

**HINDUSTAN APPLIANCES LIMITED**

=====

**ANNUAL REPORT 2005-2006**

=====

**DIRECTORS :-**

=====

**MR. MEHUL J. SHAH  
MR. KANTILAL S. MAROO  
MR. SANJAY A. DESAI  
MR. HITESH R. KARIA  
MR. VIRAL R. KADAKIA**

Report  Junction.com

**REGISTERED OFFICE**

-----

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

**AUDITORS**

-----

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

**BANKERS**

-----

**Bank of India  
Dena Bank**

## HINDUSTAN APPLIANCES LIMITED

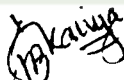
## NOTICE:

NOTICE is hereby given that the 21ST 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 Saturday, the 30th September, 2006 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, 2006 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 a Director in place of Mr. Hitesh R. Kariya who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s.N. B. Purohit & Co. Chartered Accountants as Auditors and to fix their remuneration.

BY ORDER OF THE BOARD.



DIRECTOR

Place : Mumbai

Dated : 2nd September, 2006

Registered Office:

5, Sunbeam Chambers,  
2nd Floor, Opp. Liberty Cinema,  
New Marine Lines, Mumbai-400 020

## 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. The register of members and transfer books of the Company will remain closed from 23rd September, 2006 to 30th September 2006

## 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 five 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	13	-	
Mr.Kantilal S. Maroo	Non executive Director	2	1	-	
Mr.Hitesh R. Kariya	Non Executive Director	-	1	-	
Mr Viral R.Kadakia	Non Executive Director	-	-	-	-

Brief resume of the directors being Re-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 aged about 45 years has vide experience of about 20 years in the field of manufacturing of Electricals and Electronics Industries. He is a director on the boards of many Companies mentioned herein below:

**Name of the Company**

- 1) Shikhar Leasing & Trading Limited(Listed Co)
- 2) Tendril Chemicals Pvt. Ltd.
- 3) Patarmigan Electronics Pvt. Ltd.
- 4) Anchor Fans Pvt. Ltd.

He is a member of shareholders committee. He does not hold any Equity Share of the Company.

2) Mr.Hitesh Karia aged about 39 years. He has vast experience about 15 years in the field of Marketing of Electricals and Electronics goods.

He does not hold any Equity Share of the Company.

He is director of Dupont Trading & Trading Pvt. Ltd.

6 Meetings of the Board of directors were held during the financial year ended on 31st March,2006

**Dates of Board Meeting :**

30th April,2005  
 30th July,2005  
 2nd September,2005  
 31st October,2005  
 31st January,2006  
 6th February,2006

**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	6	Present
Mr. Mehul J.Shah	6	Present
Mr.Kantilal S.Maru	6	Present
Mr Viral R.Kadakia	6	Present
Mr. Hitesh R. Kariya	6	Present

(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	Designation	No. of Held	Meetings Attended
Mr Viral R. Kadakia	Chairman	5	5
Mr. Kantilal S. Maroo	Non Executive Director	5	5
Mr. Hitesh Karia	Director	5	5

**4 REMUNERATION COMMITTEE : Broad Term of reference**

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

Name	Designation
Mr Sanjay A.Desai.....	Chairman
Mr.Kantilal S.Maroo.....	Non executive Director

Number of Meetings held	Nil
-------------------------	-----

**5 SHAREHOLDERS COMMITTEE :**

Name	Designation	No.of Held	Meetings Attended
Mr Sanjay A. Desai	Chairman	1	1
Mr. Kantilal S. Maroo	Non Executive Director	1	1
Mr. Mehul J. Shah	Director	1	1

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
31/3/2005	AGM	5,Sunbeam Chambers 2nd Floor, opp.Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/05	11.00 (AM)
31/3/2004	AGM	5,Sunbeam Chambers 2nd Floor, opp.Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/04	11.00 (AM)
31/3/2003	AGM	5,Sunbeam Chambers 2nd Floor, opp.Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/03	11.00 (AM)

There were no Special Resolution passed in the last three AGMs held.No special Resolution was passed through postal ballot in the last year and no Special resolution is proposed to be conducted through postal ballot.

**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: No
- and the presentations made to institutional investors or to the analysts. : No
- \* Whether MD & A is a part of the Annual Report : No

**9 GENERAL SHAREHOLDER INFORMATION****1 Annual General Meeting**

Date and time Friday, 30/9/2006. 11.00 A.M.

Venue: 5, Sunbeam Chambers,  
2nd Floor,  
opp.Liberty Cinema  
New Marine lines  
Mumbai 400 020

**2. Financial Calender**

Financial reporting for the  
Quarter ending

- \* 30/6/2006 : By 31/7/2006
- \* 30/9/2006 : By 31/10/2006
- \* 31/12/2006 : By 31/01/2006
- \* 31/3/2006 : By 29/4/2006

3. Book Closure Date 23/9/2006 to 30/9/2006

## 4. Address for Correspondence:

Registered Office : 5, Sunbeam Chambers,  
2nd Floor,  
opp.Liberty Cinema  
New Marine lines  
Mumbai 400 020

5. Listing on Stock Exchange: The Bombay Stock Exchange  
Ltd,Mumbai, Phiroze  
JeeJeebhoy Towers,  
Dalal street,Mumbai 400023.  
and Pune Stock Exchange,Pune

6. Stock Code : 53 19 18

7. Market Data High/Low during each month in last financial year. The Equity Shares of the Company is infrequently 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 31/03/2006

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 Compliance with other mandatory requirements:

### 11.1 Management Discussion and analysis:

A Management Discussion and analysis report forms part of the Annual Report.

11.2 The Company has complied the provisions related to subsidiary companies.

### 11.3 Disclosures

#### 11.3.1 Related Party Transaction :

The details of all transactions with related parties are placed before the audit committee.

#### 11.3.2 Disclosure of Accounting Treatment :

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

#### 11.3.3 Code of Conduct:

The board has formulated a code of conduct for the board members and senior management of the Company. All the board members and senior management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman is given elsewhere in the Annual Report.

#### 11.3.4 CEO/CFO Certification :

A certificate from Chairman and Finance Head on the financial statements of the Company was placed before the board.

#### 11.3.5 Review of Directors Responsibility Statement:

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2006 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 12 Compliance with Non Mandatory requirements:



The board will consider Compliance with Non Mandatory requirements relating to tenure of independent directors, Training of the Board members, Whistle Blower policy at appropriate time.

The audit report of the company for the year ended 31/3/2006 is unqualified.

**Declaration on compliance of code of conduct:**

It is hereby confirmed that all the Directors and senior management personnel have complied with the code of Conduct framed by the Company and confirmation to that effect has been obtained from the Directors and senior management.

FOR AND ON BEHALF OF THE BOARD

✓  ✓   
DIRECTORS.

PLACE: MUMBAI

DATED: 2nd September, 2006

