

HINDUSTAN APPLIANCES LIMITED

ANNUAL REPORT 2017 - 2018

COMPOSITION OF BOARD OF DIRECTORS

KALPESH RAMESHCHANDRA SHAH	Managing Director
RAVINRDA KANJI MYATRA	Director
SANJAY AMRUTLAL DESAI	Director and CFO(KMP)
SUNIL HIRJI SHAH	Director
KANAN HEMANG SHAH	Director
NIYATI SENGAR	Company Secretary and Compliance Officer

AUDITORS

N. B. PUROHIT & CO.
Chartered Accountants

BANKERS

Bank of India

REGISTERED OFFICE

1301, 13th Floor, Peninsula Business Park, Tower B,
Senapati Bapat Marg, Lower Parel (West), Mumbai 400013.
Tel : 022 30036565 | Fax : 022 30036564
Email : info.roe7412@gmail.com
Website : www.hindustan-appliances.in

HINDUSTAN APPLIANCES LIMITED
{CIN : L18101MH1984PLC034857}

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **HINDUSTAN APPLIANCES LIMITED** will be held on Saturday, the 29th September, 2018 at 2.00 p.m. at the Registered Office of the Company at 1301, 13th Floor, Peninsula Business Park, Tower B, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013, to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2018 and reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mr. Sanjay Amrutlal Desai (DIN: 00671414), who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjay Amrutlal Desai (DIN: 00671414), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**

K. L. Shah
G. H. Shah

DIRECTORS

Registered Office:

1301, 13th Floor, Peninsula Business Park,
Tower B, Senapati Bapat Marg, Lower Parel (West),
Mumbai 400013.

Dated : 30th May, 2018.

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 2 of the notice annexed hereto. The relevant particulars as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and secretarial standards on general meetings issued by the Institute of Company Secretaries of India, of the Directors seeking appointment/re-appointment at the Annual General Meeting are annexed and forms integral part of the notice.
2. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll to vote instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, ballot papers, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
6. In terms of the provisions of Section 152 of the Act, Mr. Sanjay Amrutlal Desai (DIN: 00671414), Director, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.
7. M/s. N. B. Purohit & Co., Chartered Accountants, having ICAI Firm Registration No. 108241W, were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017 for a term of five consecutive years till the conclusion of Annual General Meeting of the Company to be held in the calendar year 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by the members at every Annual General Meeting.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

8. The Company has appointed Ms. Dhanraj Kothari of D. Kothari & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to the poll process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
9. The Scrutinizer shall, within a period not exceeding three (3) working days, unlock the votes in the presence of at least (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
10. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through ballot form shall be counted for the purpose of passing of resolution(s).
11. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copies of Annual Report. In case of joint holders attending the Meeting, only such joint holder who is higher in the order.
12. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
13. Members are also requested to notify changes in their registered addresses, if any. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically
14. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2018 to 29th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.

Annexure to the Notice dated May 30, 2018

Details of Directors retiring by rotation / seeking re-appointment at the Meeting Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed / re-appointed.

1. Mr. Sanjay Amrutlal Desai (DIN: 00671414)

Name of the Director	Mr. Sanjay Amrutlal Desai (DIN: 00671414)
Date of Birth / Age	57 Years , 05/02/1961
Date of First Appointment on the Board	28/12/1998
Relationship with other Directors	Nil
Expertise in specific functional areas and Brief Profile	Business Management
Qualification	B.Com
Experience	More than 36 years of experience in Marketing of Electricals and Electronics goods.
Board Membership of other Companies as on March 31, 2018	1. AARYASIDDHI FASHION DESIGNER PRIVATE LIMITED 2. R J PAPER MILLS PRIVATE LIMITED 3. TENDRIL CHEMICALS P LTD 4. ANCHOR FANS MANUFACTURING COMPANY PRIVATE LIMITED 5. R. J. LIGHTING & FIXTURES PRIVATE LIMITED 6. SHANTI OM RESIDENCY PRIVATE LIMITED
Chairperson/Member of the Committee of the Board of Directors of the Company as on March 31, 2018	Nil
Shareholding in the Company (as on 31/03/2018)	Nil
No. of Board Meetings attended during the last financial year (2017-2018)	4 (Four)
Terms and Conditions of appointment or re-appointment	Appointed as Director, Liable to retire by rotation.

