

CORPORATE GOVERNANCE

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

"We will pursue our business with honor, fairness, and respect for the individual and the public at large . . . ever mindful that there is no right way to do a wrong thing."

Jeff M. Fettig
Chairman, Whirlpool Corporation

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental to Whirlpool Group. 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 achieved with the mantra of One Team..... One Dream.

We believe that sound corporate governance is necessary to enhance and retain stakeholders' trust. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices in international corporate governance. It is our continuous endeavor to enhance long-term shareholders value and respect minority rights in all our business decisions.

There is more widespread understanding and acceptance that good corporate governance ultimately leads to better performance, increased investor confidence and higher value creation.

2. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. The Chairman was a Non-Executive Director till 27th January 2010 and the present

Chairman effective from 27th January 2010 is an Executive Director. In all, there were 6 Directors including 3 Independent Directors during the financial year ended 31st March 2010. Mr. Vikas Singhal, Whole Time Director of the company has resigned from the directorship of the company with effect from 31.03.2010. As on March 31, 2010, 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. Mr. Syed Shahzad Akhtar has joined the Board as an Executive Director with effect from 17th May 2010.

Memberships of the Directors on other boards/ committees are given here under:

Name of the Directors	Category	No. of Directorships and Committee Memberships/ Chairmanships (As on March 31, 2010)		
		Other Directorships#	Committee Memberships	Committee Chairmanship
Robert Mink *	Non-Executive Director	-	-	-
Arvind Uppal**	Chairman Cum Managing Director	1	-	-
Vikas Singhal ***	Whole time Director	-	-	-
Sanjiv Verma	Non-Executive & Independent Director	1	-	-
S.J. Scarff	Non-Executive & Independent Director	1	2	1
Anand Bhatia	Non-Executive & Independent Director	3	1	-

Note:

Mr. Anand Bhatia is the Chairman of Audit Committee, Remuneration Committee and Investor Grievance Committee.

Mr. Ravi Sabharwal, Company Secretary is the Chairman of Share Transfer Committee.

Other Directorships exclude Directorship in Foreign Companies.

* Mr. Robert Mink has resigned from the Chairmanship on January 27, 2010.

** Mr. Arvind Uppal was nominated as Chairman w.e.f. January 27, 2010.

*** Mr. Vikas Singhal has resigned from the Board w.e.f. March 31, 2010.

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
Robert Lawrence Mink*	Non-Executive Director	2	Yes
Arvind Uppal **	Chairman & Managing Director	4	Yes
Vikas Singhal ***	Whole Time Director	5	Yes
S.J. Scarff	Non-Executive & Independent Director	5	Yes
Anand Bhatia	Non-Executive & Independent Director	5	Yes
Sanjiv Verma	Non-Executive & Independent Director	4	Yes

* Resigned as Chairman of Board w.e.f. January 27, 2010.

** Appointed as Chairman of the Board w.e.f. January 27, 2010.

*** Resigned from the Board w.e.f. March 31, 2010.

During the year ended March 31, 2010 five meetings of the Board of Directors were held on the following dates:

- (i) May 13, 2009 (ii) July 31, 2009 (iii) September 24, 2009 (iv) October 26, 2009 (v) January 27, 2010.
The Annual General Meeting (AGM) was held on September 24, 2009.

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 and National Stock Exchange of India Limited.

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 September 24, 2009 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
Anand Bhatia, Chairman	4
S.J. Scarff	4
Mr. Robert Mink	1
Mr. Sanjiv Verma	3

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, 2010, four meetings of the Audit Committee were held on the following dates:

(i) May 13, 2009 (ii) July 31, 2009 (iii) October 26, 2009 and (iv) January 27, 2010

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 and National Stock Exchange of India Limited that inter alia include determination of the Company's policy on specific remuneration packages for Directors.

Composition and Attendance

Mr. Anand Bhatia is the Chairman of Remuneration Committee. Other members of the Committee consist of Mr. Simon J Scarff and Mr. Robert Mink.

