

HINDUSTAN APPLIANCES LIMITED
=====

ANNUAL REPORT 2002-2003
=====

DIRECTORS :-
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MR. KANTILAL S. MAROO
MR. MEHUL J. SHAH
MR. SANJAY A. DESAI
MR. SHANITLAL C. BHAYANI
MR. VIRAL KADAKIA

REGISTERED OFFICE

5, SUNBEAM CHAMBERS,
OPP. LIBERTY CINEMA.
NEW MARINE LINES ,
MUMBAI 400 020

AUDITORS

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M/s. N. B. Purohit & Co
Chartered Accountants

BANKERS

Syndicate Bank
Bank of India
Dena Bank

HINDUSTAN APPLIANCES LIMITED

NOTICE:

NOTICE is hereby given that the EIGHTEENTH Annual General Meeting of the members of HINDUSTAN APPLIANCES LIMITED will be held at the Registered Office of the Company at 5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai-400 020 on Tuesday, the 30th September, 2003 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay A. Desai who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s.N. B. Purohit & Co. Chartered Accountants as Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"Resolved that Mr. Santilal C. Bhayani who was appointed as an additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, be and is hereby appointed as director of the company liable to retirement by rotation"

5. To Consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"Resolved that Mr. Viral Kadakia who was appointed as an additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, be and is hereby appointed as director of the company liable to retirement by rotation"

BY ORDER OF THE BOARD.

sd/-

DIRECTOR

Place : Mumbai

Dated : 2nd September, 2003

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered office of the Company not less than 48 hours before commencing of this meeting.
3. An Explanatory Statement as required under section 173 (2) of the companies Act ,1956 relating to Special Business to be transacted at the meeting is annexed hereto.
4. The register of members and transfer books of the Company will remain closed from 23rd September,2003 to 30th September 2003.

Explanatory Statement as required under section 173 (2) of the Companies Act, 1956.

In Respect of Item No. 4.

Mr. Shantilal C. Bhayani who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, is to be appointed as director of the company liable to retirement by rotation

The Board of Directors recommend the members to adopt the proposed Resolution.

None of the Directors of the company is in any way concerned or interested in the resolution except Mr. Shantilal C. Bhayani.

In Respect of Item No. 5.

Mr. Viral Kadakia who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, is to be appointed as director of the company liable to retirement by rotation

The Board of Directors recommend the members to adopt the proposed Resolution.

None of the Directors of the company is in any way concerned or interested in the resolution except Mr. Viral Kadakia .

FOR AND ON BEHALF OF THE BOARD.

sd/-

DIRECTOR

Place : Mumbai

Dated : 2nd September, 2003

REGD.OFFICE; 5, SUNBEAM CHAMBERS, NEW MARINE LINES,
OPP. LIBERTY CINEMA, MUMBAI-400 020.

DIRECTORS' REPORT

TO

The Members,

The Directors have pleasure in presenting their EIGHTEENTH Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2003.

	(Rs.in Lacs) Year ended 31-3-2003 =====	(Rs.in Lacs) Year ended 31-3-2002 =====
Gross Profit Before		
Depreciation and Taxation	137.29	136.87
Deduct:-		
Depreciation	101.56	107.58
Provision for taxation	2.90	2.25
Deferred tax Liabilities	18.25	10.12
Net profit	14.58	16.92
Balance brought forward.	142.33	125.41
Balance carried forward	156.91	142.33

DIVIDEND:

In order to conserve the financial resources for meeting the long term needs of the Company, your directors do not recommend any dividend for the year under report.

OPERATION:

The Company has earned a gross total Income of Rs 261.87 lacs for the year under review against the gross total income of Rs.318.32 lacs during the previous year.

CORPORATE GOVERNANCE

Necessary measures have adopted to comply with the requirements of the listing agreement with stock exchange wherein the company's shares are listed. A separate report on corporate governance measures adopted by the company form part of this reports.

A certificate from the auditors of the company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement is attached to this report.

Shri Sanjay A. Desai retires by rotation and being eligible offers himself for re-appointment. Mr Shantilal C. Bhayani and Mr. Viral Kadakia who were appointed as additional Directors of the Company during the year pursuant to section 260 of the Companies Act, 1956. They hold the office of the director until the date of ensuing general meeting. Notice has been received from the members of the company proposing their candidatures, for the office of director at the ensuing Annual General Meeting. The information or details pertaining to these directors to be provided in terms of clause 49 of the listing agreement with the stock exchange are furnished in the statement on corporate governance published in this annual reports.

PARTICULARS OF EMPLOYEES :

The company did not employ anybody drawing remuneration of Rs. 24,00,000/- or more per annum or Rs.2,00,000/-or more per month and hence the question of providing information under section 217(2A) of the companies Act, 1956 does not arise.

PUBLIC DEPOSIT :

The Company has not accepted any deposit from public. Therefore provision of section 58(A) of Companies Act, 1956 are not applicable to the Company. There are no unclaim or unpaid deposits for which information to be given in this report.

DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO. :

Particulars regarding conservation of energy, technology absorption as required pursuant to section 217 (1) (e) of the Companies Act, 1956, as amended are not given since the said section is not applicable to the Company.

Foreign exchange earnings.:	Nil
Foreign exchange outgo. :	Rs. 89.46 Lacs

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provision of Sub-Section (2AA) of section 217 of the companies Act, 1956 your directors confirm:

i) That in the preparation of the annual accounts for year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2003 and of the profit of the Company for that period;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;

iv) That the Directors have prepared the annual accounts for the year ended 31.3.2003 on a going concern basis.

AUDITORS :

M/S. N.B.Purohit & Co., Chartered Accountants present Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. You are requested to consider their re-appointment.

