

Annual Report  
2002-03

# Report Junction

Report Junction.com

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

**USHA INTERNATIONAL LIMITED**

Regd. Office : 19, Kasturba Gandhi Marg, New Delhi - 110 001

**NOTICE**The 50<sup>th</sup> Annual General Meeting of the Company will be held as scheduled below: -

Date : 11.8.2003 (Monday)  
 Time : 11.00 A.M.  
 Venue : Kamani Auditorium,  
 1, Copernicus Marg,  
 New Delhi - 110 001

for transaction of the following business: -

1. To consider and adopt the Balance Sheet of the Company as at March 31, 2003 and the Profit & Loss Account for the year ended that day together with the reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Siddharth Shriram who retires by rotation and is eligible for re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and authorise the Board of Directors to fix their remuneration. M/s Thakur, Vaidyanath Aiyar & Co., Chartered Accountants are the retiring Auditors.
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -  
 "Resolved that Mr. N.K. Goila, who was co-opted by the Board of Directors as an Additional Director w.e.f. 21.10.02 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -  
 "Resolved that Ms. Chhaya Shriram, who was co-opted by the Board of Directors as an Additional Director w.e.f. 03.09.02 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: -  
 "Resolved that in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, Ms. Chhaya Shriram be and is hereby appointed as Whole Time Director of the Company for a period of 5 years w.e.f. 21.10.02 on the following terms and conditions and the following remuneration be paid to her for the initial period of three years:
  - a) Remuneration of Rs. 3 Lacs p.m. (comprising of Basic Salary of Rs. 1.75 Lacs and Special Allowance of Rs. 1.25 Lacs) plus contribution towards Provident Fund, Superannuation and Gratuity as per the rules of the Company.
  - b) Car : Company maintained car with driver for the official use. A sum of Rs. 2000/- p.m. will be recovered from her for personal use, if any, of the said car.
  - c) Telephone : A telephone at her residence and a Cell phone for official use. However, the cost of long distance personal calls, if any, will be billed to her.
  - d) Sitting Fees : No sitting fee shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
  - e) Others : She will be a non - rotational Director and no Service Severance Fee shall be payable.
  - f) Foregoing will be paid as minimum remuneration as per the provisions of Schedule XIII 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 pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of Commission aggregating to 1% of the net profits of the Company calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956. to any/all Part-time Directors of the Company for a period of five years commencing from 1<sup>st</sup> April, 2003 to 31<sup>st</sup> March, 2008 and the Board be and is hereby authorised to decide the apportionment of above Commission amongst the Directors."

By Order of the Board

Date : 10.7.2003  
 Place: New Delhi

(Amit Chaurasia)  
 Asstt. Company Secretary

**NOTES TO NOTICE OF MEETING**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed w.e.f. 1.8.03 to 11.8.03 (both days inclusive).
3. In accordance with the provisions of the Companies Act, 1956, the amount of Dividend which remains unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund constituted by the Central Government and Shareholders wouldn't be able to claim any amount of Dividend so transferred to the Fund.

As such, Shareholders who have not yet encashed their Dividend Warrants are requested in their own interest to claim the outstanding Dividend before it falls due for transfer to the aforesaid Fund.

4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during business hours on all working days.
5. The information required to be disclosed under the Listing Agreement and Schedule XIII of the Companies Act, 1956 regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 5 to 8 set out above in the notice are annexed hereto.

**A. PARTICULARS UNDER THE LISTING AGREEMENT IN RESPECT OF DIRECTORS TO BE APPOINTED AT THE AGM**

a) Name	:	Mr. Siddharth Shriram
Date of Birth	:	18.1.1945
Qualification	:	Graduate from St. Stephens College, Delhi University M.Sc in Management from MIT, USA as a Sloan Fellow
Experience/Employment Record	:	
1967-1968		Management Trainee
1968-1977		Various positions culminating in Managing Directorship of Shriram Refrigeration Industries Ltd.
1984-1996		Business in India as under:
President	–	Siel Ltd.
Chairman	–	Honda Siel Power Products Ltd.
	–	Honda Siel Cars India Ltd.
	–	Daikin Shriram Airconditioning Pvt. Ltd.
	–	The Jay Engg. Works Ltd.
	–	Usha International Ltd.
	–	Siel Tizit Ltd.