Annual Remuneration paid to Mr. Arvind Uppal, Managing Director

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund *	Total
39,99,996	NIL	2,42,329	NIL	10,80,000	53,22,325

Service contract renewed for next three years w.e.f. 1st April, 2010.

Severance Fees – NIL

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

Notice Period – 3 Months

Stock Options – NIL

Annual Remuneration paid to Mr. Vikas Singhal, Whole Time Director

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund *	Total
14,39,808	17,65,212	3,48,929	NIL	3,88,752	39,42,701

Notice Period – 3 Months

Stock Options – NIL

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

Severance Fees – NIL

Mr. Vikas Singhal, Whole Time Director of the company has resigned from the directorship of the company with effect from 31st March, 2010.

During the year no meeting of Remuneration Committee was held.

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. The details of remuneration paid to Executive Directors are given separately in the Report.

The Non-Executive Independent Directors are entitled for sitting fee of Rs.20,000 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.

(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 Limited and National Stock Exchange Limited 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.

Composition and Attendance

Name of the Directors	No. of Meetings Attended
Anand Bhatia, Chairman	4
Arvind Uppal	3
Vikas Singhal*	4

* Resigned w.e.f. March 31, 2010.

During the year ended March 31, 2010, four meetings of the Investors Grievance Committee were held on the following dates:

(i) May 13, 2009 (ii) July 31, 2009 (iii) October 26, 2009 & (iv) January 27, 2010.

The Company attends to the investors' 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, 2010.	Nil

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 Limited and National Stock Exchange Limited 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 Members	No. of Meetings Attended
Ravi Sabharwal, Chairman	24
Anil Berera	06
Anish Duggal	24
Vinay Kumar	24

The Committee holds its meeting every fortnight, if required to consider all matters concerning transfer and transmission of shares. During the year ended March 31, 2010, twenty four meetings of the Share Transfer 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
2007	Friday	September 28, 2007	11.30 A.M	Hotel Yash Inn, Ranjangaon, Shirur, Pune
2008	Thursday	September 18, 2008	11.30 A.M.	Hotel Yash Inn, Ranjangaon, Shirur, Pune
2009	Thursday	September 24, 2009	11.30 A.M	Hotel Yash Inn, Ranjangaon, Shirur, Pune

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

Year	Resolution passed
2007	1. Special Resolution passed for appointment of Mr. Mahesh Krishna as Whole time Director and approval of his remuneration.
2008	1. Special Resolution passed for payment of enhanced remuneration to Mr. Mahesh Krishna as a whole time director of our company.
	2. Special Resolution passed for appointment of Mr. Vikas Singhal as a whole time director and approval of his remuneration.
	3. Special Resolution passed for reappointment of Mr. Arvind Uppal as Managing Director and approval of his remuneration.
2009	None

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 alleged contravention of Section 211 read with schedule VI and Section 193 of the Companies Act, 1956 for which compounding fees of Rs.50,500/- was paid by the Company and Rs.1500 by the Managing Director, Whole Time Director and Company Secretary respectively.

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

The Company has defined and adopted a Risk Management Process, and has also set up a core group of leadership team, which assesses the risks and lays down the procedure for minimization of the risks as an ongoing process integrated with operations. The above will facilitate not only in risk assessment and timely rectification but also help in minimization of risk associated with respective business operations and periodic reporting to Board as and when required.

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.

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.

Whistle Blower Policy

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all

employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The Whistle Blower Policy is an extension of the Whirlpool Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames as per Whirlpool's global Policy. Under the Policy, each employee of the Company has an assured access to their Supervisor/ Respective HR/ Legal Department or dedicated Hotline numbers which are controlled globally.

Retiring Directors

Mr. Anand Bhatia, Independent non Executive Director of the Company is an Economics graduate from Cambridge University (U.K). He has over 30 years of working experience at senior level with Unilever plc worldwide. Currently he is a director in (1) EID Parry (India) Ltd. (2) HGS Pvt Ltd. (3) Sowar Pvt. Ltd.

