

HINDUSTAN APPLIANCES LIMITED

NOTICE:

NOTICE is hereby given that the 23rd Annual General Meeting of the members of HINDUSTAN APPLIANCES LIMITED will be held at the Registered Office of the Company at 5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai-400 020 on Wednesday, the 30th September, 2009 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Kanji Mytra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. A.C. Modi & Associates, Chartered Accountants as Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"Resolved that Mr. Mehul J. Shah who was appointed as an additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, be and is hereby appointed as director of the company liable to retire by rotation"

5. To Consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"Resolved that Mr. Ravindra Kanji Mytra who was appointed as an additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, be and is hereby appointed as director of the company liable to retire by rotation"

BY ORDER OF THE BOARD.


DIRECTOR

Place : Mumbai

Dated : 2nd September, 2009

Registered Office:

5, Sunbeam Chambers,
2nd Floor, Opp. Liberty Cinema,
New Marine Lines, Mumbai-400 020

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered office of the Company not less than 48 hours before commencing of this meeting.
3. An Explanatory Statement as required under section 173 (2) of the companies Act ,1956 relating to Special Business to be transacted at the meeting is annexed hereto.
4. The register of members and transfer books of the Company will remain closed from 23rd September,2009 to 29th September 2009.

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

In Respect of Item No. 4.

Mr. Mehul J. Shah who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, is to be appointed as director of the company liable to retire by rotation.

The Board of Directors recommend the members to adopt the proposed Resolution.

None of the Directors of the company is in any way concerned or interested in the resolution except Mr. Mehul J. Shah.

In Respect of Item No. 5.

Mr. Ravindra Kanji Mytra who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and who holds the office until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing together with requisite deposit under section 257 of the companies Act 1956, from a member expressing his intention to propose him as candidate for the office of Director, is to be appointed as director of the company liable to retire by rotation.

The Board of Directors recommend the members to adopt the proposed Resolution.

None of the Directors of the company is in any way concerned or interested in the resolution except Mr. Ravindra Kanji Mytra.

FOR AND ON BEHALF OF THE BOARD.


DIRECTOR

Place : Mumbai

Dated : 2nd September,2009

HINDUSTAN APPLIANCES LIMITED
=====
REGD.OFFICE; 5, SUNBEAM CHAMBERS,
NEW MARINE LINES,2ND FLOOR
OPP. LIBERTY CINEMA,
MUMBAI-400 020.
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DIRECTORS' REPORT
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TO,
The Members

The Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2009.

Particulars	(Rs.in Lacs)	(Rs.in Lacs)
	Year ended 31.3.2009	Year ended 31.3.2008
Income from operation	40.12	43.13
	-	-
Total	40.12	43.13
Gross Profit Before Depreciation and Taxation	39.10	39.72
Less : Income Tax of earlier year	(0.32)	0.63
Deduct:-		
Depreciation	0.00	0.00
Provision for taxation	12.10	11.15
Provision for Fringe Benefit Tax	0.00	0.01
Deferred tax liabilities	0.00	0.00
Net profit for the year	27.32	27.93
Balance brought forward	105.70	77.77
Balance carried forward	133.02	105.70

DIVIDEND:

In order to conserve the resources for long term financial needs of the Company, the directors do not recommend any dividend for the year under the report.

OPERATION:

The Company has earned a gross total Income of Rs 40.12 lacs for the year under review against the gross total income of Rs.43.13 lacs during the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchange is given in the report as a separate statement.

CORPORATE GOVERNANCE

Necessary measures have been adopted to comply with the requirements of the listing agreement with stock exchange wherein the company's shares are listed. A separate Section on corporate governance report forms part of this annual report.

A certificate from the auditors of the company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement is attached to this report.

SUBSIDIARIES

Pursuant to the Provision of section 212 of the Companies Act, 1956 statement & other documents relating to the subsidiaries of the company are annexed to this report.

RE-APPOINTMENT OF DIRECTORS.

Shri Ravindra K Mayatra and Mr Mehul J. Shah retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES :

The company did not employ anybody drawing remuneration of Rs. 24,00,000/- or more per annum or Rs.2,00,000/-or more per month and hence the question of providing information under section 217(2A) of the companies Act, 1956 does not arise.

PUBLIC DEPOSIT :

The Company has not accepted any deposit from public. Therefore provision of section 58(A) of Companies Act, 1956 are not applicable to the Company. There are no unclaim or unpaid deposits for which information to be given in this report.

DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION ENERGY. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO. :

Particulars regarding conservation of energy, technology absorption as required pursuant to section 217 (1) (e) of the Companies Act, 1956, as amended are not given since the said section is not applicable to the Company.

Foreign exchange earnings. : Rs. Nil

Foreign exchange outgo. : Rs. Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provision of Sub-Section (2AA) of section 217 of the companies Act, 1956 your directors confirm:

1. that in the preparation of the annual accounts for year ended 31st March, 2009, the applicable accounting standards have been followed with no departures there from;

2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2009 and of the profit of the Company for that year;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
4. that the Directors have prepared the annual accounts for the year ended 31.3.2009 on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on 2/9/2009

CONSOLIDATED FINANCIAL STATEMENTS:

The Audited Financial Statement for the year under review ended 31st, march 2009 is annexed to this report. The Report and standalone audited accounts of all subsidiary companies along with statement pursuant to section 212 of the companies Act,1956 containing full details of the performance also form part of this Annual Report. These statements have been prepared on the basis of audited financial statement received from the subsidiary Companies as approved by their respective Boards.

AUDITORS:

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

FOR AND ON BEHALF OF THE BOARD


DIRECTORS

PLACE: MUMBAI,

DATED: 2ND SEPTEMBER, 2009.

ANNEXURE TO DIRECTORS' REPORTS**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO SUBSIDIARY COMPANIES.**

S. No.	Particulars	Name Of The Company	
1	NAME OF THE SUBSIDIARY	JOGINDRA EXPORTS LIMITED	KSHANIKA TRADING LIMITED
2	HOLDING COMPANY'S INTEREST	5000 EQUITY SHARES OF 100 EACH FULLY PAID UP	5000 EQUITY SHARES OF 100 EACH FULLY PAID UP
3	EXTENT F HOLDING	100%	100%
4	SUBSIDIARY FINANCIAL YEAR	31ST MARCH, 2009	31 ST MARCH, 2009
5	NET AGGREGATE AMOUNT OF SUBSIDIARIES' PROFIT/(LOSS) NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS:		
(i)	i) FOR THE CURRENT FINANCIAL YEAR OF THE SUBSIDIARIES	Rs. Nil	(Rs. 8,975.00)
(ii)	ii) FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECOME THE HOLDING COMPANY'S SUBSIDIARIES.	Rs. Nil	(Rs. 22,846.00)
6	NET AGGREGATE AMOUNT OF SUBSIDIARIES' PROFIT/ (LOSS) DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS		
(i)	i) FOR THE CURRENT FINANCIAL YEAR OF THE SUBSIDIARIES.	Nil	Nil
(ii)	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECOME THE HOLDING: COMPANY'S SUBSIDIARIES.	Nil	Nil

FOR AND ON BEHALF OF THE BOARD
DIRECTORS**PLACE: MUMBAI****DATED: 2nd September, 2009**

HINDUSTAN APPLIANCES LIMITED

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CORPORATE GOVERNANCE

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1 PHILOSOPHY:

Your Company believes that the Corporate Governance is a powerful medium to serve the long-term interest of all stockholders. Corporate Governance strengthens investors' trust and ensures a long term partnerships, which helps your Company in fulfilling its quest for achieving significant growth and profits. A sound governance process consists of a combination of business practices, which results in enhanced shareholder value and enable the Company to fulfill its commitment to customers, employees, lenders and the society in general. Your Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability and independent monitoring.

Your Company is committed to bench marking itself with the best in all areas including Corporate Governance. Your Company has bench marked its practices with the prevailing guidelines by upholding the core values across all aspects of its operation.

Your Company believes that Corporate Governance is not merely compliance - it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

2 BOARD OF DIRECTORS

The Board consists of five members. The composition of Board of Directors, the number of other directorships or board committees of which he is a member/ chairman are as under:

DIRECTORS	CATEGORY	No. of Outside Directorship Held		No. Of Out side Committee Positions Held	
		Public	Private	Member	Chairman/Chairperson
Mr.Sanjay A. Desai	Chairman & Director	1	2	-	-
Mr.Mehul J. Shah	Non Executive Director	4	55	-	-
Mr.Kantilal S. Maroo	Non Executive Director independent	1	-	-	-
Mr.Hitesh R. Kariya	Non Executive Director independent	-	-	-	-
Mr. Ravindra Myatra	Non Executive Director independent	-	1	-	-

Brief resume of the directors being Re-appointed/appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and the membership of the committees of the board are furnished here under.

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

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

2) Mr.Mehul J Shah aged about 38 years. He has vast experience of about 10 years in the field of Marketing of Electricals and Electronics goods.