FOR AND ON BEHALF OF THE BOARD

sd/-

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DIRECTORS

PLACE: MUMBAI,

DATED: 2nd September, 2003

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO SUBSIDIARY COMPANIES.**

1. NAME OF THE SUBSIDIARY	: JOGINDRA EXPORTS LIMITED	: KSHANIKA TRADING LIMITED
2. HOLDING COMPANY'S INTEREST	: 5000 EQUITY SHARES OF 100	: 5000 EQUITY SHARES OF 100
	: EACH FULLY PAID UP.	: EACH FULLY PAID UP.
3. EXTENT OF HOLDING	: 100%	: 100%
4. SUBSIDIARY FINANCIAL YEAR	: 31ST MARCH, 2003	: 31ST MARCH, 2003
ENDED ON	:	:
5. NET AGGREGATE AMOUNT OF	:	:
SUBSIDIARIES' PROFIT/(LOSS)	:	:
NOT DEALT WITHIN THE HOLDING	:	:
COMPANY'S ACCOUNTS:	:	:
i) FOR THE CURRENT FINANCIAL	: (Rs. 3,105.00)	: (Rs. 2,820.00)
YEAR OF THE SUBSIDIARIES	:	:
ii) FOR THE PREVIOUS FINANCIAL	: (Rs. 985.00)	: (Rs. 785.00)
YEARS OF THE SUBSIDIARIES	:	:
SINCE THEY BECAME THE	:	:
HOLDING COMPANY'S	:	:
SUBSIDIARIES.	:	:
6. NET AGGREGATE AMOUNT OF	:	:
SUBSIDIARIES' PROFIT/(LOSS)	:	:
DEALT WITHIN THE HOLDING	:	:
COMPANY'S ACCOUNTS	:	:
i) FOR THE CURRENT FINANCIAL	: -	: -
YEAR OF THE SUBSIDIARIES.	:	:
ii) FOR THE PREVIOUS FINANCIAL	: -	: -
YEARS OF THE SUBSIDIARIES	:	:
SINCE THEY BECAME THE HOLDING:	:	:
COMPANY'S SUBSIDIARIES.	:	:

FOR AND ON BEHALF OF THE BOARD

Sd/-

DIRECTORS

PLACE: MUMBAI

DATED: 2nd September, 2003

HINDUSTAN APPLIANCES LIMITED

CORPORATE GOVERNANCE

1 PHILOSOPHY:

Your Company believes that the Corporate Governance is a powerful medium to serve the long-term interest of all stockholders. Corporate Governance strengthens investors' trust and ensures a long term partnerships, which helps your Company in fulfilling its quest for achieving significant growth and profits. A sound governance process consists of a combination of business practices, which results in enhanced shareholder value and enable the Company to fulfill its commitment to customers, employees, lenders and the society in general. Your Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability and independent monitoring.

Your Company is committed to bench marking itself with the best in all areas including Corporate Governance. Your Company has bench marked its practices with the prevailing guidelines by upholding the core values across all aspects of its operation.

Your Company believes that Corporate Governance is not merely compliance - it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

2 BOARD OF DIRECTORS

The Board consists of three members. The composition of Board of Board of Directors, the number of other directorships or board committees of which he is a member/ chairman are as under:

Directors	Category	No. of Outside Directorships held		No. of outside committee positions held	
		Public	Private	Member	Chairman/Chairperson
Mr Sanjay A.Desai	Chairman & Director	1	3	-	-
Mr Mehul J.Shah	Non Executive Director	-	15	-	-
Mr.Kantilal S.Maru	Non executive Director	-	1	-	-
Mr.Shantilal C.Bhayani	Non Executive Director	-	7	-	-
Mr Viral R.Kadakia	Non Executive Director	-	-	-	-

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Brief resume of the directors being Re-appointed/
Appointed at the ensuing Annual General Meeting, nature of
their expertise in specific functional areas and name of
Companies in which they hold directorship and the membership
of the committees of the board are furnished here under.

1.) Mr. Sanjay A. Desai holds bachelors degree in commerce from the University of Bombay, Mumbai, He has vast experience in the field of printing and management of industries, and marketing. He is a director on the boards of Shikhar Leasing & Trading Limited, Patarmigan Electronics Private Limited, Tendril Chemicals Private Limited, And Anchor Fans Manufacturing Company Private Limited. He is also member of the remuneration Committee and shareholders / investors grievances committee of the board as chairman.

2.) Mr. Shantilal C. Bhayani holds bachelors degree in commerce from the University of Calcutta, He has vast experience in the field of management of Industries, and marketing. He is a director on the boards of Jivitesh Exports Private Limited, Girnar Plastics Private Limited, Anchor Herbals Private Limited, Anchor Ayurvedic Private Limited, Dayanand Chemicals Private Limited Anchor Soap Private Limited And Anchor Dental Products Private Limited. He is also member of the Audit Committee of the board as chairman.

3.) Mr. Viral R. Kadakia is professionally qualified Chartered Accountant., He has three experience in the of Management of Corporate, He is not a director of any other Company. He is also member of the Audit committee of the board as member.

8. Meetings of the Board of directors were held during the financial year ended on 31st March, 2003

Dates of Board Meeting :

30th April, 2002
15th June, 2002
31st July, 2002
2nd September, 2002
31st October, 2002
31st January, 2003
3rd March, 2003
28th March, 2003

Attendance of the directors at the Board Meetings, last Annual General Meeting:

Name of

Director Board Meetings attended Attendance at last AGM.

Mr. Sanjay A Desai	Present	Present
Mr. Mehul J. Shah	Present	Present
Mr. Kantilal S. Maru	Present	Present
Mr. Shantilal C. Bhayani	Present	NA
Mr. Viral R. Kadakia	Present	NA