

HINDUSTAN APPLIANCES LIMITED

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ANNUAL REPORT 2009-2010

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DIRECTORS:-

MR. MEHUL J. SHAH

MR. SANJAY A. DESAI

MR. HITESH R. KARIYA (upto 01/10/2009)

MR. KANTILAL S. MAROO (upto 01/10/2009)

MR. RAVINDRA K. MYTRA

MR. SUNIL HIRJI SHAH (w.e.f. 01/10/2009)

MR. KALPESH RAMESH SHAH (w.e.f. 01/10/2009)

REGISTERED OFFICE:-

33, HUGES, 3RD FLOOR,
OPP. PREM PURI ASHRAM,
N.S PATKAR MARG GRANT ROAD (W) ,
MUMBAI 400 007

AUDITORS

M/s. A.C. MODI & ASSOCIATES
Chartered Accountants

BANKERS

Bank of India

HINDUSTAN APPLIANCES LIMITED

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33,HUGES, 3RD FLOOR,
OPP. PREM PURI ASHRAM,
N.S PATKAR MARG GRANT ROAD (W) ,
MUMBAI 400 007

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DIRECTORS' REPORT

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TO,
The Members

The Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

Particulars	(Rs.in Lacs)	(Rs.in Lacs)
	Year ended 31.3.2010	Year ended 31.3.2009
Income from operation	6.19	40.12
		-
Total	6.19	40.12
Gross Profit/ loss Before Depreciation and Taxation	(22.41)	39.10
Less : Income Tax of earlier year	0.00	(0.32)
Deduct:-		
Depreciation	0.00	0.00
Provision for taxation	1.55	12.10
Provision for Fringe Benefit Tax	0.00	0.00
Deferred tax liabilities	0.00	0.00
Net profit / Loss for the year	(23.96)	27.32
Balance brought forward	133.02	105.70
Balance carried forward	109.06	133.02

DIVIDEND:

In view of the loss the directors are unable to recommend any dividend for the year under the report.

OPERATION:

The Company has earned a gross total Income of Rs 6.19 lacs for the year under review against the gross total income of Rs.40.12 lacs during the previous year.

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 Exchange is given in the report as a separate statement.

CORPORATE GOVERNANCE

Necessary measures have been adopted to comply with the requirements of the listing agreement with stock exchange 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.

DIRECTORS.

Mr. Sanjay A. Desai and Mr. Ravindra K Mayatra retire by rotation and being eligible offer themselves for re-appointment. Mr. Kantilal S. Maroo and Mr. Hitesh R Kariya resigned as directors of the Company. The Directors have placed on record the appreciation of services rendered by them during their association with the Company.

Mr. Sunil Hirji Shah and Mr. Kalpesh R. Shah were appointed as additional directors of the Company by the board of directors and they hold the office until the date of the ensuing annual general meeting. You are requested to appoint them as directors of the Company.

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 unclaimed 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, 2010 the applicable accounting standards have been followed with no 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, 2010 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 31.3.2010 on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on 2/9/2010

CONSOLIDATED FINANCIAL STATEMENTS:

The Audited Financial Statement for the year under review ended 31st, march 2010 is annexed to this report. The Report and standalone audited accounts of all subsidiary companies along with statement pursuant to section 212 of the companies Act, 1956 containing full details of the performance also form part of this Annual Report. These statements have been prepared on the basis of audited financial statement received from the subsidiary Companies as approved by their respective Boards.

AUDITORS:

M/S. A.C.MODI & ASSOCIATES, Chartered Accountants, the present Auditors of the Company have furnished a certificate regarding their eligibility for re-appointment. You are requested to appoint auditors of the company and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

Majid B H Shah

DIRECTORS

PLACE: MUMBAI,

DATED: 2ND SEPTEMBER, 2010.

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,2009 to 29th September 2010.

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

In Respect of Item No. 4.

Mr. Sunil Hirji Shah 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. Sunil Hirji Shah.


In Respect of Item No. 5.

Mr. Kalpesh R. Shah 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. Kalpesh R. Shah.

FOR AND ON BEHALF OF THE BOARD.

 M H Shah

DIRECTOR


Place : Mumbai

Dated : 2nd September,2010

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, 2010	31 ST MARCH, 2010
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.2,401.00)
(ii)	ii) FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECOME THE HOLDING COMPANY'S SUBSIDIARIES.	Rs. Nil	(Rs. 25,247.00)
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 BECOME THE HOLDING: COMPANY'S SUBSIDIARIES.	Nil	Nil

FOR AND ON BEHALF OF THE BOARD

 S H Shah
DIRECTORS

PLACE: MUMBAI**DATED: 2nd September, 2010**

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	CATEGORY	No. of Outside Directorship Held		No. Of Out side Committee Positions Held	
		Public	Private	Member	Chairman/ Chairperson
Mr.Sanjay A. Desai	Chairman & Director	1	2	-	-
Mr.Mehul J. Shah	Non Executive Director	4	55	-	-
Mr.Kantilal S. Maroo (Upto 1/10/2009)	Non Executive Director independent	1	-	-	-
Mr.Hitesh R. Kariya(upto 1/10/2009)	Non Executive Director independent	-	-	-	-
Mr. Ravindra Myatra	Non Executive Director independent	-	-	-	-
Mr. Sunil Hirji Shah (w.e. f 1/10/2009)	Non Executive Director independent	-	3	-	-
Mr. Kalpesh R. Shah (w.e.f.1/10/2009)	Non Executive Director independent	-	4	-	-

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. Ravindra K Mayatra aged 53 years. He has vast experience of about 30 years in the field of Marketing of Electricals and Electronics goods.

