

USHA INTERNATIONAL LIMITED

CIN: U74210DL1935PLC007123

Registered Office: Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi - 110001
Corporate Office: Plot No. 15, Institutional Area, Sector – 32, Gurgaon, Haryana – 122 001, India
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Email: corporate@ushainternational.com
Website: www.ushainternational.com

SHORTER NOTICE OF ANNUAL GENERAL MEETING

Shorter Notice is hereby given that 79th Annual General Meeting of the Company will be held as per the scheduled below:

Day : Saturday
Date : 20th August 2016
Time : 11.30 A.M.
Venue : 26D, Sardar Patel Marg, Chanakyapuri,
New Delhi – 110 021

to transact the following business(es):

ORDINARY BUSINESS(ES):

1. To consider and adopt the standalone and consolidated financial statements as at 31st March 2016 and Reports of Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Mr. Vinod Kumar Wazir (DIN: 01503448) who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors to hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2018 subject to ratification by shareholders at every Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

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

“Resolved that pursuant to the provision of Section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Act and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No. 015125N), Auditor of the Company, be and is hereby ratified to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2018, subject to ratification by Shareholders at every Annual General Meeting, at remuneration to be fixed by the Board of Directors.

RESOLVED FURTHER THAT Mr. Manish Gupta, Company Secretary of the Company be and is hereby authorized to take all necessary actions in this regard.”

SPECIAL BUSINESS(ES):

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

“Resolved that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and subject to such other approvals as may be necessary in this regard, the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Auditors of the Company (Registration No. 00019), to audit cost accounts of the Company, be and is hereby ratified for conducting the Cost Audit of the following units of the Company for the financial year 2016-17 as below:

| Product | Unit | Name of the Cost Auditors | Remuneration |
|---|--|---------------------------|---|
| Electric Fans & Fuel Injection Equipments | Usha Fan Industries (UFI) | M/s. Ramanath Iyer & Co. | Rs. 2,31,000/- plus applicable taxes and travel and out of pocket expenses on actuals |
| Electric Fans & Fuel Injection Equipments | Hyderabad Engineering Industries (HEI) | | |
| Fuel Injections & Auto Components | Shriram Fuel Injection Industries (SFII) | | |
| Water Cooler | Water Cooler Factory (WCF) | | |

Resolved further that Mr. Vinod Mahajan, Financial Comptroller and Mr. Manish Gupta, Company Secretary of the Company be and are hereby severally authorized to execute, sign and file necessary application/forms with the Cost Audit Branch or any other government authority and to take such other steps as may be necessary in this regard.”

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

“Resolved that subject to the provisions of Sections 196, 197, 203 and Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or enactment thereof, for the time being in force) or any other law for the time being in force and such other approvals as may be necessary in this regard, consent of the members of the Company be and is hereby accorded for the re-appointment Mr. Krishna Shriram, Executive Chairman (Whole Time Director) of the Company (DIN: 00031783) for a period of 5 years from 1st June, 2016 to 31st May, 2021.

Resolved further that the remuneration payable to Mr. Krishna Shriram as the Executive Chairman (Whole Time Director) of the Company for the period from 1st June 2016 to 31st May 2017 be on following terms and conditions:

| S. No. | Particulars | Amount |
|--------|--|--|
| (1) | Appointment | 01.06.2016 to 31.05.2021 |
| (2) | Remuneration | 01.06.2016 to 31.05.2017 |
| I. | Basic Salary | Rs. 30,36,000 per annum |
| II. | Special Allowance | Rs. 23,19,504 per annum |
| III. | Contribution to Superannuation Fund @ 15% of basic salary | Rs. 4,55,400 per annum |
| IV. | Employers Contribution to Provident Fund @ 12% of basic salary | Rs. 3,64,320 per annum |
| V. | House Furnishing Subsidy | Rs. 3,68,000 per annum |
| VI. | Medical Reimbursement | Rs. 92,000 per annum |
| VII. | Leave Travel Concession | Rs. 2,53,000 per annum |
| VIII. | Gratuity | As per the rules of the Company. |
| IX. | Club Membership fees | Any two clubs for self and family entry fees and monthly subscription to be borne by the Company |
| X. | Personal Accident and Mediclaim Insurance | As per rules of the Company |
| XI. | Leave | As per the rules of the Company |
| XII. | Company Car with Driver | Facility of Company Car for which all running and maintenance expenses including driver's salary shall be borne by the Company as per actuals. |
| XIII. | Mobile & Telephone | Actual expenses for Mobile phone and one landline telephone at residence shall be borne by the Company. |
| XIV | Gas/ Electricity/ Water | Actuals subject to maximum of Rs. 4,00,000/- per annum |
| XV | Rent Free Accommodation | Up to a limit of Rs. 42,32,000/- per annum |

Resolved further that:

1. In addition to the above, a profit-linked commission be paid as approved by the Board from year to year subject that the total remuneration inclusive of salary as per the above table will not exceed 5% of the profit of the Company as per the provisions of the Act.

