

HINDUSTAN APPLIANCES LIMITED

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ANNUAL REPORT 2006-2007

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DIRECTORS:-

MR. MEHUL J. SHAH
MR. SANJAY A. DESAI
MR. HITESH R. KARIA/A
MR. KANTILAL S. MAROO
MR. VIRAL R. KADAKIA (RESIGNED W.E.F.06.03.2007)
MR. RAVINDRA K. MYTRA (APPOINTED W.E.F.06.03.2007)

REGISTERED OFFICE:-

5, SUNBEAM CHAMBERS,
OPP. LIBERTY CINEMA,
2nd floor, NEW MARINE LINES ,
MUMBAI 400 020

AUDITORS

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

BANKERS

Bank of India
Dena Bank

The above statements have been noted by the Audit Committee at its meeting held on 1/9/2007

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

M. Purohit *B. K. Purohit*
DIRECTORS

PLACE: MUMBAI,

DATED: 1st September, 2007



HINDUSTAN APPLIANCES LIMITED

NOTICE:

NOTICE is hereby given that the 22nd 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 29th September, 2007 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, 2007 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. Ravi Kanji Mytra 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. Ravindra Kanji Mytra 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.

M. Kanji Mytra *B. Kanji Mytra*

DIRECTOR

Place : Mumbai

Dated : 1st September, 2007

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. 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,2007 to 29th September 2007.

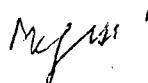
Explanatory Statement as required under section 173 (2) of the Companies Act, 1956.

In Respect of Item No. 4.

Mr.Ravindra Kanji Mytra 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. Ravindra Kanji Mytra.

FOR AND ON BEHALF OF THE BOARD.


DIRECTOR**Place : Mumbai****Dated : 1st September, 2007**

HINDUSTAN APPLIANCES LIMITED

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**REGD.OFFICE; 5, SUNBEAM CHAMBERS, NEW MARINE LINES, 2ND FLOOR
OPP. LIBERTY CINEMA, MUMBAI-400 020.**

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DIRECTORS' REPORT

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TO,
The Members

The Directors have pleasure in presenting their 21st Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2007.

Particulars	(Rs.in Lacs)	(Rs.in Lacs)
	Year ended 31.3.2007	Year ended 31.3.2006
Sales and Services	51.35	78.27
Other Income	2.01	3.72
Total	53.36	81.99
Gross Profit Before Depreciation and Taxation	3.21	71.54
Deduct:-		
Depreciation	61.08	83.80
Provision for taxation	8.00	2.00
Provision for Fringe Benefit Tax	0.04	0.03
Deferred tax liabilities	(19.53)	(4.81)
Income tax of earlier year	0.00	0.09
Net (Loss) profit for the year	(46.37)	(9.39)
Balance brought forward	124.13	132.24
Balance carried forward	77.77	124.13

DIVIDEND:

In view of the loss for the year your directors do not recommend any dividend for the year under report.

OPERATION:

The Company has earned a gross total Income of Rs 53.36 lacs for the year under review against the gross total income of Rs. 81.99 lacs during the previous year.

BUSINESS TRANSFER AGREEMENT:

The Company has entered into Business Transfer Agreement effective 1st February, 2007 with Anchor Electricals Private Limited for transfer of the Daman Unit of company engaged in Labour Job Activities of electricals goods, as a going concern for a lump sum consideration of Rs. 6.25 Crores by way of Slump Sale, as approved by the shareholders by passing resolution through postal ballot. In accordance with the said agreement all assets and liabilities including all contracts and licences of the above unit were transferred by the company to Anchor Electricals Pvt. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges is given in the report as a separate statement.

CORPORATE GOVERNANCE

Necessary measures have adopted to comply with the requirements of the listing agreement with stock exchanges wherein the company's shares are listed. A separate Section on corporate governance report forms part of this annual report.

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.

SUBSIDIARIES

Pursuant to the Provision of section 212 of the Companies Act, 1956 statement & other documents relating to the subsidiaries of the company are annexed to this report.

RE-APPOINTMENT / APPOINTMENT OF DIRECTORS.

Shri Mehul J. Shah and Mr Kantilal S. Maroo retire by rotation and being eligible offer themselves for re-appointment. Mr. Ravindra Kanji Mytra who was appointed as additional Director of the Company during the year pursuant to section 260 of the Companies Act, 1956. He holds the office of the director until the date of ensuing general meeting. Notice has been received from the members of the company proposing his candidature, for the office of director at the ensuing Annual General Meeting. The information or details pertaining to these director 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. Mr. Viral R. Kadakia, resigned as director of the company during year under report.

