



The magical year

2006 - 07



46TH ANNUAL REPORT
WHIRLPOOL OF INDIA LIMITED

DIRECTORS :

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

COMPANY SECRETARY :

RAVI SABHARWAL

BANKERS :

Citibank
Standard Chartered Bank
ABN Amro Bank
HDFC Bank
Deutsche Bank
Punjab National Bank

AUDITORS :

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

COST AUDITOR :

Ashok K. Agarwal,
Cost Accountant.

STOCK EXCHANGE WHERE SHARES LISTED :

Bombay Stock Exchange Ltd.

REGISTERED OFFICE :

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

CORPORATE OFFICE :

Plot No. 40, Sector 44
Gurgaon - 122 002

WORKS :

Faridabad (Haryana)
Thirubhuvanai (Pondicherry)
Ranjangaon (Maharashtra)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY SIXTH ANNUAL GENERAL MEETING OF WHIRLPOOL OF INDIA LIMITED will be held at Yash Inn, P-11, 5 - Star- M.I.D.C., Ranjangaon, Pune - Ahmednagar Express Highway, Tal Shirur, Dist Pune-419 204 on Friday the 28th day of September, 2007 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet as at 31st March, 2007, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Mark Hu, who retires by rotation and, being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Simon J'Scarff, who retires by rotation and, being eligible, offers himself for reappointment.
- 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, 2008.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED that Mr Mahesh Krishna, who was appointed as an Additional Director of the Company on 27th October, 2006 and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom Company has received notice from a member under section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.
- 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, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Mr. Mahesh Krishna as the Wholetime Director of the Company for a period of two years with effect from 27th October, 2006 upon the terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by a Director thereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and amend, the terms and conditions of the said appointment and / or the agreement in such manner as may be agreed to between the Board of Directors and Mr. Mahesh Krishna.
RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolutions.

By Order of the Board

Ravi Sabharwal

Place: New Delhi

Date : August 16, 2007

Director Legal &
Company Secretary

NOTES:

- 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.**
- 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.

- Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- Register of Members will remain closed from 21st September, 2007 to 28th September, 2007. (both days inclusive).
- 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, N. Delhi 110 033
Tele. No. 42390909
Fax No. 27215530
Email: vmjoshi@abhipra.com

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

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the special business under item No. 5 & 6 of the accompanying Notice dated 16th August, 2007.

Item No. 5 & 6

The Board of Directors appointed Mr. Mahesh Krishna, as an additional Director with effect from 27th October, 2006. Pursuant to the provisions of Article 107 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Mr. Mahesh Krishna holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose at this Annual General Meeting the appointment of Mr. Mahesh Krishna as a Director of the Company.

Mr. Mahesh Krishna has been appointed as Wholetime Director of the Company w.e.f. 27th October, 2006.

Mr. Mahesh Krishna is a mechanical engineer. He has over 18 years of experience with TVS Whirlpool & subsequently with Whirlpool of India Limited.

The Board considers that it would be in the interest of the Company to appoint Mr. Mahesh Krishna as the Wholetime Director of the Company. The terms of his appointment as approved by the Remuneration Committee are as under:

- Period of Appointment Two years, w.e.f. 27th October, 2006
- Remuneration Remuneration payable to Mr. Mahesh Krishna w.e.f. 27th October, 2006 as under:

I. Salary

Particulars	Annual Remuneration (Rs.)
Basic Salary	13,75,000
Allowances	16,25,000
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

Whirlpool of India Limited

- Unfurnished accommodation or House Rent Allowance in lieu thereof restricted to 40% of Basic Salary
- PMP Bonus upto 150% 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

Other terms

3. Mr. Mahesh Krishna shall have such powers, duties and responsibilities as may be determined by the Board of Directors of the Company from time to time.
4. Mr. Mahesh Krishna shall not at any time either during or after the termination of his employment disclose to any person, whomsoever, any information relating to the Company or its customers or any trade secrets of which he may become possessed of while acting as Whole time Director unless such disclosure is in the interest of the Company.
5. Mr. Mahesh Krishna shall not at any time within two years after the termination of his employment either directly or indirectly carry on or be engaged, concerned or interested in the manufacture of 'White Goods' except with the consent in writing of the Board of Directors of the Company.