2. The Executive Chairman will be entitled to the above Salary, Allowances and Perquisites even in the absence or inadequacy of profits as per the provisions of the Companies Act, 2013.
3. No sitting fees shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
4. During the tenure of appointment, he shall not be liable for retirement by rotation.
5. Mr. Krishna Shriram will conduct the day to day management of the Company subject to the directions and control of Board of Directors and shall also perform such duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board.
6. The appointment, notwithstanding the period mentioned above, can be terminated by either party by giving 6 months' notice in writing. However, no compensation for the loss of office will be payable as per the provisions of section 191 of the Companies Act, 2013.
7. Mr. Krishna Shriram will not become interested directly or otherwise concerned, directly or through his wife and/ or children in any business of the Company during the tenure of his appointment.
8. Reimbursement of entertainment, traveling and other actual expenses incurred in the course of business of the Company will not be treated as remuneration for the purpose of section 197 of the Companies Act, 2013.
9. Reimbursement for official travel shall be as per the Company's policy.
10. The appointment shall automatically cease on the date the Whole Time Director attains the age of superannuation as per the policy of the Company."

RESOLVED FURTHER THAT Mr. Manish Gupta, Company Secretary of the Company be and is hereby authorized to execute, sign and file necessary application/forms with the Registrar of Companies (ROC) or any other government authority and to take such other steps as may be necessary in this regard."

By order of the Board
For Usha International Limited

Manish Gupta

(Manish Gupta)
Company Secretary
M. No 16079

Add: 301/37, Heritage City, Gurgaon,
Haryana-122001

Place: New Delhi
Date: 08.08.2016

NOTES:

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM IS APPENDED.
- ii) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses proposed to be transacted at the meeting is annexed hereto.
- iii) The Record Date for the purpose of payment of dividend for the Financial Year ended 31st March 2016 is 13th August 2016.
- iv) Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting and will also be available for inspection at the meeting.
- v) Members/Proxies attending the meeting are requested to bring the Admission Slip duly filled up.
- vi) Members are requested to bring their Annual Report along with them to the Meeting.

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013:

Item No. 5

The Audit Committee and Board of Directors in its meeting held on 8th August 2016 have approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Auditors (Registration No. 00019) of the Company for conducting Cost Audit of the units of the Company for the financial year 2016-17 at a monthly remuneration of Rs. 2,31,000/- plus applicable taxes and travel and out of pocket expenses on actuals.

The appointment and remuneration shall be subject to the ratification by the shareholders by way of Ordinary Resolution. The Auditors have confirmed their eligibility for appointment as Cost Auditors of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel, and their respective relatives are concerned or interested in the said Resolutions.

Item No. 6:

Mr. Krishna Shriram is holding office as Executive Chairman of the Company in terms of appointment approved by the members at the 74th Annual General Meeting of the Company held on 25.05.2011 at a remuneration decided by the Board and subject to the shareholders approval from time to time.

Mr. Krishna Shriram has held various important positions in Group Companies where he was responsible for providing the strategic input for the growth and development of those businesses. His business acumen and ability to take decision paved the way to a dynamic working culture in the Company. Thus, he has proven track record of managing the business and leading them to greater heights. During his tenure as the Executive Chairman of the Company, Mr. Krishna Shriram has contributed immensely towards the growth of the Company by taking new initiatives like 'Go to the market' and diversifying the product range. Significant improvements were noted in sales turnover, product mix, cost reduction and operational efficiencies. As a result of his business acumen coupled with the ability to strategic decisions at the right time, the turnover of the Company has increased from Rs. 19144.17 Million in the Financial Year 2014-2015 to Rs. 21052.5 Million in the Financial Year 2015-2016.

In view of the aforesaid facts, the Board of Directors of the Company in its meeting held on 18th February 2016 on the recommendations of the Nomination and Remuneration Committee approved the re-appointment and remuneration of Mr. Krishna Shriram as set out in the resolution. The recommended remuneration is as per the expertise and skills of Mr. Krishna Shriram and also, is in line with remuneration of the Key Managerial Personnel of the Company and overall remuneration trends within the industry and thus, be paid in case of absence / inadequacy of profits.

Your Directors recommend the resolution for your approval.

Except of Mr. Krishna Shriram and Ms. Chhaya Shriram, Whole-Time Director of the Company and sister of Mr. Krishna Shriram, none of the other Directors, Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the proposed resolution.

STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

I. General Information

1. Nature of Industry:

Company is engaged in the business of manufacturing and/or marketing of Sewing Machines, Electric Fans, Diesel / Electric Engines, Pump-sets, Compressor Pumps, Home Appliances, Auto Parts, Water Coolers, Water Dispensers, Cooking Stoves, Hoods, Hobs and other Consumer Durables / parts thereof of various specifications, sizes and applications.

2. Date or expected date of commencement of commercial production:

The Company is an existing company and has been into manufacturing operations.