Directorships/Committees' memberships are as under:

Director*	Chairmanship/Membership of Board Committees	
Shriram Pistons & Rings Ltd.	– Audit Sub Committee	– Member
Honda Siel Power Products Ltd.	– Share Transfer Committee	– Member
	– Remuneration Committee	– Member
Honda Siel Cars India Ltd.	– Audit Committee	– Chairman
	– Remuneration Committee	– Chairman
Usha International Ltd.	– Share Transfers & Shareholders / Investors Grievances Committee	– Member
	– Audit Committee	– Chairman
	– Remuneration Committee	– Chairman
Siel Sugar Ltd.	–	
Shivajimarg Properties Ltd.	–	
Siel Holdings Ltd.	–	
Hongo India Ltd.	–	
Manisha Commercial Ltd.	–	
Madan Shree Enterprises Ltd.	–	
M.S.R. Enterprises Ltd.	–	
Doab Foods & General Industries Ltd.	–	
Siel Tizit Ltd.	–	
The Jay Engg. Works Ltd.	–	

\* Excluding Private Limited and Foreign Companies.

- b) Name : Mr. N.K. Goila  
 Date of Birth : 14.4.1947  
 Professional / Educational Qualification : B. Tech. (Mechanical Engg.) from IIT Delhi  
 MBA from Faculty of Management Studies, University of Delhi  
 Project Management at IIM, Ahmedabad  
 Finance for Non-Finance Managers  
 The Executive Programme (TEP 92) at the Darden School of Business Management, University of Virginia, USA  
 Experience : Mr. N.K. Goila has vast experience of over 34 years and is presently holding position of Vice-President and Director (Admn. Division) in Honda Siel Cars India Ltd.

Directorships/Committees' memberships are as under:

Director *	Chairmanship/Membership of Board Committees	
Honda Siel Cars India Ltd.	- Audit Committee	- Member
	- Borrowing & Investment Committee	- Member
Usha International Ltd.	- Audit Committee	- Member
	- Remuneration Committee	- Member
	- Share Transfers & Shareholders/Investors Grievances Committee	- Chairman
The Jay Engg. Works Ltd.	-	

\* Excluding Private Limited Companies

- c) Name : Ms. Chhaya Shriram  
 Date of Birth : 18.2.1969  
 Qualification : B.A. (History Hons.) from St. Stephens College, Delhi University  
 M.A., Columbia University, New York, U.S.A.  
 Experience : Internships with:  
 - Citi Bank, Tokyo - Management Trainee  
 - Times of India - Junior Editor  
 - Shriram Honda Power Products Ltd. - Summer Trainee  
 5 years Programme Director, Centre for Strategic and International Studies, India and South Asia Deptt., Washington D.C.  
 4 years as Officer on Special Duty, Usha International Ltd.

Directorships/Committee's Membership are as under:

Director*	Chairmanship/Membership of Board Committee
Usha International Ltd.	Share Transfers & Shareholders/Investors Grievances Committee - Member
Perennial Investments Ltd.	-

\* Excluding Private Limited Companies.

#### INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956.

##### i) General Information

Usha International Ltd. is a 50 years old Company marketing consumer durables with diverse range of products viz. Fans, Sewing Machines, Home Appliances, Air Conditioners, Water Coolers, Diesel Engines, Motors, Pumpsets and Auto Products throughout the length and breadth of the country and across the world.

The domestic and export sales of the Company for the financial year ended on 31.3.03 were Rs. 272.9 Crores and Rs. 3.0 Crores respectively.

The financial performance of the Company is as contained in the Balance Sheet as at 31.3.03 accompanying this notice.

##### ii) Information about the Appointee

Ms. Chhaya Shriram hails from a reputed Business/Industrialist Group of India, the Shriram family and is the daughter of Mr. Siddharth Shriram. Ms. Chhaya Shriram holds necessary academic and professional qualifications and experience for discharging the responsibilities to be assigned to her by the Board of Directors / Managing Director from time to time.

The proposed remuneration package of Ms. Chhaya Shriram is as given in the resolution at item No. 7 of the Notice. Having regard to the size of the Company, the background details of Ms. Chhaya Shriram and the profile of the position occupied, the remuneration proposed for Whole Time Director is at par with the levels of the remuneration being paid to the senior executives by both multinational as well as domestic companies in the Corporate Sector.