The remuneration payable to Mr. Mahesh Krishna was discussed and approved by the Remuneration Committee in its meeting held on 27th October, 2006. The salary, allowances and perquisites as above shall not exceed in aggregate, the limits specified in Schedule XIII of the Companies, Act 1956 and that the remuneration as described hereinabove shall be considered as minimum remuneration payable to him in case of no profits or inadequacy of profits in terms of section 198(4) of the said Act.

The draft agreement to be executed between Mr. Mahesh Krishna and the Company as approved by the remuneration committee is available for inspection by the members at the Registered Office of the Company on any working day during working hours.

No Director other than Mr. Mahesh Krishna 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. Mahesh Krishna pursuant to the provisions of section 302 of the Companies Act, 1956.

ANNEXURE FORMING PART OF 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. Mahesh Krishna)

1. Nature of Industry
 - Manufacturing of Consumer Durables – Refrigerator, Washing Machine, Air Conditioner and Microwave oven
2. Date of Commencement of Commercial Production
 - 1964
3. 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
4. Financial performance based on given indicators :
 - Refer Annual Report for the year ended March 31, 2007.
5. Export Performance and net foreign exchange earnings
 - Refer Annual Report for the year ended March 31, 2007

6. 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. Mahesh Krishna, Wholtime Director

1. Background Details
 - As given in the Explanatory Statement under Item No. 5 & 6
2. Past Remuneration
 - As given in Corporate Governance Report under Item No. 3 (ii)
3. Recognition and awards
 - Nil
4. Job Profile and his suitability
 - As given in the Explanatory Statement under Item No. 5 & 6
5. Remuneration proposed
 - Refer notice dated 16th August, 2007 calling Forty Sixth AGM of the Company and its explanatory statement above.
6. 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.
7. Pecuniary relationship, directly or indirectly with the Company, or relationship with the managerial personnel, if any
 - Mr. Mahesh Krishna is not related to any Director or any employee of the Company.

III. OTHER INFORMATION

1. Reason for loss or inadequate profits
 - Commodity prices continue to harden and present a challenge on the costs and therefore margins.
2. Steps taken or proposed to be taken for improvement
 - The Company has focused on new product launches product mix management and effective working capital management.
3. Expected increase in productivity and profits in measurable terms
 - The new strategy will improve the productivity and also reduce the cost of production thereby increasing the profitability of the Company.

IV. DISCLOSURES

1. The shareholders of the Company shall be informed of the remuneration package of the managerial person
 - Refer notice dated 16th August, 2007 calling forty sixth AGM of the Company and its explanatory statement above.
2. The following disclosures shall be mentioned in the Board of Directors' report under the heading 'corporate governance' if any, attached to the Annual Report.
 - (i) all elements of remuneration package such as salary, benefits, bonuses, stock options etc. of all directors
 - (ii) Details of fixed component and performance linked incentives along with performance criteria
 - (iii) Service contracts, notice period, severance fees
 - (iv) Stock options details, if any, and whether the same have 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 is based on the foundation of enduring Values. Over the years, our core Values have not changed, even though we have constantly rearticulated them to make them relevant to changing times. These Values guide us in all our transactions and relations. That is the Spirit of Whirlpool and we also call it the Spirit of Winning.... On to Leadership.... sustainable and profitable. We try to stretch and achieve that which seems beyond our grasp. It 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.

