

HINDUSTAN APPLIANCES LIMITED
=====

ANNUAL REPORT 2003-2004
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DIRECTORS:-
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MR. KANTILAL S. MAROO

MR. MEHUL J. SHAH

MR. SANJAY A. DESAI

MR. HITESH R. KARIA
(Appointed W.E.F. 25.08.2003)

MR. VIRAL R. KADAKIA

MR. SHANTILAL C. BHAYANI
(Resigned W.E.F. 25.08.2003)

REGISTERED OFFICE

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

AUDITORS

M/s. N R Purohit & Co
Chartered Accountants

BANKERS

Bank of India
Dena Bank

NOTICE:

NOTICE is hereby given that the Nineteenth 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 Thursday, the 30th September, 2004 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, 2004 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. Kantilal S. Maroo 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. Hitesh R. Karia 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 retire by rotation"

BY ORDER OF THE BOARD.

SD/-

DIRECTOR

Place : Mumbai

Dated : 2nd September, 2004

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,2004 to 30th September 2004.

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

In Respect of Item No. 4.

Mr.Hitesh R. Karia 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 retire 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. Hitesh R. Karia.

FOR AND ON BEHALF OF THE BOARD.

SD/-

DIRECTOR

Place : Mumbai

Dated : 2nd September, 2004

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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	1	14	-	-
Mr.Kantilal S.Maru	Non executive Director	1	1	-	-
Mr.Hitesh R. Kariya *	Non Executive Director	-	1	-	-
Mr Viral R.Kadakia	Non Executive Director	-	-	-	-
Mr Shantilal C. Bhayani **	Non Executive Director	-	7	-	-

* Appointed as additional Director w.e.f. 25.8.2004.

** resigned as Director w.e.f. 25.8.2004.

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. Kantilal S. Maroo holds bachelors degree in Mechanical engineers from the University of Poona, Maharashtra, He has vast experience about 30 year in the field of manufacturing of Electricals and Electronics Industries. He is a director on the boards of Shikhar Leasing & Trading Limited, Girnar Plastics Private Limited. He is also member of the remuneration Committee and shareholders / investors grievances committee of the board.

2.) Mr. Hitesh Ramji Karia holds bachelors degree in Engineering -Production from the University of Mumbai, He has vast experience about 13 years in the field of Management of Production, Marketing and Purchases. He is a director on the boards of Dupont Trading & Investment Limited,

8. Meetings of the Board of directors were held during the financial year ended on 31st March, 2004

Dates of Board Meeting :

30th April, 2003
15th June, 2003
31st July, 2003
2nd September, 2003
31st October, 2003
31st January, 2004
3rd March, 2004
29th March, 2004

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

Name of Director	Attendance Particulars	
	Board Meetings	Last A.G.M
Mr. Sanjay A Desai	8	Present
Mr. Mehul J. Shah	8	Present
Mr. Kantilal S. Maru	8	Present
Mr. Shantilal C. Bhayani	8	Present
Mr. Viral R. Kadakia	8	Present
Mr. Hitesh R. Kariya	Nil	N.A.

3 AUDIT COMMITTEE

Broad terms of reference:

(a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible.

(b) To recommend the appointment/removal of external auditors, fixing audit fees.

(c) To review with the management the annual financial statements before submission to the Board, focussing primarily on :

- * Any changes in accounting policies and practices.
- * Major accounting entries based on exercise of judgement by management .
- * Qualifications in draft Audit Report
- * The going concern assumption
- * Compliance with the accounting standards.
- * Compliance with Stock Exchanges and legal requirements concerning financial statements.
- * Any related party transactions.

(d) To review with management the efficacy of internal control systems.

Composition, Name of Members and Chairman

Name		No. of Meetings	
		Held	Attended
Mr. Shantilal C. Bhayani	Chairman	3	3
Mr. Viral R. Kadakia	Director	3	3
Mr. Kantilal S. Maroo	Executive Director	3	3

4 REMUNERATION COMMITTEE

Broad Term of reference

To approve the appointment of Managing/Whole time Director and the remuneration thereof.

Name

Mr Sanjay A.Desai Chairman
Mr.Kantilal S.Maru Non executive Director

5 SHAREHOLDERS COMMITTEE :

Name

Mr Sanjay A.Desai Chairman
Mr Mehul J.Shah Director
Mr.Kantilal S.Maru Non executive Director

Mr.Mehul J.Shah director has been appointed as compliance officer.

