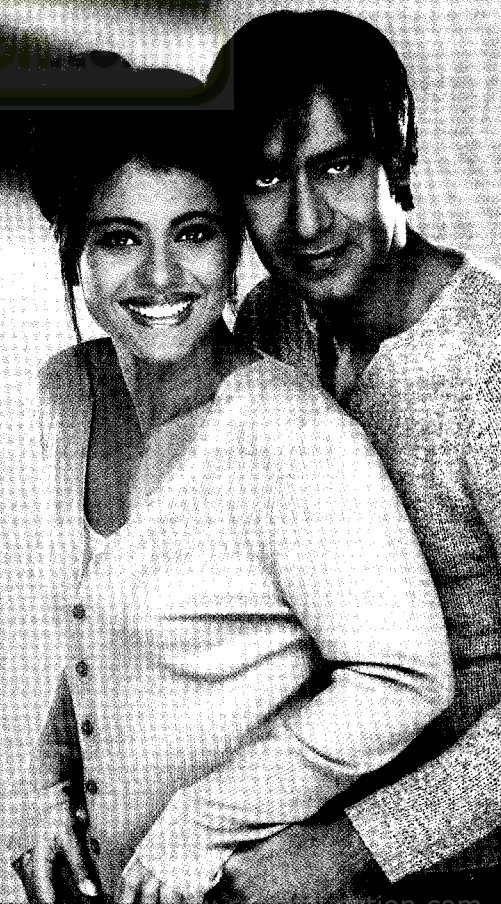
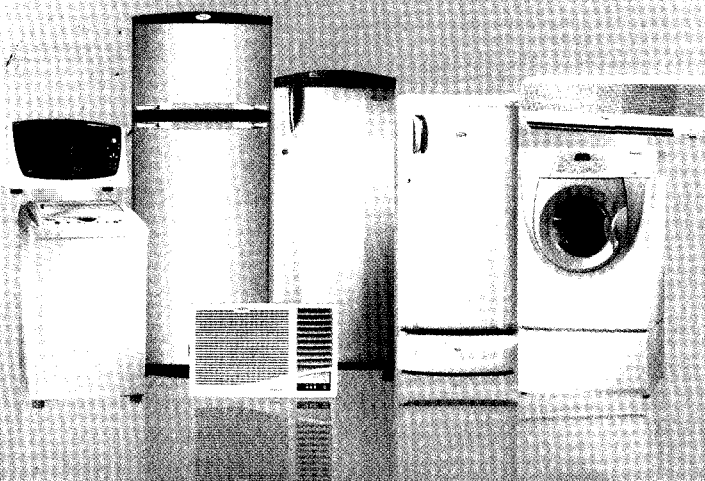



Whirlpool

Whirlpool of India Limited
45th Annual Report

 **Report Junction**



2005 - 2006

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DIRECTORS :

MARK HU (Chairman)
ARVIND UPPAL (Managing Director)
ROBERT LAWRENCE MINK
DINESH MITTAL
S.J. SCARFF
ANAND BHATIA

COMPANY SECRETARY :

DINESH MITTAL

BANKERS :

ABN Amro Bank N.V.
Citibank
Deutsche Bank
HDFC Bank Ltd.
Punjab National Bank
Standard Chartered Bank

AUDITORS :

S.R. Batliboi & Co.,
Chartered Accountants.

Report  Junction.com

COST AUDITOR :

Ashok K. Agarwal,
Cost Accountant.

STOCK EXCHANGE WHERE SHARES LISTED :

Bombay Stock Exchange Ltd., Mumbai

REGISTERED OFFICE :

Plot No. A-4, MIDC,
Ranjangaon, Taluka Shirur,
District Pune, Maharashtra - 419 204.

CORPORATE OFFICE :

A8, 'Vaitalik', U.S.O. Road,
Qutab Institutional Area,
New Delhi - 110 067.

WORKS :

Faridabad
Thirubhuvanai (Pondicherry)
Ranjangaon (Pune)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIFTH ANNUAL GENERAL MEETING OF WHIRLPOOL OF INDIA LTD. will be held at Hotel Le Meridien, RBM Road, Pune 411 001, on Friday, the 25th day of August, 2006 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2006, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Uppal, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Robert L. Mink, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to the reimbursement of out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending 31st March, 2007.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 198, 269, 309,310,311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of the Special Resolution passed in 44th Annual General Meeting, the Company hereby accords its approval and consent to the payment of enhanced remuneration to Mr Dinesh Mittal, Executive Director & Company Secretary by way of Salary and Perquisites as set out in the Explanatory Statement which shall be payable, if approved, to him with effect from 1st April, 2006.