Whirlpool believes in implementing the philosophy of corporate governance in letter and 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, 2007, 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 & Chairman	-	-	-
Mr. Arvind Uppal	Managing Director	-	-	-
Mr. Robert Lawrence Mink	Non-Executive Director	-	-	-
Mr. Mahesh Krishna	Executive Director	-	-	-
Mr. S.J. Scarff	Non-Executive & Independent Director	1	2	-
Mr. Anand Bhatia	Non-Executive & Independent Director	4	1	-

Note:

Mr. Anand Bhatia is the Chairman of Audit Committee, Remuneration Committee and Investor Grievance Committee.
Mr. Ravi Sabharwal is the Chairman of Share Transfer Committee.
Mr. Mahesh Krishna is the Chairman of New Share Certificate Committee.

Attendance & Meetings

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 & Chairman	2	No
Mr. Arvind Uppal	Managing Director	6	Yes
Mr. Robert Lawrence Mink	Non-Executive Director	1	Yes
Mr. Dinesh Mittal *	Executive Director & Company Secretary	4	Yes
Mr. S.J. Scarff	Non-Executive & Independent Director	4	No
Mr. Anand Bhatia	Non-Executive & Independent Director	5	Yes
Mr. Mahesh Krishna**		3	No

* Resigned on 27th October, 2006.

** Appointed on 27th October, 2006.

During the year ended March 31, 2007 seven meetings of the Board of Directors were held on the following dates:

(i) April 27, 2006 (ii) July 28, 2006 (iii) August 25, 2006 (iv) October 27, 2006 (v) January 30, 2007 (vi) March 8, 2007 & (vii) March 15, 2007.

The Annual General Meeting (AGM) was held on August 25, 2006.

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 292A 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 August 25, 2006 to answer shareholders queries.

The Audit Committee is responsible for

(i) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.

(ii) Evaluating the adequacy of internal controls and its effectiveness.

(iii) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.

(iv) 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	1

Whirlpool of India Limited

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 Directors to attend all the meetings and to Cost Auditors whenever required. Mr. Ravi Sabharwal, Company Secretary acts as the Secretary of the Committee.

During the year ended March 31, 2007, four meetings of the Audit Committee were held on the following dates:

(i) April 27, 2006 (ii) July 28, 2006 and (iii) October 27, 2006 (iv) January 30, 2007

Mr. Anand Bhatia, Chairman of the Audit Committee has financial and accounting background and knowledge.

Composition & Attendance

Name of the Directors	No. of Meetings Attended
Mr. Anand Bhatia, Chairman	2
Mr. S.J. Scarff, Member	2
Mr. Mark Hu, Member	1

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.

During the year ended March 31, 2007, two meetings of the Remuneration Committee were held on the following dates:

(i) April 27, 2006 and (ii) October 27, 2006

Annual Remuneration paid to Mr. Arvind Uppal

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund	Total
39,99,996	93,819	-	-	10,80,000*	51,73,815

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 retirement benefits.

Annual Remuneration paid to Mr. Mahesh Krishna as per Remuneration Committee & Board approval on 27th October, 2006

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund	Total
13,51,524	12,89,024	7,71,760	4,87,330	3,64,908	42,64,546

Service contract for two years w.e.f. 27th October, 2006.

Notice period - 3 months

Severance fee- Nil

Stock options - Nil

* Remuneration as defined under Schedule XIII does not include retirement benefits.

Annual Remuneration paid to Mr. Dinesh Mittal upto 27th October, 2006

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund	Total
12,33,380	16,04,671	4228	5,73,143	3,33,018	37,48,440

Resigned w.e.f. 27th October, 2006.

Notice period - 3 months

Severance fee - Nil

Stock options - Nil

* Remuneration as defined under Schedule XIII does not include retirement benefits.

(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, Mr. Mahesh Krishna, Executive Director & its revision subsequently and Mr. Dinesh Mittal, Ex. Director & Company Secretary (upto 27th October, 2006) are given below on this page:

(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 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.

The Committee was reconstituted on 27th October, 2006 consequent to the resignation of Mr. Dinesh Mittal. Mr. Mahesh Krishna was appointed on Board and also as member of the Investors Grievance Committee on the same date.

