldg.,
New Delhi - 110 001