3. In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:

(Rs. In Million)

| Particulars | 2015-16 | 2014-15 | 2013-14 |
|-------------------|----------|----------|----------|
| Gross Sales | 22090 | 19977 | 19459 |
| Net Sales | 20993 | 19069 | 18458 |
| Profit Before Tax | (124.82) | (455.22) | (770.83) |
| Profit After Tax | (125.53) | (449.47) | (666.61) |

5. Export performance and net foreign exchange collaborations:

The Company exported electric fans, fuel injection equipments, diesel engines etc. to various countries during the year 2015-2016. The total F.O.B values of exports were Rs. 720.63 Million.

6. Foreign Investments-

Guangzhou Usha International Limited is a Wholly Owned Subsidiary of the Company in which the Company has invested an amount of USD 700000.

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details

(a) Date of Birth: 03/06/1970

(b) Qualifications: B.A. (English Hons) from St. Stephens College, Delhi University

(c) Experience: Mr. Krishna Shriram has held various important positions in Group Companies where he was responsible for providing strategic input for the growth and development of those businesses. During his association with those Companies, he honed his business acumen skills and came to be well regarded as a content provider.

Mr. Krishna Shriram was appointed as a Director in Mawana Sugars Limited (erstwhile Siel Ltd.) in 1994 for managing the sugar business.

During his tenure as Whole Time Director in MSL, he led the Company to a new level. His business acumen and ability to take a decision has paved the way to a dynamic working culture in the Company. His vision to excel in every sphere has produced good results.

He was also appointed as the Strategic Advisor in Usha International Ltd. (UIL). His strategic inputs helped in the growth and development of UIL. He gave his valuable guidance and contribution towards the transformation program of UIL. Mr. Krishna Shriram also attended

various executive development courses. Presently, Mr. Krishna Shriram is the Executive Chairman of Usha International Ltd.

2. Past Remuneration

Details of past remuneration paid to Mr. Krishna Shriram is mentioned herein below:

| Period | Remuneration Paid (in Rs.) |
|------------------|----------------------------|
| For F.Y. 2015-16 | Rs. 80, 82,672/- |
| For F.Y. 2014-15 | Rs. 92, 45,237/- |
| For F.Y. 2013-14 | Rs. 1, 09, 38,000/- |

3. Job Profile and his suitability:

Such roles and responsibility as may be assigned to him by the Board from time to time.

4. Remuneration Proposed:

The details of the proposed remuneration package of Mr. Krishna Shriram are given in the resolution at Item No. 6.

5. Comparative remuneration profile with respect to industry, the size of the Company, profile of the position and person.

The proposed remuneration is as per the expertise and skills of Mr. Krishna Shriram and also, is in line with remuneration of the Key Managerial Personnel of the Company and overall remuneration trends within the industry.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Krishna Shriram is the relative of Ms. Chhaya Shriram, Whole-Time Director of the Company.

III. OTHER INFORMATION

1. Reasons for loss or Inadequate Profits: The loss has been incurred primarily due to subdued economic growth and increased competition.

2. Steps taken or proposed to be taken for improvement: The Company is taking various strategic initiatives for cost optimization and with the enhanced focus on high-margin products, the Company is expecting to return to profitability in the financial year 2016-17.

3. Expected increase in productivity and profits in measurable terms: In the Financial Year 2016-17, the Company has budgeted to earn Profit Before Tax of Rs.6, 323 Lakhs.

IV. DISCLOSURES:

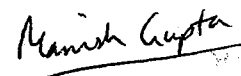
1. **All elements of remunerations package such as salary, benefits, bonuses, stock options, pension etc of all the directors:** The details of remuneration package of all the Directors have been mentioned in MGT-9 as an annexure to Director's Report and in Corporate Governance Report.
2. **Details of fixed component and performance linked incentives along with the performance criteria:** as set out in the Item No. 6
3. **Service contract, notice period, severance fees:** N.A.
4. **Stock options details, if any, and whether the same has been issued at discount as well as the period over which accrued and over which exercisable:** No stock options has been offered by the Company.

IV. REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE V:

Mr. Krishna Shriram has held various important positions in Group Companies where he was responsible for providing the strategic input for the growth and development of those businesses. His business acumen and ability to take decision paved the way to a dynamic working culture in the Company. Thus, he has proven track record of managing the business and leading them to greater heights. During his tenure as the Executive Chairman of the Company, Mr. Krishna Shriram has contributed immensely towards the growth of the Company by taking new initiatives like 'Go to the market' and diversifying the product range. As a result of his business acumen coupled with the ability to strategic decisions at the right time, the turnover of the Company has increased from Rs. 19144.17 Million in the Financial Year 2014-2015 to Rs. 21052.5 Million in the Financial Year 2015-2016.

Approval of shareholders by way of special resolution is required for re-appointment and remuneration of Mr. Krishna Shriram. The Board recommends passing of the Special Resolution set out in item No. 6.

By order of the Board
For Usha International Limited



(Manish Gupta)
Company Secretary
M. No 16079

Add: 301/37, Heritage City, Gurgaon,
Haryana-122001

Place: New Delhi
Date: 08.08.2016