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

2) Mr. Sanjay A. Desai is aged 43 years. He has vast experience of about 15 years in the field of Marketing of Electricals and Electronics goods. He is director of the following companies.

S. No.	Name of the Company.	S.No.	Name of the Company.
1)	Tendril Chemicals Pvt. Ltd.	3)	Anchor Fans Mfg. Co. Pvt. Ltd.
2)	Patarmigen Electronics Pvt. Ltd.	4)	Shikhar Leasing & Trading Ltd.

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

3) Mr. Sunil Hirji Shah is aged 42 year and has vast experience in the field of Accounting and auditing

He is a member of audit committee and shareholders committee of the Company. He does not hold any Equity Share of the Company. He is director of the following companies.

S. No.	Name of the Company.	S.No.	Name of the Company.
1)	Anchor Softech Pvt. Ltd.	3)	Jogindra Exports Pvt. Ltd.
2)	Crown Switchgears Pvt. Ltd.		

4) Mr. Kalpesh R. Shah is aged 48 year and has vast experience in the field of Accounting.

He is a member of audit committee and shareholders committee of the Company. He does not hold any Equity Share of the Company. He is director of the following companies.

S. No.	Name of the Company.	S.No.	Name of the Company.
1)	Bishakha Diamonds Pvt. Ltd.	3)	Woods Anchor Electricals Pvt. Ltd.
2)	Basushree Diacastings P. Ltd.	4)	Hanima Investmets Private Ltd.

BOARD MEETINGS : 6 Meetings of the Board of directors were held during the financial year ended on 31st March, 2010

Dates of Board Meeting :
30th April, 2009
31st July, 2009
2nd September, 2009
31st October, 2009
31st January, 2010
30th March, 2010

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

Name of the Director	Attendance Particulars	
	No of Board Meetings attended	AGM
Mr.Sanjay A. Desai	6	Present
Mr.Mehul J. Shah	6	Present
Mr.Kantilal S. Maroo(upto 1/10/09)	4	Present
Mr.Hitesh R. Kariya (upto 1/10/09)	4	Present
Mr.Ravindra K. Mytra	6	Present
Mr. Sunil H. Shah (w.e.f 1/10/2009)	3	N A
Mr. Kalpesh R. Shah (w.e.f 1/10/2009)	3	N A

3 AUDIT COMMITTEE:

Broad terms of reference is in accordance with the provisions of Section 292 A of the Companies Act,1956 and Clause 49 of the Listing Agreement inter alia is as under:

- (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, focusing primarily on :
 - * Any changes in accounting policies and practices.
 - * Major accounting entries based on exercise of judgment 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	Number of Meetings	
		Held	Attended
Sunil H. Shah (w.e.f 1/10/2009)	Chairman -Non Executive Director & independent	3	3
Kantilal S. Maroo (Up to 1/10/2009)	Chairman(upto 1/10/2009) Non Executive Director & independent	4	4
Hitesh R. Karia (up to 1/10/09)	Non Executive Director & independent	4	4
RavindraK. Myatra	Non Executive Director & independent	6	6
Kalpesh R. Shah (w.e.f. 1/10/2009)	Non Executive Director & independent	3	3

(e) 6 Meetings of the Audit Committee were held during the financial year ended 31/3/2010 as under:

1)	30/04/2009	2)	31/07/2009
3)	2/09/2009	4)	31/10/2009
5)	31/01/2010	6)	30/03/2010.

4 REMUNERATION COMMITTEE :

Broad Term of reference : To approve the appointment of Managing/Whole time Director and the remuneration thereof.

Name	Designation	Number of Meetings	
		Held	Attended
Mr Sanjay A.Desai	Chairman-	0	0
Mr. RavindraK. Myatra	Non executive Director	0	0
Number of Meetings held		Nil	

5 SHAREHOLDERS COMMITTEE :

Name	Designation	Number of Meetings	
		Held	Attended
Mr.Sanjay A. Desai	Chairman	1	1
Mr.Kantilal S. Maroo (uoto 1/10/2009)	Non Executive Director	0	0
Mr. Mehul J. Shah	Director	1	1
Mr. Kalpesh R. Shah (w.e.f 1/10/2009)	Non Executive Independent Director	1	1

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

Particulars	Numbers of Complaint
Number of complaint received	Nil
Number of complaint not solved	Nil
Number of pending share transfer	Nil

One Meeting of the shareholders committee was held during the financial year Ended 31/3/2010 on 2/09/2009.

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
31/3/2009	AGM	33,HUGES, 3 RD FLOOR, OPP. PREM PURI ASHRAM, N.S PATKAR MARG GRANT ROAD (W),MUMBAI 400 007	30/09/2009	11.00(A.M)
31/3/2008	AGM	5,Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/2008	11.00(A.M.)
31/3/2007	AGM	5,Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/2007	11.00(A.M.)

There were no Special Resolution passed in the last three AGMs held. No Special Resolutions are proposed to be passed through postal ballot at the ensuing annual general meeting.