Ms. Chhaya Shriram is not a relative of any managerial personnel of the Company and also does not have any pecuniary relationship with the Company except to the extent of receipt of remuneration as Whole Time Director.

iii) Other Information

The remuneration of the Whole Time Director has been fixed within the limits laid down in Schedule XIII of the Companies Act, 1956.

The Company is operating in a highly competitive market and particularly due to the opening up of the economy, there is a continuous pressure for sustaining the desired growth in operations so as to be able to maintain the level of profits as per the past track record.

Strong Brand image, wide distribution network and availability of unique After Sales Service facility have been and continue to be the major strengths of the Company tested over a period of nearly four decades.

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

**ITEM NO. 5 & 6**

Since the last Annual General Meeting, Ms. Chhaya Shriram and Mr. N.K. Goila were appointed as Additional Directors on the Board of the Company. These Directors hold office upto the date of this Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose the candidature of Ms. Chhaya Shriram and Mr. N.K. Goila for the office of Director(s) of the Company. Consent u/s 264 of the Companies Act, 1956, has been received from both of them. The other particulars of the appointees have been given in the foregoing paragraphs.

It is considered that the advice and guidance of the aforesaid Directors on the Board will be beneficial to the Company and therefore, Directors recommend that the resolutions for their appointment be approved.

Ms. Chhaya Shriram and Mr. N.K. Goila are concerned or interested in their appointments respectively. Mr. Siddharth Shriram being a relative of Ms. Chhaya Shriram is also concerned or interested in the appointment of Ms. Chhaya Shriram. Except for the above, no other Director is concerned or interested in the resolutions.

**ITEM NO. 7**

Board of Directors in their meeting held on 21.10.02 appointed Ms. Chhaya Shriram as Whole Time Director of the Company on the terms and conditions and remuneration as stated in the resolution. The remuneration has been fixed with the approval of the Remuneration Committee. An abstract and memorandum containing the terms and conditions of the appointment u/s 302 of the Companies Act, 1956, has been circulated to the Shareholders of the Company. The profile of the appointee is given in the notes to the notice of meeting. The appointment and payment of remuneration as given in the resolution requires approval of the Shareholders by Special Resolution. The Directors, therefore, recommend the Special Resolution in the accompanying notice for your approval.

None of the Directors except Ms. Chhaya Shriram and Mr. Siddharth Shriram, being a relative of Ms. Chhaya Shriram, is concerned or interested in the resolution.

**ITEM NO. 8**

The Company is managed by the Board consisting of Managing Director, a Whole Time Director and 4 Part-time Directors. The Company under the guidance of the Board has been growing consistently over the years. The Company has been making payment of Commission @ 1% of the Net profits of the Company calculated under Section 349 and 350 of the Companies Act, 1956 to the Part-time Directors. It is proposed to continue to remunerate them by paying a Commission @ 1% of the Net profits of the Company.

In accordance with the provisions of the Companies Act, 1956, Commission @ 1% can be paid to the Part-time Directors and the resolution for such payment cannot be for more than 5 years. Hence, the Directors recommend the Special Resolution in the accompanying notice for approval of the Shareholders to continue to make payment of Commission @ 1% for the period of 5 years w.e.f. 1.4.2003 to 31.3.2008.

All the Non-Executive Directors and Ms. Chhaya Shriram being a relative of Mr. Siddharth Shriram are deemed to be concerned or interested in the resolution.

By Order of the Board

Date : 10.7.2003  
Place: New Delhi

(Amit Chaurasia)  
Asstt. Company Secretary

**USHA INTERNATIONAL LIMITED**

Regd. Office : 19, Kasturba Gandhi Marg, New Delhi - 110 001

**50TH ANNUAL GENERAL MEETING - 11<sup>th</sup> AUGUST, 2003****ADMISSION SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

I CERTIFY THAT I AM A REGISTERED SHAREHOLDER OF THE COMPANY HOLDING .....  
EQUITY SHARES HEREBY RECORD MY PRESENCE AT THE 50TH ANNUAL GENERAL MEETING OF USHA  
INTERNATIONAL LTD. ON MONDAY, THE 11TH AUGUST, 2003 AT 11.00 A.M. AT KAMANI AUDITORIUM, 1,  
COPERNICUS MARG, NEW DELHI - 110001.

Please ✓ in the box

☐ Member☐ Proxy

Folio No./Client Id\* \_\_\_\_\_

Member's signature \_\_\_\_\_

DP.Id\* \_\_\_\_\_

Proxy's signature \_\_\_\_\_

Name of the Member/Proxy in Block Letters

\* Applicable for investors holding shares in electronic form.