Mr. Arvind Uppal was appointed as Managing Director of the Company w.e.f. February 16, 2005. Mr. Arvind Uppal is a B.Tech from IIT Delhi and is a post graduate in Management from the Faculty of Management Studies, Delhi. He has over 22 years of experience in business development, International marketing and General management. Prior to joining Whirlpool he was with Nestle in India and overseas. He is a director in Tuscan Ventures Private Limited. Currently he is Chairman & Managing Director of Whirlpool of India Ltd.

None of the directors is holding any shares/ convertible instruments of the Company except Mr. Vikas Singhal who is holding 1500 Shares

of the company but he has resigned from the Directorship of the company w.e.f. March 31, 2010.

6. MEANS OF COMMUNICATION

The quarterly results are usually published in The Financial Express (English) All India Editions, as well as the Prabhat (Marathi). The information of quarterly results is also sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. to enable them to put it on their website.

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

The Company is timely submitting the required information, statements and reports on the Electronic Data Information filing and Retrieval (EDIFAR) website maintained by the SEBI. As per the Amendment in Listing Agreement, Company is timely submitting the required information to CFDS in same way as filing in EDIFAR, as the EDIFAR has been omitted w.e.f. April 2010.

The Company's website is a comprehensive reference on Whirlpool's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents etc.

7. SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Date : 19th July, 2010
Time : 10.30 A.M.
Venue : Yash Inn.

P-11, 5 - Star- M.I.D.C --
Ranjangaon, Pune --
Ahmednagar Express Highway,
Taluka Shirur, District. Pune 419204.

(ii) Financial Calendar - Year 2010-11

Adoption of Quarterly Results for the quarter ending

June 30, 2010 July, 2010 (3rd / 4th week)
 September 30, 2010 October, 2010 (3rd / 4th week)
 December 31, 2010 January, 2011 (3rd / 4th week)
 March 31, 2011 April, 2011 (3rd / 4th week)
 Or
 Audited Annual Results in
 May, 2011 (3rd / 4th week)

(iii) Book Closure Date

13th July, 2010 to 19th July, 2010 (Both days inclusive)

(iv) Dividend Payment Date

No dividend on Equity Shares has been recommended by the Board of Directors. However, the Board in its meeting held on 17th May, 2010 has recommended a dividend on 15,23,42,500 10% Redeemable Non Convertible Cumulative Preference Shares of Rs.10 each @10% (Rs.1 per share) for the financial year 2008-09 & 2009-10. The Board has also paid accumulated dividend as Interim Dividend on these Preference Shares for the financial year 2005-06, 2006-07 & 2007-08 @10% (coupon rate) (Rs.1 per share per annum) as no dividend was paid on these preference shares since allotment because of past accumulated losses.

(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 2009-2010.

The Equity Shares of the Company got listed with the National Stock Exchange of India Ltd with effect from April 6, 2010 at Mumbai.

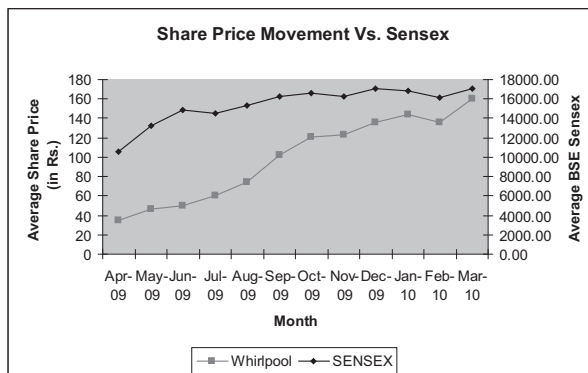
(vi) Stock Code

Bombay Stock Exchange Ltd. **500238**
 Phiroze Jeejeebhoy Towers
 Dalal Street, Fort
 Mumbai 400 001
 National Stock Exchange of India Ltd. **WHIRLPOOL**
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East), Mumbai 400 051

(vii) Registrar & Transfer Agents

For Shares held in Physical as well as Electronic Mode
 Link Intime India Pvt. Ltd. (Earlier : Intime Spectrum Registry Ltd.)
 A- 40, 2nd Floor,
 Naraina Industrial Area, Phase- II,
 (Near Batra Banquet Hall)
 New Delhi –110 028.