FURTHER RESOLVED that all other terms and conditions of Mr. Dinesh Mittal as contained in his agreement with the Company and in the Notice and Explanatory Statement which has been approved by the shareholders at the 44th Annual General Meeting of the Company held on 17th June, 2005 shall remain in force.

By Order of the Board

Dinesh Mittal

Executive Director &
Company Secretary

Place: New Delhi
Date : 27th April, 2006

NOTES:

- a) The Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item no. 5 is annexed herewith.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) The instrument appointing proxy to be valid shall be deposited with the Company at its registered office at least 48 hours before the time fixed for the meeting.
- d) Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- e) Register of Members will remain closed from 11th August, 2006 to 25th August, 2006. (both days inclusive).
- f) Shareholders are requested to address all correspondence

relating to their shareholding to the Company's Registrars and Share Transfer Agents, Abhipra Capital Ltd. at the following address:-

M/s Abhipra Capital Ltd.,
BM-1, Dilkush Commercial Complex,
GT Karnal Road, Azadpur, Delhi 110 033
Tele. No. 42390909, Fax No. 27215530
Email: vmjoshi@abhipra.com

- g) The shareholders requiring information on accounts are requested to send their queries to the Company well in advance.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

Shareholders will kindly recall that at the 44th Annual General Meeting of the Company held on 17th June, 2005 they had approved the following remuneration package for Mr. Dinesh Mittal as Director & Company Secretary of the Company for a period of 3 years with effect from 27th April 2005.

1. Period of Appointment : Three years, w.e.f. 27th April , 2005
2. Remuneration :

I. Salary

Particulars	Annual Remuneration (Rs.)
Basic Salary	13,80,000
Allowances	5,00,000
Total Salary	18,80,000

II. Perquisites

- Company car with driver, and tele-fax at residence, both for official as well as personal use.
- Membership of one Club
- Reimbursement of Medical Expenses for self & family
- Life and Medical Insurance as per policy of the Company
- Leave Travel Facility
- Unfurnished accommodation or House Rent allowance in lieu thereof restricted to 40% of Basic Salary
- PMP Bonus upto 35% of Basic Salary

III. Retiral Benefits

- Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
- Gratuity payable at the rate of half a month's salary for each completed year of service.
- Privilege leave as per Company Rules

At a meeting of the Remuneration Committee held on April 27, 2006 the committee was of the unanimous view that the remuneration package of the Executive Director & Company Secretary should be revised upward as he is not being adequately compensated.

The proposed remuneration, with effect from 1st April, 2006, will not exceed the limits stipulated in Section -II(B) of part II of Schedule XIII of the Companies Act, 1956.

The Remuneration Committee while considering the increase in the remuneration of Mr. Dinesh Mittal, considered the vast experience and knowledge as per details given below:

Mr. Dinesh Mittal is a member of Institute of Company Secretaries of India and holds a LLB from Delhi University and LL.M from Queensland University Australia. He has over 21 years of experience in Corporate Taxes, Legal and Secretarial functions.

The Committee also noted that Mr. Dinesh Mittal has worked his way to the highest level of the corporate ladder from the grass roots and has progressed by his sheer hard work, trustworthiness, experience and his ability to face new challenges.

Whirlpool of India Limited

The proposed remuneration is detailed below:

The Remuneration Committee at its meeting held on 27th April, 2006 proposed the remuneration payable w.e.f. 1st April, 2006 as under:

I. Salary

Particulars	Annual Remuneration (Rs.)
Basic Salary	15,00,000
Allowances	15,00,000
Total Salary	30,00,000

II. Perquisites

- Company car with driver, and tele-fax at residence, both for official as well as personal use.
- Membership of one Club
- Reimbursement of Medical Expenses for self & family
- Life and Medical Insurance as per policy of the Company
- Leave Travel Facility
- Unfurnished accommodation or House Rent allowance in lieu thereof restricted to 40% of Basic Salary
- PMP Bonus 35% of Basic Salary which can go upto 150% of entitlement

III. Retiral Benefits

- Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
- Gratuity payable at the rate of half a month's salary for each completed year of service.
- Privilege leave as per Company Rules

The draft addendum to the agreement to be executed between Mr. Dinesh Mittal and the Company as approved by the Remuneration Committee is available for inspection by the members at the Registered Office of the Company on all working days between 10.00 a.m. to 12.00 noon upto the date of AGM and the same will also be available at the meeting.