- Notes: 1. Shareholders having any queries on accounts are requested to send them ten days in advance.  
2. Shareholders who come to attend the meeting are requested to bring their copies of the Balance Sheet with them.

..... Please tear here .....

**USHA INTERNATIONAL LIMITED**

Regd. Office : 19, Kasturba Gandhi Marg, New Delhi - 110 001

**PROXY FORM**

I/We ..... of .....  
in the district of .....  
being a member(s) of USHA INTERNATIONAL LIMITED hereby appoint .....  
of ..... in the district of .....  
or failing him ..... of .....  
in the district of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company to be held on 11.8.03 and any adjournment thereof.

Signed on ..... at ..... Name .....

Signature(s) .....

Revenue  
Stamp

Folio No./Client Id\* ..... D.P.Id\* .....

Address .....

\* Applicable for investors holding shares in electronic form.

- Notes: 1. The Proxy need NOT be a member.  
2. The Proxy Form duly signed across a revenue stamp of Re. 1 should reach the Company's Registered Office atleast 48 hours before the meeting.

## PARTICULARS OF EMPLOYEES

IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT

Name	Designation/ Duties	Remune- -ration (Rs.)	Net Take Home pay (Rs.)	Qualification	Experi- -ence (Yrs.)	Commence- ment of Employment	Age (Yrs.)	Last Employment held; Employer/ Designation
Chhaya Shriram	Whole Time Director	1190114	561645	M.A. (Columbia University)	9	2002, Oct.	34	Usha International Ltd. Officer on Special Duty

- Net take-home pay is given as additional information and comprises salary reduced by tax deducted at source and Provident Fund.

On behalf of the Board

**SIDDHARTH SHRIRAM**  
CHAIRMAN

**Directors**

Mr. Siddharth Shriram-Chairman  
Mr. Sunil Wadhwa-Managing Director  
Ms. Chhaya Shriram-Whole Time Director  
Mr. Deepak Shriram  
Mr. A.K. Jain  
Mr. N.K. Goila

**Principal Executives**

**Executive Director**

Mr. S.S. Singhal

**Vice Presidents**

Mr. P.C. Bhandari  
Ms. Anju Munjal  
Mr. D.S. Narang  
Mr. P. Narayan  
Mr. M.R. Singh

**Asstt. Company Secretary**

Mr. Amit Chaurasia

**Bankers**

Bank of Baroda

**Auditors**

Thakur, Vaidyanath Aiyar & Co.,  
Chartered Accountants

**Equity Shares Listed At**

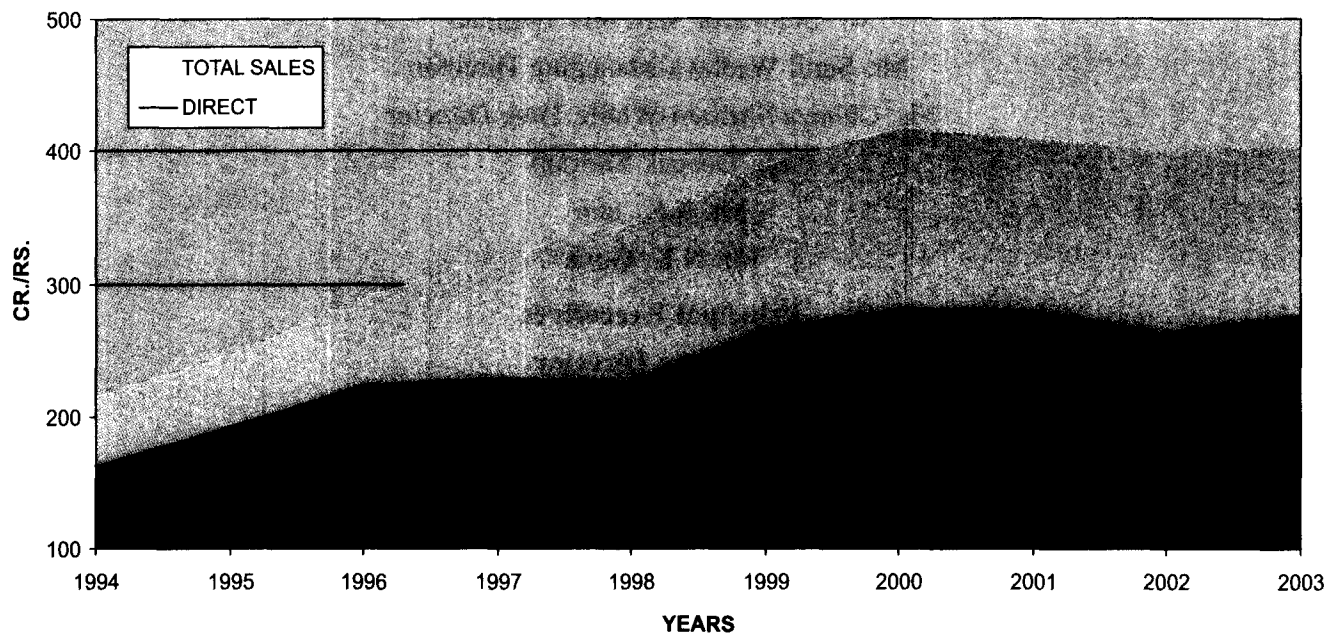
Delhi Stock Exchange  
(Annual Listing fee paid for the year 2003-2004)