Composition and Attendance

Name of the Directors	No. of Meetings Attended
Mr. Anand Bhatia, Chairman	4
Mr. Arvind Uppal, Member	3
Mr. Dinesh Mittal, Member	2*
Mr. Mahesh Krishna, Member	2**

* Resigned on 27th October, 2006.

** Appointed on 27th October, 2006.

During the year ended March 31, 2007, four meetings of the Investors Grievance Committee were held on the following dates:

- (i) April 27, 2006 (ii) July 28, 2006 (iii) October 27, 2006 & (iv) January 30, 2007.

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

- No. of shareholders complaints received during the year 12
- No. of complaints not resolved to the satisfaction of the shareholders Nil
- No. of pending share transfers as on March 31, 2007 Nil

Mr. Ravi Sabharwal, 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 Exchange 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.

The Committee was reconstituted on 27th October, 2006 consequent to the resignation of Mr. Dinesh Mittal. Mr. Ravi Sabharwal was appointed as Chairman of Share Transfer Committee on the same date.

Composition and Attendance

Name of the Member	No. of Meetings Attended
Mr. Dinesh Mittal*	13
Mr. R.S. Narayan, Member	-
Mr. Ravi Sabharwal, Chairman	11
Mr. Seema Narang, Member	24

*Resigned w.e.f. 27th October, 2006.

The Committee holds its meeting every fortnight to consider all matters concerning transfer and transmission of shares. During the year ended March 31, 2007, 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*	6
Mr. Mahesh Krishna, Chairman **	2
Mr. Robert Mink	-
Mr. Arvind Uppal	8

* Resigned on 27th October, 2006.

** Appointed on 27th October, 2006.

The Committee holds its meeting to consider all matters concerning issue of new share/ debenture certificates. During the year ended March 31, 2007, eight 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 below:

Year	Day	Date	Timing	Place
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
2006	Friday	August 25, 2006	11.30 A.M.	Hotel Le Meridien, Pune

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

Year	Resolution passed
2004	1. Special resolution passed to de-list the equity shares of the Company from The Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited at Chennai.
2005	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 Executive 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 alteration of the Articles of Association of the Company. 5. Special Resolution to issue, offer and allot not more than 15,50,00,000 Redeemable Non-Convertible Cumulative Preference Shares to Whirlpool Corporation and/or its subsidiaries.
2006	1. Special Resolution passed for payment of enhanced remuneration to Mr. Dinesh Mittal, Executive Director & Company Secretary of the Company.

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

For the Financial Year 2007-08, if resolutions are to be conducted through the postal ballot procedure, those will be taken up at the appropriate time.

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.

Whirlpool of India Limited

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.

The Company has complied with all Accounting Standards issued by the Institute of Chartered Accountants of India.

The Company has in place Risk Management Policy, which lays down a robust and dynamic process for identification and mitigation of risks. This Policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the Risk Management and mitigation plan from time to time.

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 compliance with the code. No personnel of the Company have been denied access to the Audit Committee.

The Company has complied with all mandatory requirements of the clause 49 of the Listing Agreement. Adoption of non mandatory requirements under Clause 49 of the Listing Agreement is 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.

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

Mr. S.J. Scarff is the Director of Glaxosmithkline Consumer Healthcare Ltd. He worked for over 23 years with Smithkline with specific reference to Marketing. In 1999 he was awarded the prestigious honour of The Officer of the Order of the British Empire by Her Majesty, The Queen of England. 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 : September 28, 2007*
- Time : 11.30 A.M.
- Venue : Yash Inn. P-11,
5 - Star- M.I.D.C. Ranjangaon,
Pune - Ahmednagar Express
Highway, Tal Shirur, Dist Pune.

(ii) Financial Calendar - Year 2007-08

- Adoption of Quarterly Results for the quarter ending
- June 30, 2007 : July 30, 2007
 - September 30, 2007 : October, 2007 (3rd / 4th week)
 - December 31, 2007 : January, 2008 (3rd / 4th week)
 - March 31, 2008 : April, 2008 (3rd / 4th week)
- Or
Audited Annual Results in May, 2008 (1st / 2nd week)

(iii) Book Closure Date

September 21, 2007 to September 28, 2007 (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 Bombay Stock Exchange Ltd. for the year 2007-2008.