No Director other than Mr. Dinesh Mittal is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Dinesh Mittal pursuant to the provisions of section 302 of the Companies Act, 1956.

ANNEXURE FORMING PART TO THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION II (B) OF PART II OF SCHEDULE XIII

I. GENERAL INFORMATION: (As required under Section II (B) of part II of Schedule XIII in respect of Mr. Dinesh Mittal)

- Nature of Industry
 - Manufacturing of Consumer Durables – Refrigerator, Washing Machine, Air Conditioner, Microwave oven and Small Appliances.
- Date of Commencement of Commercial Production
 - 1964
- In case of new Company, expected date of commencement of activity as per project approved by the financial institutions appearing in the prospectus
 - Not applicable
- Financial performance based on given indicators :
 - Refer Annual Report for the year ended March 31, 2006.
- Export Performance and net foreign exchange earnings
 - Refer Annual Report for the year ended March 31, 2006
- Foreign Investment or collaborators, if any
 - Whirlpool Corporation through its subsidiaries is holding 82.33% equity shares in the Company.

II. INFORMATION ABOUT THE APPOINTEE**Mr. Dinesh Mittal, Executive Director & Company Secretary**

- Background Details
 - As given in the Explanatory Statement under Item No.5
- Past Remuneration
 - As given in Corporate Governance Report under Item No. 3 (ii)
- Recognition and awards
 - Nil
- Job Profile and his suitability
 - As given in the Explanatory Statement under Item No.5
- Remuneration proposed
 - Refer Notice dated April 27, 2006 calling Forty Fifth AGM of the Company
- Comparative remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin:
 - The remuneration proposed is comparable with respect to the industry and profile of the position subject to ceiling as per Schedule XIII.
- Pecuniary relationship, directly or indirectly with the Company, or relationship with the managerial personnel, if any
 - Mr. Dinesh Mittal is not related to any Director or any employee of the Company.

III. OTHER INFORMATION

- Reason for loss or inadequate profits
 - Commodity price increase coupled with fierce competition limiting the scope for increasing the price of the products have resulted in losses during the year. Further during the year 2004 Company adopted a new trade management strategy and the benefit of this new strategy has started accruing from the year 2005.
- Steps taken or proposed to be taken for improvement
 - The Company has put in place a new management team under the leadership of new Managing Director. Further the recapitalisation of business has reduced the borrowing cost.
- Expected increase in productivity and profits in measurable terms.
 - The Company has completed Voluntary Retirement Scheme in its Faridabad Plant and 511 workers have been given separation. This will improve the productivity and also reduce the cost of production thereby increasing the profitability of the Company. Therefore, the results of 2006-07 will record significant turnaround.

IV. DISCLOSURES

- The shareholders of the Company shall be informed of the remuneration package of the managerial person.
 - Refer Notice dated April 27, 2006 calling Forty Fifth AGM of the Company.
- The following disclosures shall be mentioned in the Board of Directors' report under the heading 'corporate governance' if any, attached to the Annual Report.
 - all elements of remuneration package such as salary, benefits, bonuses, stock options etc. of all directors
 - Details of fixed component and performance linked incentives along with performance criteria
 - Service contracts, notice period, severance fees
 - Stock options details, if any, and whether the same has been issued at a discount as well as the period which accrued and over which exercisable
 - These have been fully covered under the Corporate Governance Report.

CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Whirlpool's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and its interaction with its stakeholders including shareholders, employees, lenders and the Government. The Company's philosophy is built on a rich legacy of fair and transparent governance and disclosure practices, many of which were in existence even before they were mandated by the legislation. The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company endeavor continuously to improve upon these aspects. This is done by adopting innovative approaches for leveraging resources and converting opportunities into

achievements through proper empowerment and motivation, thereby fostering a healthy growth and development of its human resources. Whirlpool believes in implementing the philosophy of corporate governance in letter and in spirit.

2. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. The Chairman is a Non-Executive Director. In all there are 6 Directors including 2 Independent Directors. As on March 31, 2006, the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreement of the Bombay Stock Exchange Ltd. Memberships of the Directors on other boards/committees are given here under:

Name of the Directors	Category	No. of Directorships and Committee Memberships/ Chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanship
Mr. Mark Hu	Non-Executive Director and Chairman	-	-	-
Mr. Arvind Uppal	Managing Director	-	-	-
Mr. Robert Lawrence Mink	Non-Executive Director	-	-	-
Mr. Dinesh Mittal	Executive Director & Company Secretary	-	-	-
Mr. S.J. Scarff	Non-Executive and Independent Director	1	2	-
Mr. Anand Bhatia	Non-Executive and Independent Director	4	-	-

Note:

Mr. Anand Bhatia is the Chairman of Audit Committee, Remuneration Committee and Investor Grievance Committee.
 Mr. Dinesh Mittal is the Chairman of New Share Certificate and Share Transfer Committee.

Attendance & Meeting

The Attendance of the Directors in the Board Meetings and at the AGM held during the year is given as under:

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the AGM
Mr. Mark Hu	Non-Executive Director and Chairman	3*	Yes
Mr. Arvind Uppal	Managing Director	5	Yes
Mr. Robert Lawrence Mink	Non-Executive Director	2	Yes
Mr. Dinesh Mittal	Executive Director & Company Secretary	5	Yes
Mr. S.J. Scarff	Non-Executive and Independent Director	5	Yes
Mr. Anand Bhatia	Non-Executive and Independent Director	5	Yes

* 1 meeting attended in person and 2 meetings attended on telecom.

During the year ended March 31, 2006 five meetings of the Board of Directors were held on the following dates:

(i) April 27, 2005 (ii) June 17, 2005 (iii) July 20, 2005 (iv) October 24, 2005 (v) January 24, 2006

The Annual General Meeting (AGM) was held on June 17, 2005.

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The functioning and terms of reference of the audit committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of section 292 A of the Companies Act, 1956 and the listing Agreement with the Bombay Stock Exchange Ltd.

The Company has a multi disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The chairman of the audit Committee

attended the last Annual General Meeting held on June 17, 2005 to answer shareholders queries.

The Audit Committee is responsible for:-

- Effective supervision of the financial reporting process; ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- Evaluating the adequacy of internal controls and its effectiveness.
- Reviewing the financial results of the Company for each quarter/ year before it is placed at the Board meeting for approval
- providing an avenue for effective communication between

the Internal Audit , the Statutory Auditors and the Board of Directors

Composition and Attendance

Name of the Directors	No. of Meetings Attended
Mr. Anand Bhatia, Chairman	4
Mr. S.J. Scarff, Member	4
Mr. Mark Hu, Member	2*

* Attended on telecom.

The Chief Financial Officer, the Internal Auditor and the partner of S.R. Batliboi & Co., the Statutory Auditors are permanent invitees to the audit committee meetings. It has been the practice of the Chairman of the Audit Committee to extend an invitation to the Managing Director and Executive Director(s) to attend all the meetings and to Cost Auditors whenever required. Mr. Dinesh Mittal, Company Secretary acts as the Secretary of the Committee.

During the year ended March 31, 2006, four meetings of the Audit Committee were held on the following dates:

(i) April 27, 2005 (ii) July 20, 2005 and (iii) October 24, 2005
(iv) January 24, 2006

Mr. Anand Bhatia, Chairman of the audit committee has financial and accounting background and knowledge.

(ii) Directors Remuneration Committee

Terms of Reference of the Directors Remuneration Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd. that inter alia include determination of the Company's policy on specific remuneration packages for Directors.

Remuneration policy

The terms of reference / role of the Remuneration Committee is to determine the Company's policy on the remuneration package of its Executive Directors and to determine and approve the terms & conditions and remuneration package of its Executive Directors, including revision thereof from time to time , and to deliberate on and decide matters incidental thereto or consequential thereof.

Details of remuneration paid to Mr. Arvind Uppal , Managing Director and Mr. Dinesh Mittal, Executive Director and Company Secretary are as under :

Annual Remuneration paid to Mr. Arvind Uppal

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund	Total
40,00,000	-	1,05,623	-	10,80,000*	51,85,623

Service contract for three years w.e.f. 16th February, 2005.

Notice period - 3 months

Severance fee- Nil

Stock options - Nil

Annual Remuneration paid to Mr. Dinesh Mittal

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund	Total
13,80,000	4,21,200	4,88,636	2,02,674	3,72,600*	28,65,110

Service contract for three years w.e.f. 27th April, 2005.