Except Mr. Sanjay Amrutlal Desai (DIN: 00671414), being an appointee, none of the Directors and Key Managerial Personnel of the Company and her relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S H Shah

K. R. Shah

DIRECTORS

Place : Mumbai

Dated : 30th May, 2018

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the Company's Annual Report and the Audited Financial Statement for the financial year ended March 31, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 is summarized below:

(Rs.in Lakhs)		
Particulars	Year ended 31.3.2018	Year ended 31.3.2017
Other Income	53.53	59.07
Total Expenses	14.55	11.20
Gross Profit / loss Before Taxation	38.98	47.87
Deduct:-		
Provision for taxation	10.04	14.79
Income Tax of Earlier Years	-	(0.02)
Net profit / (Loss) for the year	28.94	33.10

RESULTS OF OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY

Total income for the year is Rs. 53.53 Lakhs against Rs. 59.07 Lakhs in the previous year. Profit after tax for the year is Rs. 28.94 Lakhs against profit of Rs. 33.10 Lakhs in the previous year.

MATERIAL CHANGES AFFECTING THE COMPANY

There are no material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

DIVIDEND AND TRANSFER TO RESERVE

In order to conserve the financial resources for the long term needs of the Company the Directors do not recommend any dividend and no amount is transferred to Reserves for the financial year 2017-18.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), hence there is no details to disclose as required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") is presented in a separate section, forming part of the Annual Report.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) 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 as at March 31, 2018 and of the profit and Loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Company has also implemented several best Corporate Governance practices as prevalent globally.

The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has 2 subsidiaries as on March 31, 2018. During the year, the Board of Directors reviewed the affairs of material subsidiaries. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Integrated Report.

Further, the particulars of subsidiary Companies as on March 31, 2018 have been included in Form MGT – 9 which is annexed to this report in Annexure II and the report on the performance and financial position of each subsidiary and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to this report in Annexure III.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.hindustan-appliances.in. These documents will also be available for inspection during business hours at the Registered Office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 (The “Act”) and Accounting Standard (AS) – 21 on consolidated Financial Statements and the audited consolidated financial statement along with notes Annexed to or forming part of financial statements, Auditors report and Board’s report of the subsidiaries are provided in the Annual Report.

ADOPTION OF INDIAN ACCOUNTING STANDARD

These are the Company’s first financial statements prepared in accordance with IND AS. It has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014.

An explanation of how the transition from previous GAAP to IND AS has affected the Company’s financial position, financial performance and cash flows is set out in the notes to accounts of the standalone financial statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties wherein ordinary course of business and on arm’s length basis and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

Your Directors draw attention of the members to Note 21 to the financial statement which sets out related party disclosures in accordance with the Accounting Standard 18, issued by the

Institute of Chartered Accountants of India. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 read with Rule 3 of the Companies (Corporate Social Responsibility Policy) Rule, 2014 ('CSR Rules') and other rules framed thereunder, relating to Corporate Social Responsibility (CSR) are not applicable to this Company.

RISK MANAGEMENT

The Risk Management Policy has been framed, implemented and monitored. Major risk identified by the businesses and functions are systematically monitored through mitigating actions on continuing basis.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statements. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Sanjay Amrutlal Desai, Non-Executive Director, retire by rotation at the ensuing annual general meeting. The Nomination and Remuneration Committee has recommended her re-appointment.

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Niyati Arun Sengar has been appointed as Company Secretary and Compliance Officer of the Company with effect from 14th February, 2018. The above said Ms. Niyati Arun Sengar is not related with any of the Directors of the Company.

Mr. Kalpesh Rameshchandra Shah, Managing Director and Mr. Sanjay Amrutlal Desai, CFO are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

Declaration of Independence:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b)

of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

Evaluation of Board's Performance:

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy.

The detailed programs for familiarization of Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are being shared and discussed.

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairman. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors. Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued there under and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors / Board / Committees was carried out.

In a separate meeting of Independent Directors', performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the view of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board excluding the independent directors being evaluated.

AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. N. B. Purohit & Co., Chartered Accountants, having ICAI Firm Registration No. 108241W, were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017 for a term of five consecutive years till the conclusion of Annual General Meeting of the Company to be held in the calendar year 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by the members at every Annual General Meeting.