(viii) Stock Price Performance - Whirlpool Vs BSE Sensex, Year 2009-10



Note:

Monthly average is based on High and Low price of Whirlpool's share and BSE Index.

(ix) Market Price Data

Months	Bombay Stock Exchange (BSE)	
	High (Rs.)	Low (Rs.)
April 2009	42.00	26.60
May 2009	60.90	32.50
June 2009	57.90	42.15
July 2009	74.90	45.00
August 2009	88.00	61.50
September 2009	126.40	78.15
October 2009	135.90	105.25
November 2009	136.70	108.70
December 2009	147.95	124.85
January 2010	159.80	127.70
February 2010	143.80	128.00
March 2010	178.30	142.00

(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 it's 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, 2010–2,90,82,561 equity shares of the Company, forming 91.69% of Non-Promoter shareholding stand dematerialized.

International Securities Identification Number: INE716A01013

(xii) Liquidity of Shares

The Equity Shares of the Company are traded at the Mumbai Stock Exchange and the National Stock Exchange (w.e.f. April 6, 2010).

(xiii) Shareholding Pattern as on March 31, 2010

Category	No. of Shares	%
Promoters	95153872	75.00
Mutual Funds	6456886	5.09
Non Resident Indians	322537	0.25
Banks, Financial Institutions & Insurance Companies	17788	0.02
Foreign Institutional Investors/ Foreign Financial Institutions	80743	0.06
Corporate Bodies	8101930	6.39
Central Government/ State Government	1133	0.00
Public	16736941	13.19
Total	126871830	100.00

(xiv) Distribution of Shareholding as on March 31, 2010

No. of Equity Shares		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	500	37252	90.31	4011669	3.162
501	1000	2152	5.217	1682472	1.326
1001	2000	836	2.027	1267813	0.999
2001	3000	328	0.795	835963	0.659
3001	4000	129	0.313	466709	0.368
4001	5000	156	0.378	734670	0.580
5001	10000	186	0.451	1411311	1.112
10000	And above	212	0.514	116461223	91.794
Total		41251	100.00	126871830	100.00

(xv) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2010

(xvi) Plant Locations of the Company

- 28 N.I.T., Faridabad (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 Limited
Plot No. A-4 MIDC
Ranjangaon, Taluka- Shirur
District - Pune, Maharashtra 419 204
Telephone No. 020-660100
Fax No. 02138-232376
Email: ravi_kumar_sabharwal@whirlpool.com

Corporate Office

Whirlpool of India Limited
Plot No. 40, Sector- 44,
Gurgaon- 122 002
Telephone No. 0124-4591300
Fax No. 0124-4591301
Email: ravi_kumar_sabharwal@whirlpool.com

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, 2010.

For Whirlpool of India Limited

Arvind Uppal

Place: Gurgaon [Chairman & Managing Director]
Date: May 17, 2010 DIN No. 00104992

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 March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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 & Co.
Firm Registration No. 301003E
Chartered Accountants
Per Tridibes Basu
Partner
Membership No.: 17401

Place: Gurgaon
Date: May 17, 2010

DIRECTORS' REPORT

The Directors' are pleased to present their 49th Annual Report and Audited Accounts for the year ended 31st March 2010.

Financial Results

Particulars	Rs. in lacs	
	For the year ended	
	March 31, 2010	March 31, 2009
Sales/ Income from operations (including excise duty & Discounts)	268,030	209,463
Other Income	2,338	1,115
Profit/ (Loss) before Interest, Depreciation, Extraordinary items & Tax	26,456	15,195
Interest	(827)	(1,732)
Depreciation	(3,968)	(3,901)
Profit/ (Loss) before Extraordinary Items & Tax	21,661	9,563
Voluntary Retirement Compensation (including amortization of previous year)	(940)	(9,43)
Profit/ (Loss) before tax	20,721	8,620
Provision for Tax (including deferred tax and wealth tax)	(6,219)	(1,278)
Fringe Benefit Tax	-	(290)
Net Profit/ (Loss) for the year	14,502	7,052
Credit/ (Debit) Balance B/F from previous year	(82)	(7,134)
Profit available for appropriation	14,420	(82)
Dividend on Preference Shares	(7,224)	-
Tax on Dividend	(1,227)	-
Surplus/ (Deficit) carried to Balance Sheet	5,969	(82)