Notice period - 3 months

Severance fee- Nil

Stock options - Nil

* Remuneration as defined under Schedule XIII does not include retirals.

The Non-Executive Independent Directors are entitled for sitting fee of Rs. 10,000 for every meeting of the Board or committee thereof. They are also reimbursed all travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committees thereof or which they may otherwise incur in the performance of their duties as Directors.

Composition & Attendance

Name of the Directors	No. of Meetings Attended
Mr. Anand Bhatia, Chairman	1
Mr. S.J. Scarff, Member	1
Mr. Mark Hu, Member	-

The payment of remuneration to Mr. Arvind Uppal and Mr. Dinesh Mittal was duly approved by a resolution passed by the remuneration committee on April 27, 2005 and by the shareholders in the 44th Annual General Meeting of the Company held on June 17, 2005.

(iii) Investors Grievance Committee

Terms of Reference of the Investors Grievance Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd. and the relevant clauses of the Articles of Association of the Company that inter alia this include looking into the Investors complaints on transfer of shares, non receipt of Annual Accounts, non receipt of dividends declared and interest on debentures etc. and the redressal thereof.

Composition and Attendance

Name of the Directors	No. of Meetings Attended
Mr. Anand Bhatia, Chairman	5
Mr. Arvind Uppal, Member	5
Mr. Dinesh Mittal, Member	5

During the year ended March 31, 2006, five meetings of the Investors Grievance Committee were held on the following dates:

(i) April 27, 2005 (ii) June 17, 2005 (iii) July 20, 2005 (iv) October 24, 2005 (v) January 24, 2006.

The Company attends to the investor's grievances/ correspondence expeditiously except in the cases that are constrained by disputes or legal impediments.

a. No. of shareholders complaints received during the year	12
b. No. of complaints not resolved to the satisfaction of the shareholders	Nil
c. No. of pending share transfers as on March 31, 2006	Nil
Mr. Dinesh Mittal, Company Secretary is the Compliance Officer of the Company.	

(iv) Share Transfer Committee

Terms of Reference of the Share Transfer Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchanges Ltd. and pursuant to Article 132 of Articles of Association of the Company that inter alia include approval and registration of transfers and/ or transmissions of equity shares of the Company and do all other acts and deeds as may be necessary or incidental to the above.

Composition and Attendance

Name of the Member	No. of Meetings Attended
Mr. Dinesh Mittal, Chairman	24
Mr. R.S. Narayan, Member	-
Mrs. Seema Narang, Member	24

The Committee holds its meeting within every fortnight to consider all matters concerning transfer and transmission of shares. During the year ended March 31, 2006, twenty four meetings of the Share Transfer Committee were held.

(v) New Share Certificate Committee

Terms of Reference of the New Share Certificate Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd. and pursuant to Article 132 of Articles of Association of the Company that inter alia include to sub-divide, consolidate, renew and/ or issue any duplicate share/ debenture certificates of the Company or/ and issue new share/ debenture certificates of the Company on account of split, consolidation, etc, authorize affixation of common seal of the Company to share/ debenture certificates and do all other acts and deeds as may be incidental to the above.

Composition and Attendance

Name of the Directors	No. of Meetings Attended
Mr. Dinesh Mittal, Chairman	24
Mr. Robert Lawrence Mink, Member	-
Mr. Arvind Uppal, Member	24

The Committee holds its meeting every fortnight to consider all matters concerning issue of new share/ debenture certificates. During the year ended March 31, 2006, twenty four meetings of the New Share Certificate Committee were held.

4. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details given here under:

Year	Day	Date	Timing	Place
2003	Tuesday	April 29, 2003	11.00 A.M.	Air Force Auditorium, New Delhi
2004	Friday	July 16, 2004	11.00 A.M.	Air Force Auditorium, New Delhi
2005	Friday	June 17, 2005	11.30 A.M.	Hotel Le Meridien, Pune

Following special resolutions were passed in the previous three Annual General Meetings:

Year	Resolution passed
2003	None
2004	Special resolution passed to delist the equity shares of the Company from The Delhi Stock Exchange Association Limited at New Delhi and Madras Stock Exchange Limited at Chennai.
2005	<ol style="list-style-type: none"> 1. Special Resolution passed for appointment of Mr. Arvind Uppal as the Managing Director of the Company. 2. Special Resolution passed for appointment of Mr. Dinesh Mittal as the Wholetime Director of the Company. 3. Special Resolution passed for alteration of the Capital clause of Memorandum of Association of the Company for increase in authorised capital. 4. Special Resolution passed for alterations of the Articles of Association of the Company. 5. Special Resolution to issue, offer and allot not more than 15,50,00,000 Redeemable Preference Shares to Whirlpool Corporation and/or its subsidiaries

No Special Resolution was passed by Postal Ballot in the last year.