**Regd. Office**

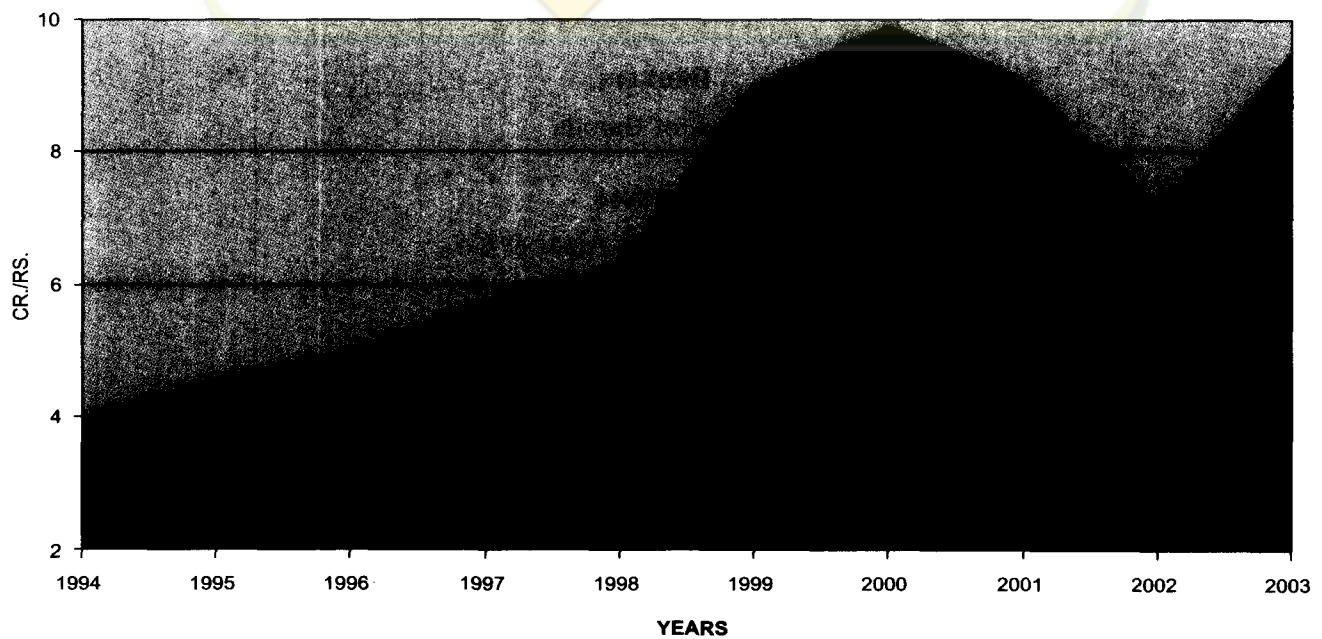
19, Kasturba Gandhi Marg,  
New Delhi - 110001