Performance of the Company

During the year ended March 31, 2010 the sales of the Company, was Rs. 2,680 Crores, up by 28%. Profit before tax and extra ordinary items was Rs. 216.61 Crores as compared to corresponding profit of Rs. 95.63 Crores in the previous year. The performance of the Company during the year surpassed all its previous milestones of turnover, profit, cash generation, working capital and inventory management. This performance has been achieved by focusing on new product launches, product mix, management, effective working capital management and cost effective initiatives.

Dividend

Dividend on equity shares is not recommended for the year ended 31st March 2010 due to past accumulated losses and payment of dividend of previous years on 10% Redeemable non convertible Cumulative preference shares of Rs.10 each.

The Board of Directors declared the accumulated dividend as an interim dividend on 15,23,42,500 10% Redeemable non convertible Cumulative preference shares of Rs.10 each, for the financial years ended March 31, 2006, 2007 & 2008 @ Rs.1 Per share for each financial year. The Board has recommended a final dividend on 15,23,42,500 10% Redeemable non convertible Cumulative preference shares of Rs.10 each for the financial year ended March 31, 2009 and March 31, 2010 @Rs.1 per share for each financial 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

The Sales and Marketing approach in 2009-10 was adjusted to changes as they occurred in the external

environment. The year started on a cautious note as the gloom of recession was still hovering over the country. The emphasis during this period was on cash and profitability rather than growth, and the focus was on selling a better mix, control on receivables and inventory. Marketing investment during this period was prudent and in line with market growth. However, as we approached the end of the first quarter, it was evident that the government's fiscal stimulus was having a positive impact on business and consumer sentiment, signaling the revival of growth. Accordingly, your company's marketing approach changed and we shifted gear from cautious optimism to aggressive growth manifested by raising volume targets, accelerating the pace of innovation and increasing brand visibility.

Key highlights of Sales & Marketing in 2009-10 were

- Resounding success of WhiteMagic 1-2-3, a fully automatic top load washing machine range launched in 6-7 kg capacity, which grew segment share by 5 percentage points.
- Complete revamp of the Semi-Automatic Washing Machine range, including the introduction of a plastic cabinet line-up.
- Launch of 35 new Split Air Conditioners marketed under the Mastermind Chrome & Mastermind Aviator and 5 new Window Air Conditioners (Mastermind Deluxe and Royale).
- Launch of 8 microwaves in Convection and Grill, marketed as Whirlpool Magiccook.
- Launch of a new, premium range of 24 Frost Free Refrigerators in capacities from 300L - 480L under Whirlpool Protton, including a unique fully automatic 3-door format.
- Conducting two large scale dealer contact programmes in September 2009 and March

2010, through which 15,000 dealers were contacted in 130 towns on each occasion.

- Conducting Road Shows for refrigerators - branded "Kabhi Dekha Hai Aise Magic" - in <1 lakh population towns in 8 states.
- Increasing efficiency in our Distributor channel by focusing on sub-dealer billing numbers and frequency.
- Growing business in Modern Trade where our volume grew by approximately 60%.
- Launching new television campaigns for PuraFresh Water Purifier, WhiteMagic 123 Washing Machine, Whirlpool Protton, Mastermind Air Conditioner and Diwali Festival Offer.
- Association with Kings XI Punjab during the 2010 IPL as Official Cooling Partner and getting prominent players to endorse 4 different categories through separate television commercials.