The Company does not propose to pass any Special Resolution through Postal Ballot Process this year.

5. DISCLOSURES

Related Party Transactions

The Company has not entered into any transactions of material nature with its Promoters, the Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company.

Further, details of general related party transactions are given in the Balance Sheet.

Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities relating to the above except for compounding fee of Rs. 2000/- paid by every director of the Company for alleged contravention of section 217 of the Companies Act, 1956 for the year 2001.

The Company has complied with all Accounting Standards issued by Institute of Chartered Accountants of India. However attention is drawn to the Auditors' qualification on deferred tax as per Accounting Standard 22.

Business risk evaluation and management is an ongoing process within the Organization. During the year under review, a detailed exercise on Business Risk evaluation was carried out covering the entire gamut of business operations and the board was informed about the same.

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior management. The Code has been circulated to all employees and also posted on Company's website www.whirlpoolindia.com. All Board members and senior personnel have affirmed their compliance with the code.

The Company had during the year issued 152342500 10% non convertible cumulative redeemable preference shares of Rs. 10 each to Whirlpool Canada Holding Co. The Company has not utilised these funds for purposes other than those stated in the notice convening the 44th Annual General Meeting. The details of utilisation of such proceeds were duly disclosed to the Audit Committee.

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

A certificate from Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board.

Mr. Mark Hu, Chairman and Non Executive Director of the Company is nominated by Whirlpool Corporation. He is an MBA from Cornell University, USA working as President, Whirlpool Asia. He has 26 years of work experience gained from general management and business development assignments in the US, Europe and Asia. Prior to Whirlpool he worked with Philips, Asia and S C Johnson Wax, USA.

Mr. Robert Mink has been associated with the Indian business since its inception and was Director on your Board since 1995 till 2004. He resigned due to personal reasons in 2004 and rejoined the Board in 2005. Mr. Robert Mink is a Law graduate and is currently the Vice President, incharge of legal matters of Whirlpool Corporation, USA.

None of the director is holding any shares/convertible instruments of the Company.

6. MEANS OF COMMUNICATION

The quarterly results are usually published in The Business Standard (English) All India Editions, as well as the Prabhat (Marathi). The information of quarterly results is also sent to the Bombay Stock Exchange Ltd. to enable them to put it on their web-site.

The Management Discussion and Analysis Report forms an integral part of the Directors' Report.

The Company is submitting the following information, statements and reports on the Electronic Data Information filing and Retrieval (EDIFAR) website maintained by the SEBI:

- Full version of Annual Report including the audited Balance Sheet, Profit & Loss Account, Director's Report, Cash Flow Statements
- Unaudited Quarterly Financial Statements.
- Corporate Governance Report (Annually).
- Shareholding Pattern Statement.
- Statement of Action taken against the Company by any Regulatory Agency.

7. SHAREHOLDERS INFORMATION

(i) Annual General Meeting

- Date : August 25, 2006
- Time : 11.30 A.M.
- Venue : Hotel Le Meridian
RBM Road, Pune 411 001

(ii) Financial Calendar - Year 2006-07

- Adoption of Quarterly Results for the quarter ending
- June 30, 2006 July, 2006 (3rd / 4th week)
 - September 30, 2006 October, 2006 (3rd / 4th week)
 - December 31, 2006 January, 2007 (3rd / 4th week)
 - March 31, 2007 April, 2007 (3rd / 4th week) Or Audited Annual Results in May, 2007 (1st / 2nd week)

(iii) Book Closure Date

August 11, 2006 to August 25, 2006 (Both days inclusive)

(iv) Dividend Payment Date

No dividend has been recommended by the Board of Directors.

(v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. at Mumbai. The Company confirms that it has paid annual listing fee due to the Stock Exchange, Mumbai for the year 2005-2006.