He holds 65,82,000 (65.65%) Equity Shares of the Company. He is director of the following companies.

S. NO.	NAME OF THE COMPANY	S. NO	NAME OF THE COMPANY
1	Hindustan Appliances Ltd	31	Huges Softech Pvt. Ltd
2	Classic Electricals Ltd.	32	Anchor Buildcon Pvt. Ltd
3	Highway Finance & Holding Bby Ltd.	33	Anchor Accommodations Pvt. Ltd.
4	Shah Construction Company Ltd.	34	Anchor Earth Pvt. Ltd.
5	Parijat Properties Pvt Ltd.	35	Anchor Homes Pvt. Ltd.
6	Anchor Cosmetics Pvt Ltd.	36	As Smart As Possible Design Retail P.L.
7	Apple PharmaCeuticals Pvt Ltd.	37	Eureka Earth Developers Pvt. Ltd.
8	Apple Cosmetics Pvt. Ltd.	38	Huges Real Estates Dev. Pvt. Ltd.
9	Avanti Health Care Pvt Ltd.	39	Anchor Colours Pvt. Ltd
10	Kyori Metals Pvt Ltd.	40	Atul Trading & Financial Services P.Ltd
11	Kalindi Properties Pvt Ltd.	41	Dupont Trading & Investment Ltd.
12	Triple Securities Pvt Ltd.	42	Good Value Financial Services Pvt. Ltd.
13	Ave Anchor Pvt Ltd.	43	Girnar Plastics Pvt. Ltd.
14	Anchor Soap Pvt Ltd.	44	Harit Baran Finvest Pvt. Ltd.
15	Anchor Medicare Pvt Ltd.	45	Hansika Consultants Pvt. Ltd.
16	Anchor Hardware Pvt Ltd.	46	Jivitesh Exports Pvt. Ltd.
17	Anchor Kopp Enterprises Pvt. Ltd.	47	Kent Projects Pvt. Ltd.
18	Anchor H R Services Pvt Ltd.	48	Olive Holdings Pvt. Ltd.
19	Anchor Leasing Pvt. Ltd.	49	Pileated Finvest Pvt. Ltd.
20	Demag Real Estates Pvt. Ltd.	50	Purnima Films Pvt. Ltd
21	Nine X Real Estates Developers Pvt. Ltd	51	Pranay Telesystems Pvt. Ltd.
22	Ariana Builders Private Limited	52	Parimal Engineers Pvt. Ltd.
23	Cheers Leader Builders Private Limited	53	Quiet Agro Farms Pvt. Ltd.
24	Great White Builders Private Limited	54	Roma Electricals Pvt. Ltd.
25	Bush Real Estate Developers Pvt Ltd.	55	Roma Switches Pvt. Ltd.
26	La- Kozy Builders Pvt. Ltd.	56	Seco Engineers (I) Pvt. Ltd.
27	Mount Blanc Real Estates Pvt. Ltd.	57	Third Wave Constructions Pvt. Ltd.
28	Gleena Aluminium Pvt. Ltd.	58	Tendril Chemicals Pvt. Ltd.
29	Eureka Steel Products Pvt. Ltd	59	Akshar Land-Developers Pvt. Ltd.
30	Ariana Softech Pvt. Ltd.		

BOARD MEETINGS

6 Meetings of the Board of directors were held during the financial year ended on 31st March,2009

Dates of Board Meeting :
30th April,2008
31st July,2008
2nd September,2008
31st October,2008
31st January,2009
30 th March,2009

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

Name of the Director	Attendance Particulars	
	No of Board Meetings attended	AGM
Mr.Sanjay A. Desai	6	Present
Mr.Mehul J. Shah	6	Present
Mr.Kantilal S. Maroo	6	Present
Mr.Hitesh R. Kariya	6	Present
Mr.Ravindra K. Mytra	6	Present

3 AUDIT COMMITTEE:

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

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible.
- (b) To recommend the appointment/removal of external auditors, fixing audit fees.
- (c) To review with the management the annual financial statements before submission to the Board, focusing primarily on :
 - * Any changes in accounting policies and practices.
 - * Major accounting entries based on exercise of judgement by management .
 - * Qualifications in draft Audit Report
 - * The going concern assumption
 - * Compliance with the accounting standards.
 - * Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - * Any related party transactions.
- (d) To review with management the efficacy of internal control systems
Composition, Name of Members and Chairman

Name	Designation	Number of Meetings	
		Held	Attended
Mr.Kantilal S. Maroo	Chairman	6	6
Mr.Hitesh R. Karia	Non Executive Director & independent	6	6
Mr.RavindraK. Myatra	Non Executive Director & independent	6	6

(e) 6 Meetings of the Audit Committee were held during the financial year ended 31/3/2009 as under:

1)	30/04/2008	2)	31/07/2008
3)	2/09/2008	4)	31/10/2008
5)	31/01/2009	6)	30/03/2009.