As is evident from the number of product launches, your company continued product development and innovation even when growth had slowed down, enabling a number of new products to be launched as the business environment improved. Whirlpool's heritage of launching innovative products with captivating design was maintained in the new launches of 2009-10, introducing a number of industry first features, many of them using Whirlpool's unique 6th Sense technology. Some of these are:

- WhiteMagic 1-2-3, India's first user friendly fully automatic washing machine that requires the use of only 3 buttons to operate the machine.
- Protton 3D is India's first fully automatic 3-door refrigerator with Air Booster System for systematic & odour free storage of frozen food, fresh food & vegetables in three separate

compartments. It is equipped with the largest vegetable drawer (34L) in its segment with a Freshness Booster System that ensures lasting freshness for more than a week.

- The new range of Mastermind split air conditioners have India's first sliding panel that ensures greater air flow and protection of internal controls from dust. Its advanced 6th sense MPFI system with a unique 4-in 4-out capillary design gives faster yet more energy efficient cooling. The 30 minutes fast forward cool system cools powerfully during the first 30 minutes and its Aroma Pure System is a scientific combination of filters that remove dust and bacteria while emanating a refreshing fragrance.

Your company has recognized the importance of expanding distribution to meet emerging demand in small towns in India. Our immediate focus is on 700 towns with a population of 100,000-500,000 which we believe will emerge as major consumption centers in the years ahead. The Sales system is reviewing our reach in these markets and we plan to add new distributors to expand our distribution width in small towns. Meanwhile, the dealer contact programme and branded road shows will be a regular feature in our calendar of activities.

Energy regulations are becoming stringent. It is now mandatory to declare energy usage in Air Conditioners and Frost Free refrigerators. Your company was among the first to embrace energy standards even when it was voluntary and it has endeavoured to market products with high energy efficiency. In the period under review, the Frost Free range was upgraded with all products having energy ratings of 4* or 5*. The new range of split air conditioners are 3* and above, as is our DC range.

Whirlpool is already a preferred brand and has been made stronger in the past year. Visibility of the

brand was heightened through a number of low-cost initiatives that encompassed mass media, internet and outdoor. A massive radio blitz was mounted at the start of the summer in April 2009, followed by an unprecedented cinema plan in June-July. The brand was present on Television and Print throughout the year. Our brand logo was enlarged on our cartons and painted on delivery trucks. Dealer Boards and branding of Housing Societies added to the on-street visibility. Our communication was taken to 3900 screens inside important hospitality and personal care outlets, fitness centers, hospitals and chemists in metros and select states. Strategic alliances were forged with reputed brands and innovative promotions run such as one year's free supply of Surf Excel with washing machines and Reebok wrist watches with Whirlpool products during Diwali. The brand entered the cricket arena first with on-ground advertising in international one-day fixtures and subsequently as the official "Cooling Partner" of the Kings XI Punjab in the 2010 edition of IPL. Media interest in the company has grown with Whirlpool being featured in electronic media on more than 20 occasions, and leading business channels now routinely invite Whirlpool on industry and business related subjects.

A number of external recognitions were awarded to Whirlpool in 2009-2010 :

1. It was voted as one of the top 25 Best Employers in India 2009 by Hewitt.
2. The Indo-American Chamber of Commerce rated Whirlpool as the Best US Company in India
3. Whirlpool was conferred the Frost & Sullivan 2009 Business Development Strategy Leadership Award for Residential Point-of-Use Water Treatment Systems in India.
4. WhiteMagic 1-2-3 Washing Machine was voted Product of the Year and received an award for

the 'Best Innovative Product' in the Washing Machine category. *(This is the second time that Whirlpool has been recognized with the 'Best Innovative Product' by Product of the Year awarded in 2009 for Frost Free Refrigerators with 6th sense.)*

5. Whirlpool was voted The Most Trusted Brand by Reader's Digest in a survey that included quantitative as well as qualitative rounds of consumer research.
6. Whirlpool's Genius and WhiteMagic 1-2-3 won GOOD DESIGN[®], the world's most prestigious world design award. This award comes from The Chicago Athenaeum: Museum of Architecture and Design and Metropolitan Arts Press Ltd., which presents GOOD DESIGN[®] awards annually to the most innovative and cutting-edge industrial, product and graphic designs produced around the world.