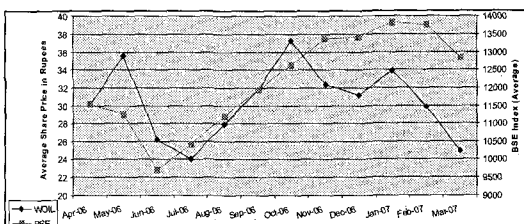
(vi) Stock Code

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 2006-07



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 2006	34.90	25.50
May 2006	44.80	26.25
June 2006	31.70	20.60
July 2006	26.30	21.75
August 2006	30.70	25.00
September 2006	38.40	25.25
October 2006	41.00	33.50
November 2006	35.50	29.30
December 2006	33.95	28.30
January 2007	36.00	31.75
February 2007	33.75	26.00
March 2007	27.40	22.50

(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 Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on March 31, 2007, 19,347,289 equity shares of the Company, forming 86.28% 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 Mumbai Stock Exchange.

(xiii) Shareholding Pattern as on March 31, 2007

Category	No. of Shares	%
Promoters	104,448,074	82.33
Mutual Funds	8,917	0.01
Non Resident Indians	258,132	0.20
Banks, Financial Institutions & Insurance Companies	292,696	0.23
Foreign Institutional Investors	8,127	0.01
Corporate Bodies	1,723,668	1.36
Public	20,132,216	15.86
Total	126,871,830	100

(xiv) Distribution of Shareholding as on March 31, 2007

Nominal Value		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	41,616	87.86	5,145,374	4.06
5001	10000	3,089	6.52	2,530,053	1.99
10001	20000	1,183	2.50	1,871,605	1.48
20001	30000	482	1.02	1,265,353	1.00
30001	40000	193	0.41	700,269	0.55
40001	50000	252	0.53	1,203,422	0.95
50001	100000	327	0.69	2,437,220	1.92
100000	And above	226	0.48	111,718,534	88.06
Total		47,368	100	126,871,830	100

(xv) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2007.

(xvi) Plant Locations of the Company

- 28 N.I.T., Faridabad -121 001 (Haryana)
- 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. 02138-660100, Fax No. 02138-232376/232229. Email Address: ravi_kumar_sabharwal@whirlpool.com

Corporate Office :

Whirlpool of India Ltd. — Plot No. 40, Sector 44, Gurgaon - 122 002 (Haryana)

DECLARATION FOR CODE OF CONDUCT

As provided under clause 49 of the Listing agreement with the Bombay Stock Exchange Ltd., the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2007.

For Whirlpool of India Limited

New Delhi

Date: May 14, 2007

Arvind Uppal

Managing Director

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, 2007 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 : May 14, 2007

***Note:** In furtherance to Auditors' Certificate dated May 14, 2007 the Company has rescheduled its Annual General Meeting to September 28, 2007. The same has been noted and certified by Auditors' vide their letter dated August 16, 2007.

Whirlpool of India Limited

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present their 46th Annual Report and Audited Accounts for the year ended 31st March, 2007

Financial Results

Rs. In Lacs

	For the year ended	
	March	March
	31, 2007	31, 2006
Sales/Income from operations (including excise duty)	162223	137576
Other Income	1619	2012
Profit/(Loss) before Interest, Depreciation, Extraordinary Items & Tax Interest	6344	1458
Depreciation	(1634)	(1799)
Profit/(Loss) before Extraordinary Items & Tax	(3442)	(3655)
Voluntary Retirement Compensation (including Amortisation of previous year)	1268	(3996)
Profit/(Loss) before tax	(564)	(5333)
Provision for Tax (including deferred tax and wealth tax)	299	1838
Fringe Benefit Tax	(267)	(315)
Net Profit/(Loss) for the year	(532)	(3810)
Credit/ (Debit) Balance B/F from Previous Year	(15452)	(11642)
Transferred from Debenture Redemption Reserve	650	-
Surplus / (Deficit) Carried to Balance Sheet	(15334)	(15452)