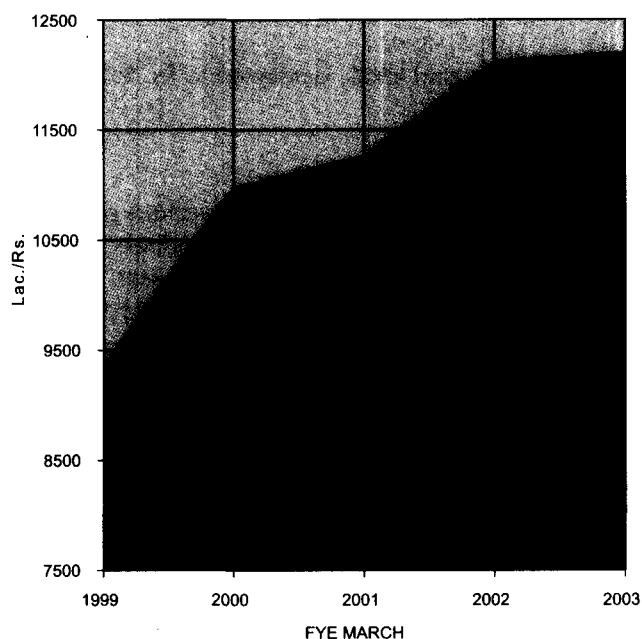
## SALES



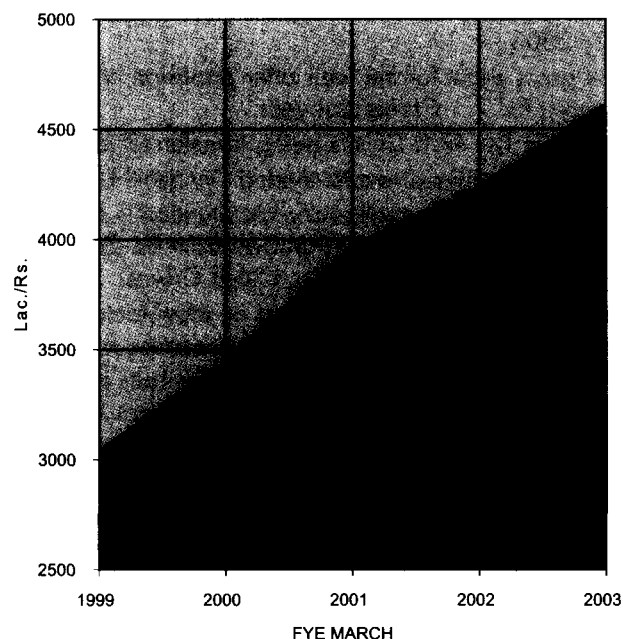
## PROFIT BEFORE DEP.&TAX



## TOTAL ASSETS



## NET WORTH



## TEN YEAR FINANCIAL SUMMARY

F.Y.E. MARCH

PARTICULARS	UNIT	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
<b>SALES</b>											
- TOTAL (INCLUDING ORDERS BOOKED ON PRINCIPALS)	Cr/Rs.	402.7	400.9	419.0	417.2	390.1	344.1	329.0	292.4	247.5	215.7
- DIRECT	Cr/Rs.	275.9	261.7	276.9	291.2	265.1	225.1	229.0	224.4	191.7	163.0
<b>PROFIT</b>											
- BEFORE DEP & TAX	Cr/Rs.	9.5	7.1	9.1	9.9	9.0	6.3	5.7	5.0	4.6	4.0
- NET	Cr/Rs.	4.7	3.4	4.7	5.4	5.4	3.6	3.3	1.9	2.4	1.4
SHARE CAPITAL PAID UP	Cr/Rs.	2.3	2.3	2.3	2.3	2.3	2.0	1.9	1.9	1.9	0.9
NET WORTH	Cr/Rs.	46.2	42.3	39.6	34.5	30.4	22.0	17.6	14.2	12.8	9.0
TOTAL ASSETS	Cr/Rs.	122.0	121.2	112.7	109.8	93.8	81.7	79.1	68.6	63.6	54.7
DIVIDEND - AMOUNT	Lac/Rs.	68.3	68.3	113.8	113.8	106.3*	49.4*	42.2	42.2	42.2	32.8
- RATE	%	30	30.0	50.0	50.0	50.0	25.0	22.5	22.5	22.5	35.0
BOOK VALUE PER EQUITY SHARE	Rs.	202.8	185.9	173.8	151.5	133.4	111.4	94.0	75.8	66.4	56.3
EARNING PER EQUITY SHARE	Rs.	20.6	14.8	20.8	23.9	23.7	18.2	17.7	10.1	12.8	14.5

\* PRORATA