Finally, Brand Whirlpool also contributed to society. It spread its festive theme of **"Sab Ka Jashn, Sab ki Jeet"** by partnering with an NGO, GiveIndia, to participate in the 'Joy of Giving Week' (September 27 - October 3) and contributed an amount generated from sales on September 24, 2009 to the underprivileged in our country.

Exports

The Company's Export business has achieved a turnover of Rs 197 crores in 2009-10, which represents a 10% growth in turnover over 2008-09. This was achieved in spite of the global recessionary conditions prevailing in most parts of the world. In volume terms too the company recorded 11% growth over last year implying no deterioration in price & mix. The reason behind our success was due to our strategic focus on countries which are less affected by the economic recession, primarily the Oceania region (Australia +New Zealand) and our neighboring markets in the

SAARC region. We are pleased to highlight that our refrigerators manufactured in our 'State of the art' Pune facility have achieved market leadership in the demanding Australian market within 2 years of launch. Simultaneously, in the SAARC markets, we were able to achieve healthy growth during the 2nd half of FY10, with the help of a wider product range and revamped network structure. Additionally we recently launched our Professional Series of washing machines in Middle East & South East Asia markets. Moving forward, this range is set to be launched in our global markets and should contribute significantly to our export turnover. As we look ahead, we see the first indications of demand revival in some of our key markets in Middle East/Africa & Latin America. This revival combined with a revamped new series of refrigerators is expected to accelerate exports business growth in the coming years.

Consumer Services

Moving ahead on the journey of "Best in Class" Services, Whirlpool has expanded its "Uncompromising Care Process" across the country which measures the promptness & quality of Service rendered with verification directly from the customer. The locus of control in deciding the quality of service rests with the consumer, which in turn decides the performance & remuneration of the Service Provider. This has been achieved by Improved Infrastructure /people in Upcountry locations for better reach, penetration & improved service delivery.

We continue to improve revenue generation through our touch point with the Consumer. Innovation in our accessories & new categories continue to grow profitability for the company. The unique combination of our Business Model- Service Delivery & Revenue - is a source of sustainable competitive advantage.

Human Resources

The year 2009-10 saw Whirlpool India make progress

in our attempt to be an 'Employer Of Choice' with Whirlpool being voted amongst the "Top 25 Best Companies to work for in 2010" by the Great Place to work Institute.

Given the challenging business environment that prevailed in the first two quarters of 2009, the Human Resources Team focused on creating a connect with employees. The target was to boost morale to encourage a spirit of winning and dispel any uncertainties. Our focused approach towards Talent continued and we concentrated on the embedment of a 5 point "Extraordinary Performance and Results system". We also identified critical positions and key Players. Differentiated compensation and growth opportunities were provided to ensure retention of key talent and successors for all critical positions.

In the light of the global economic meltdown Whirlpool India took several proactive measures towards attaining cost leadership. An intensive Admin. related Cost Reduction Drive was introduced across the Board, with a SMART (Save Money and Reap Tomorrow) Campaign being launched. The program was centered on building a cost culture and the campaign resulted in remarkable savings.

During the year we agreed two Long Term Settlements in our Pondicherry and Pune Plants. We also continued our focus on Lean Manufacturing with MOST Implementation and TPM and a cost leadership drive in Manufacturing.

To increase the Connect with employees at all levels, the Employee Engagement Initiative took off with Great Spirit. Focus Group Discussions were conducted across India and Employee Centric Action plans were drawn out and are being implemented. The leadership team then took ownership to drive four big leadership actions which impacted employee engagement in the organization. This year the HR team organized several family connect initiatives with the employee families through family days and

Celebrating Success during employee reward and recognition programs.

Key Organizational capability building initiatives such as 'Organisational Leadership Development Programme' (OLDP) for Directors, 'Emerging Leadership Development Programme' (ELDP) for first time Managers and 'Project Breakthrough' for Branch Managers were launched to gear up the organization towards an exponential growth agenda. To encourage a self and virtual learning culture, a Whirlpool University and Harvard course were launched on the online platform. Additionally a hassle free online processes was introduced for streamlining several People Processes much to the benefit of all employees. These included Investment declaration, Form 16, Tax Filling, Policy Manual and My Product Scheme.