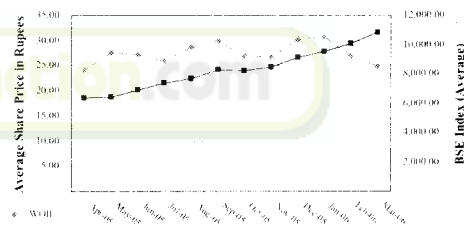
(vi) Stock Code

Bombay Stock Exchange Ltd. 500238
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai 400 001

(vii) Registrar & Transfer Agents

For Shares held in Physical as well as Electronic Mode
Abhipra Capital Ltd. BM-1, Dilkush Commercial Complex
G T Karnal Road, Azadpur Delhi -110 033.

(viii) Stock Price Performance - Whirlpool Vs BSE Sensex, Year 2005-06



Note: Monthly average is based on the monthly average of High and Low price of Whirlpool and BSE Index.

(ix) Market Price Data

Months	Bombay Stock Exchange (BSE)	
	High (Rs.)	Low (Rs.)
April 2005	27.25	21.00
May 2005	30.15	25.25
June 2005	29.60	24.90
July 2005	27.80	24.00
August 2005	32.55	24.90
September 2005	34.75	25.00
October 2005	30.40	23.60
November 2005	29.30	24.15
December 2005	32.75	27.70
January 2006	33.40	28.35
February 2006	29.00	25.00
March 2006	27.20	22.60

(x) Share Transfer System

The Board has constituted the Share Transfer Committee and delegated the power of share transfer to the Committee. The Committee holds its meeting every fortnight to consider all matters concerning transfer and transmission of shares. The Company's shares are in compulsory Demat Mode. The shares received for transfer in physical mode by the Company are transferred expeditiously.

(xi) Dematerialization of Shares

The Company's shares are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). As on March 31, 2006, 19,096,327 equity shares of the Company, forming 85.16% of Non-Promoter shareholding stand dematerialized.

International Securities Identification Number : INE716A01013

(xii) Liquidity of Shares

The Equity Shares of the Company are traded in the B1 Group at the Bombay Stock Exchange Ltd.

(xiii) Shareholding Pattern as on March 31, 2006

Category	No. of Shares	%	Category	No. of Shares	%
Promoters	104,448,074	82.33	Foreign Institutional Investors	8,152	0.01
Mutual Funds	9,440	0.01	Corporate Bodies	2,645,867	2.08
Non Resident Indians	185,818	0.14	Public	19,130,194	15.08
Banks & Financial Institutions	444,285	0.35	Total	126,871,830	100.00

(xiv) Distribution of Shareholding as on March 31, 2006

Nominal Value		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	41,661	88.34	5,025,616	3.96
5001	10000	2,929	6.21	2,379,654	1.88
10001	20000	1,178	2.50	1,872,889	1.48
20001	30000	450	0.95	1,173,854	0.93
30001	40000	181	0.38	658,485	0.52
40001	50000	238	0.51	1,141,075	0.90
50001	100000	298	0.63	2,330,147	1.83
100000	And above	225	0.48	112,290,110	88.50
Total		47,160	100	126,871,830	100.00

(xv) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2006.

(xvi) Plant Locations of the Company

- 28 N.I.T., Faridabad (Haryana)
- Plot No. A-4, MIDC Rajangaon, Taluka – Shirur, District – Pune 419 204
- Village Thirubhuvanai, Pondicherry 605 001

(xvii) Address for Correspondence

The shareholders may address their communications/suggestions/grievances/queries to:

Registered Office

Whirlpool of India Ltd. — Plot No. A4, MIDC, Ranjangaon, Taluka Shirur,
Dist. Pune, Maharashtra 419204, Tel No. 020-4061100, Fax No. 02138-232376/232229
Email Address: Dinesh.Mittal@whirlpool.com

Corporate Office

Whirlpool of India Ltd. — A8, 'Vaitalik', USO Rd., Qutab Institutional Area,
New Delhi – 110 067. Tel. No. 011- 26857180, Fax No. 011- 26523369, Email Address: Dinesh.Mittal@whirlpool.com

AUDITORS' CERTIFICATE

**To the Members of
Whirlpool of India Limited**

We have examined the compliance of conditions of corporate governance by Whirlpool of India Limited, for the year ended on March 31, 2006 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 S. R. BATLIBOI & COMPANY
Chartered Accountants
per Manoj Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date : April 27, 2006

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present their 45th Annual Report and Audited Accounts for the year ended 31st March, 2006