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. : Rs. Nil

Foreign exchange outgo. : Rs. Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

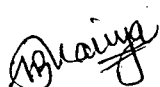
Pursuant to the provision of Sub-Section (2AA) of section 217 of the companies Act, 1956 your directors confirm:

1. that in the preparation of the annual accounts for year ended 31st March, 2007,the applicable accounting standards have been followed with no material departures there from;
2. 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, 2007 and of the loss of the Company for that year;
3. 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 ;
4. that the Directors have prepared the annual accounts for the year ended 31.3.2007 on a going concern basis.

ANNEXURE TO DIRECTORS' REPORTS**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.**

S. No.	Particulars	Name Of The Company	
1	NAME OF THE SUBSIDIARY	JOGINDRA EXPORTS LIMITED	KSHANIKA TRADING LIMITED
2	HOLDING COMPANY'S INTEREST	5000 EQUITY SHARES OF 100 EACH FULLY PAID UP	5000 EQUITY SHARES OF 100 EACH FULLY PAID UP
3	EXTENT F HOLDING	100%	100%
4	SUBSIDIARY FINANCIAL YEAR	31ST MARCH, 2007	31ST MARCH, 2007
5	NET AGGREGATE AMOUNT OF SUBSIDIARIES' PROFIT/(LOSS) NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS:		
(i)	i) FOR THE CURRENT FINANCIAL YEAR OF THE SUBSIDIARIES	Rs. Nil	(Rs. 4,595.00)
(ii)	ii) FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECAME THE HOLDING COMPANY'S SUBSIDIARIES.	Rs. Nil	(Rs. 1,155.00)
6	NET AGGREGATE AMOUNT OF SUBSIDIARIES' PROFIT/(LOSS) DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS		
(i)	i) FOR THE CURRENT FINANCIAL YEAR OF THE SUBSIDIARIES.	Nil	Nil
(ii)	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECAME THE HOLDING COMPANY'S SUBSIDIARIES.	Nil	Nil

FOR AND ON BEHALF OF THE BOARD


DIRECTORS**PLACE: MUMBAI****DATED: 1st September, 2007**

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

DIRECTORS	CATAGORY	No. of Outside Directorship Held		No. Of Out side Committee Positions Held	
		Public	Private	Member	Chairman/ Chairperson
Mr.Sanjay A. Desai	Chairman & Direcror	1	3	-	-
Mr.Mehul J. Shah	Non Executive Director	1	17	-	-
Mr.Kantilal S. Maroo	Non Executive Director	2	1	-	-
Mr.Hitesh R. Kariya	Non Executive Director	-	1	-	-
Mr.Viral R. Kadakia*	Non Executive Director	-	-	-	-
Mr. Ravindra Myatra**	Non Executive Director	-	1	-	-

*Upto 06/03/2007

** Appointed w.e.f. 6/3/2007

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.Mehul J Shah is Commerce Graduate, aged about 37 years has vide experience of about 10 years in the field of manufacturing of Electricals and Electronics Industries. He is a director on the boards of many Companies mentioned herein below:

S. No.	Name of the Company .
1.	Highway Finance & Holding Bby Ltd.
2.	Parijat Properties Pvt Ltd.
3.	Anchor Cosmetics Pvt Ltd.
4.	Apple PharmaCeuticals Pvt Ltd.
5.	Apple Cosmetics Pvt Ltd.
6.	Avanti Health Care Pvt Ltd.
7.	Kyori Metals Pvt Ltd.
8.	Anchor Ayurvedic Pvt Ltd.
9.	Metro Electricals Pvt Ltd.
10.	Triple Securities Pvt.Ltd.
11.	Ave Anchor Pvt Ltd.
12.	Anchor Soap Pvt Ltd.
13.	Roma Cosmetics Pvt Ltd.
14.	Anchor Enterprises Pvt Ltd.
15.	Eskay Construction Pvt Ltd.
16.	Pratap Bright steels Pvt Ltd.
17.	Goodvalue Holdings Pvt. Ltd.

He is a member of shareholders committee and compliance officer of the Company. He holds 65,82,000 (65.65%) Equity Shares of the Company.

2) Mr.Hitesh Karia is B. E. aged about 40 years. He has vast experience about 15 years in the field of Marketing of Electricals and Electronics goods.

He does not hold any Equity Shares of the Company. He is director of Dupont Trading & Trading Pvt. Ltd.

3) Mr. Ravindra K. Myatra has studied upto Inter Science, aged about 45 years. He has vast experience of about 25 years in the field of Mmanufacturing of Electricals and Electronics goods.He was co opted as additional director of the Company with effect from 6th March,2007 and holds the office until the date of the ensuing annual general meeting in terms of Section 260 of the Companies Act,1956. He does not hold any Equity Share of the Company. He is a director on the board of Jalaja Stock Trade Pvt. Ltd.

8 Meetings of the Board of directors were held during the financial year ended on 31st March,2007