With the intention to grow fast, and manage profitability, the year 2009-10 has indeed been demanding on the people front and all of the above mentioned Human Resource initiatives have ensured that employees are highly engaged and driven to deliver their best.

Finance and Accounts

During the year under review, the Company has shown strong business performance on all fronts. The Company focused on all the key financial parameters, viz. revenue, cost, working capital and cash flow. On the cost side, the Company continued with its P3B initiative to optimize the cost footprint including initiatives in "Design to Value" i.e. the product being redesigned to drive cost efficiencies and enhance margins. During the year the Company became a debt free Company. The Company also achieved its target of highest ever cash generation during the year. The company continues to have a strong focus on cash generation through improvement in inventory and receivables management.

Directors

Your Directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board.

In accordance with the provisions of the Companies Act, 1956 and the Article 115 of the Articles of Association of the Company Mr. Anand Bhatia and Mr. Arvind Uppal retire by rotation and being eligible offer themselves for reappointment.

Mr. Anand Bhatia, Independent non Executive Director of the Company is an Economics graduate from Cambridge University (U.K). He has over 30 years of working experience at senior level with Unilever plc. worldwide. Currently he is a director in (1) EID Parry (India) Ltd. (2) HGS Pvt. Ltd. (3) Sowar Pvt. Ltd. He is on your Board since 2001 and is also the Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievance Committee.

Mr. Arvind Uppal was appointed as Managing Director of the Company w.e.f. February 16, 2005. Mr. Arvind Uppal is a B.Tech from IIT Delhi and is a post graduate in Management from the Faculty of Management Studies, Delhi. He has over 22 years of experience in business development, International marketing and General management. Prior to joining Whirlpool he was with Nestle in India and overseas. He was appointed as Chairman of your Company w.e.f. 27th January 2010. He is a director in Tuscan Ventures Private Limited. Currently he is Chairman & Managing Director of Whirlpool of India Ltd.

During the year Mr. Vikas Singhal resigned from Board w.e.f. 31st March 2010. Mr. Syed Shahzad Akhtar has been appointed as an Additional Director in the capacity of Whole time Director of the Company w.e.f. 17th May, 2010. Mr. Shahzad joined the Company in January 2009 as head of Sales and was subsequently promoted as VP and General Manager India operations. He is an engineering graduate from the University Of Cambridge and an

MBA from INSEAD, France. He has vast experience of over 20 years in the field of general management and marketing, a large part of which has been with Unilever. During his tenure with Unilever he gained extensive international experience and held positions of increasing responsibility, the last being as the Global Vice President for Unilever's Fabric Cleaning business based out of the UK. He is not a Director in any other Company.

Mr. Syed Shahzad Akhtar vacates the office of Director at this AGM. The Board considers that it would be in the interest of the Company to appoint Mr. Syed Shahzad Akhtar as a Whole Time Director of the Company. Shareholders' approval is sought as a special resolution for the appointment and approval of remuneration for Mr. Akhtar.

Auditors

Members are requested to appoint Auditors for the current year on a remuneration to be fixed by the Board as per Item No. 4 of the Notice for the AGM. M/s S. R. Batliboi & Co., the present Auditors of the Company have, under Section 224 (1B) of the Companies Act, 1956 furnished a certificate of their eligibility for reappointment. The Board recommends their reappointment as Auditors for the Financial Year 2010-11.

The Board has taken note of the observations and remarks made by the Auditors in their Report on Statutory payments.

The observation made by auditors on slight delay in payment of statutory dues is self explanatory. The Company has taken effective steps to streamline the statutory payments.

Fixed Deposits

As at 31st March 2010, the amount of Fixed Deposits held by the Company was Rs. 15.27 Lacs. There were no overdue Deposits except Unclaimed Deposits amounting to Rs.2.29 Lacs.