Number of complaint received : Nil
Number of complaint not solved : Nil
Number of pending share transfer : Nil

6. GENERAL BODY MEETINGS:

The detail regarding location and time where the last three AGMS were held are as under:

Financial Year	General meeting	Location	Date	time
31/3/2003	AGM	5, Sunbeam Chambers 2nd Floor, opp. Liberty Cinema, New Marine lines, Mumbai 400020	30/9/03	11.00 (AM)
31/3/2002	AGM	5, Sunbeam Chambers 2nd Floor, opp. Liberty Cinema, New Marine lines, Mumbai 400020	30/09/02	11.00 (A.M)
31/3/2001	AGM	5, Sunbeam Chambers 2nd Floor, opp. Liberty Cinema, New Marine lines, Mumbai 400020	29/9/01	3.00 (PM)

7 DISCLOSURES :

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company

(b) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the listing agreement with the stock exchange as well as regulations and guidelines of SEBI. No penalties and strictures have been imposed by SEBI, Stock Exchange or Statutory authorities on matters relating to capital markets during the last three years.

8 MEANS OF COMMUNICATION :

- * Half yearly report sent to each household of shareholders No
- * Quarterly Results yes
- Which newspapers normally published Free press Journal
Navshakti
- * Any web site, where displayed No
- * Whether it also displays official news releases and the presentations made to institutional investors or to the analysts. No
- * Whether MD & A is a part of the Annual Report No

1 Annual General Meeting

Date and time Tuesday, 30/9/2004. 11.00 A.M.
Venue Sunbeam Chambers, 2nd Floor,
opp. Liberty Cinema, New Marine
lines, Mumbai 400 020

2 Financial Calender

Financial reporting for the Quarter ending
* 30/6/2004 : By 31/7/2004
* 30/9/2004 : By 31/10/2004
* 31/12/2004 : By 31/01/2004
* 31/3/2004 : By 30/4/2004

3 Book Closure Date 23/9/2004 to 30/9/2004

4 Registered Office : Sunbeam Chambers, 2nd Floor,
Opp. Liberty Cinema, New Marine
Lines, Mumbai 400 020

5 Listing on Stock Exchange: The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal street, Mumbai 400023

6 Stock Code : 53 05 35

7 Market Data High/Low during each month in last finan-
cial year. The Equity Shares of the Company is infre-
quently traded on the Stock Exchange, Mumbai and hence
the data is not available.

8 Registrar and transfer agents : The Company has in
house share department

9 Share transfer system : The Shares of the Company are
registered and returned between 15 to 30 days from the
date of receipt, if documents are in order in all
respects.

10 Distribution of Share holding;

DISTRIBUTION TABLE OF HOLDING AS ON 02/09/2004

SHARE HOLDING	SHARE HOLDERS		SHARE AMOUNT	
NOMINAL VALUE	NUMBERS	% OF TOTAL	IN Rs.	% OF TOTAL
UPTO 5,000	894	52.77	3692000	3.68
5,001 - 10,000	549	32.41	3918000	3.91
10,001 - 20,000	28	1.65	499000	0.50
20,001 - 30,000	37	2.18	953000	0.95
30,001 - 40,000	135	7.97	5194000	5.18
40,001 - 50,000	13	0.77	602000	0.60
50,001 - 1,00,000	8	0.47	617000	0.62
1,00,001 AND ABOVE	30	1.77	84785000	84.57
TOTAL	1694	100.00	100260000	100.00

11 Investor correspondence: Nil

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).

To the Members of Hindustan Appliances Limited.

We have Examined the relevant records relating to compliance of conditions of corporate Governance by Hindutan Appliances Limited for the year ended 31st March, 2004, as stipulated in clause 49 of the listing agreement of the said company with the stock Exchanges.

The Compliance of Conditions of corporate governance is responsibilities of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, We certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

We state that as per record maintained by the investors grievances committee, no investor grievances was received during the year ended 31st march, 2004.

We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR N.B. PUROHIT & CO.
CHARTERED ACCOUNTANTS.
SD/-

(N.B. PUROHIT)
PROPRIETOR

PLACE: MUMBAI
DATED: 2nd September, 2004