Performance of the Company

Sales of the Company for the year ended March 31, 2007, were Rs.1591.88 crores, up by 18.3% and Profit before tax and extra ordinary items was Rs.12.68 crores compared to a loss of Rs. 39.68 crores over the previous year. The "Whirlpool" brand has gained strength in the Indian market which is reflected in the marked increase in the turnover and the improved financial performance of the Company. The said performance has been achieved by focusing on new product launches, product mix management and effective working capital management.

Dividend

Dividend is not recommended for the year ended 31st March 2007 due to losses.

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

Successful product launches, effective advertising campaigns, differentiated festival promotions, and expansion of distribution in both conventional and modern trade were the highlights of the year in Sales and Marketing.

The pace of innovation that started in the previous year was stepped up. The start of season saw the launch of two new refrigerators – Delight (Frost Free) and Fusion (Direct Cool) – a Washing Machine – Splash (Fully Automatic Top Load) and a Microwave (Jet Chef). These were followed by the launch of Sparkle and Verve in the Semi Automatic Washing Machine segment and Sensation Classic in Fully Automatic Front Load in September 2006. New television and print campaigns were created to support these launches, and a number of local

marketing initiatives were also undertaken. These contributed to very robust growth in sales which grew ahead of the market in both Refrigerators and Washing Machines resulting in market share gain in both categories. A significant achievement was attaining leadership position in the Direct Cool segment of the Refrigeration market. This was achieved in October 2006 and has been sustained into Q1 of 2007.

The Whirlpool brand, which is among the most preferred brands in the durables industry was further strengthened through a number of initiatives and unique associations. The "wedding market" was tapped through a unique association with a leading matrimonial website which gave the brand huge exposure, making the brand very salient to a potentially large target group of people about to be wed and set up home. Your company negotiated a number of media alliances with leading publications in different parts of the country and a number of ground activities were executed during the festivals of Onam (Kerala), Durga Puja (West Bengal) and Diwali (North and West India) bringing the brand closer to consumers. The company website was re-launched and made more interactive, providing a forum not only for information but also for sales.

The Sales organization has been reorganized and a structure created to cater to the emerging modern trade. Your company has worked closely with all the chains to become a preferred supplier of home appliances. Significant strides have been taken in the year under review and more initiatives will be taken in the year ahead. Meanwhile, brand presence has been expanded in markets with >1 lakh population by an aggressive distribution drive. Shop floor execution has been strengthened by augmenting the number of in-shop demonstrators in key outlets, enabling a more profitable product mix in sales.

Towards the end of the financial year, a range of window and split air conditioners was launched. The range has a number of unique features for better cooling and excellent aesthetics. This will significantly improve Whirlpool's presence in what is the fastest growing appliance segment and strengthen your company's position as a home appliance specialist.

Exports

Exports have achieved a turnover of over Rs. 200 crores representing a 34% growth over the previous year. Today exports constitute nearly 13 % of the company's turnover. During the preceding year the company made an entry into significant markets like Russia & East European countries. Going forward, the company would continue to focus on expansion in Europe and also consolidate its position in Middle East, and African markets. It will also continue to build on its position as one of the leading brand in South Asia. Another area of significant growth was the Exports of Small Appliances to U.S.A under the Kitchen Aid brand. Buoyed by the introduction of new products, this business grew at a healthy pace and these appliances continue to perform well in the demanding North American market.

Consumer Services

The company has taken new initiative of providing best-in-class service in the industry. To support the same, the company has also introduced online call registration facility called Magicare (web based software), to measure the effectiveness of service delivery and service operations. Emphasis is made on to ensure highest level of consumer satisfaction (WOW effect) amongst existing consumers which is tracked and monitored on a continuous basis throughout the year. To maintain same day service in the upcountry areas of branch towns, resident engineers