Financial Results

Rs. In Lacs

	For the year ended	
	March	March
	31, 2006	31, 2005
Sales/Income from operations (including excise duty)	137576	108529
Other Income	2012	1834
Profit/(Loss) before Interest, Depreciation, Extraordinary Items & Tax	1458	(3756)
Interest	(1799)	(2551)
Depreciation	(3655)	(3217)
Profit/(Loss) before Extraordinary Items & Tax	(3996)	(9524)
Write back of Royalty provisions for 1996	-	1546
Change in Accounting standards on warranty provision	-	(745)
Voluntary Retirement Compensation (including Amortisation of previous year)	(1337)	(1216)
Profit/(Loss) before tax	(5333)	(9939)
Provision for Tax (including deferred tax and wealth tax)	1838	(41)
Fringe Benefit Tax	(315)	-
Net Profit/(Loss) for the year	(3810)	(9980)
Credit/ (Debit) Balance b/f from Previous Year	(11642)	(1662)
Surplus / (Deficit) carried to Balance Sheet	(15452)	(11642)

Performance of the Company

During the year the Company recorded a net profit/(loss) of Rs. (38.10) crores representing an improvement of Rs. 61.70 crores over the previous year notwithstanding the challenges of mother nature viz. unprecedented rains in Mumbai and other parts of Maharashtra, South India and massive earthquake in North India. The above performance was driven by new product launches, focus on mix management, operational excellence, effective cost control measures and better management of working capital. In the year under review, your Company embarked on the second leg of its strategy "On to Leadership – Sustainable and Profitable". Your company has also consolidated its market position across all categories led by new product launches, distribution correction and various process initiatives.

The "Whirlpool" brand resonates well with the consumers and is being endorsed by Kajol and Ajay Devgan, one of India's leading celebrity couple. They have featured in your company's advertisement on television and print media campaigns. During the auspicious festival season, we did a lot of activities in different parts of the country leveraging leading media publications. These activities included events, direct consumer interactions such as festival recipe contests, Dealer felicitations and Community get-together. This helped us to establish a strong emotional bond with the homemaker, her family, the community and the company's trade and service partners.

Dividend

Due to losses in the current period, no dividend is recommended for the year.

Management Discussion and Analysis Report (MD&A)

As required under the Listing Agreement, MD&A is enclosed as Annexure A and is a part of this Report .

Sales & Marketing

During the year under review, a number of initiatives were taken in the front-end of the business which contributed to improved performance of your company. In line with our strategy of getting closer to the end consumer, a number of additional direct dealers were appointed and the trade terms were also rationalised. New trade terms resulted in significant reduction in our domestic receivables and reduced trade inventory. There was also a strong focus on mix management, micro marketing, and superior sales execution resulting in better price and margin realisation. The Consumer Loyalty index for the company increased by 2 points to 34, thereby reflecting increasing level of consumer satisfaction.

The strong performance in the Refrigerator category was led by two successful launches in two distinct segments – Genius in Direct Cool and Iceberg in Frost Free. Both product offerings were differentiated from competition in terms of features and benefits. This resulted not only in growth in market share but also improvement in margins. For the year under review, Whirlpool was the only company to have grown share in both DC and FF segments. Market share grew from 19.2% in 2004-05 to 20.4% in 2005-06 representing a 1.2 points improvement.

The Washer category grew quarter on quarter with an annual growth in value exceeding 30%. Introduction of colour finishes in the category added a new dimension and created excitement in the shop-floor .

Steps were taken to establish footprint in the Cooking and AC category. A new range of imported Microwaves and Window Air Conditioners were launched with outstanding cooking and cooling performance.

Exports

Exports turnover exceeded Rs. 150 crores representing a 45% increase over the previous year. This was achieved despite appreciation of the Rupee during the first 6 months of the financial year, firming up of commodity prices and increase in fuel costs. Going forward, the company would focus on exports to the Middle East, Africa, Oceania and parts of Europe, while continuing its position as the leading Western brand in South Asia. Exports of Small Appliances to the US under the KitchenAid brand out of the company's EOU at Pondicherry grew at an accelerated rate led by the introduction of a number of new appliances. These products have performed well in the export market.

Consumer Services

The company is committed to delivering superior service to its consumers. The company has focussed on Key Service Metrics like Same Day Completion (SDC), First Time Fix (FTF) and has attained improvement in performance levels. The expanded service partner network also helped us to reach closer to the consumer.

During the year under review, the company opened 4 new call centres in B class towns & non metro cities to facilitate easy