4 REMUNERATION COMMITTEE :

Broad Term of reference

To approve the appointment of Managing/Whole time Director and the remuneration thereof.

Name	Designation	Number of Meetings	
		Held	Attended
Mr Sanjay A.Desai	Chairman	0	0
Mr.Kantilal S.Maroo	Non executive Director	0	0

Number of Meetings held Nil

5 SHAREHOLDERS COMMITTEE :

Name	Designation	Number of Meetings	
		Held	Attended
Mr.Sanjay A. Desai	Chairman	1	1
Mr.Kantilal S. Maroo	Non Executive Director	1	1
Mr. Mehul J. Shah	Director	1	1

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

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

One Meeting of the shareholders committee was held during the financial year Ended 31/3/2009 on 2/09/2008.

6 GENERAL BODY MEETINGS: The detail regarding location and time where the last three AGMS were held are as under:

Financial Year	General Meeting	Location	Date	Time
31/3/2008	AGM	5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines, Mumbai 400 020	30/09/2008	11.00(A.M)
31/3/2007	AGM	5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/2007	11.00(A.M.)
31/3/2006	AGM	5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines, Mumbai 400 020.	30/9/2006	11.00(A.M.)

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

7 DISCLOSURES :

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature ,with its promoters or the management ,their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company
- Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the listing agreement with the stock exchange as well as regulations and guidelines of SEBI. No penalties and strictures have been imposed by SEBI, Stock Exchange or Statutory authorities on matters relating to capital markets during the last three years.

8 MEANS OF COMMUNICATION :

* Half yearly report sent to each household of shareholders	No
<ul style="list-style-type: none"> Quarterly Results Which newspapers normally published 	Yes Free Press Journal Nav Shakti
* Any web site, where displayed	No
* Whether it also displays official news releases and the presentations made to intuitional investors or to the analysts.	No
* Whether MD & A is a part of the Annual Report	No

9 GENERAL SHAREHOLDER INFORMATION

1 Annual General Meeting

Day and Date	Venue:	TIME
Wednesday 30/9/2009	5, Sunbeam Chambers, 2nd Floor, Opp. Liberty Cinema, New Marine lines Mumbai 400 020.	11.00 A.M.

2. Financial Calender

Financial reporting for the Quarter ending

Reporting date as on	Due date as on by
30/06/2009	31/07/2009
30/09/2009	31/10/2009
31/12/2009	31/01/2010
31/03/2010	30/04/2010

3. Book Closure Date 22/9/2009 to 30/9/2009

4. Address for Correspondence:

Registered Office : 5, Sunbeam Chambers,
2nd Floor, Opp.Liberty Cinema
New Marine lines
Mumbai 400 020

5. Listing on Stock Exchange:

Bombay Stock Exchange Ltd.
Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal street,Mumbai 400023.
and Pune Stock Exchange, Pune.

6. Stock Code : 53 19 18

7. Market Data High/Low during each month in last financial year. The Equity Shares of the Company is infrequently traded on the Stock Exchange, Mumbai and hence the data is not available.

8 Registrar and transfer agents : The Company has in house share department.

9 Share Transfer System : The Shares of the Company are registered and returned between 15 to 30 days from the date of receipt, if documents are in order in all respects.

10 Distribution of Share holding;

DISTRIBUTION TABLE OF HOLDING AS ON 31/03/2009

Share holding	SHARE HOLDIERS NUMBERS	SHARE HOLDIERS % OF TOTAL	SHARE AMOUNT In Rs.	SHARE AMOUNT % of Total
Nominal value				
Up to - 5,000	894	52.77%	3692000	3.68%
5,001- 10,000	549	32.41%	3918000	3.91%
10,001- 20,000	28	1.65%	499000	0.50%
20,001- 30,000	37	2.18%	953000	0.95%
30,001- 40,000	135	7.97%	5194000	5.18%
40,001- 50,000	13	0.77%	602000	0.60%
50,000- 1,00,000	8	0.41%	617000	0.62%
1,00,000 and above	30	1.77%	84785000	84.57%
Total	1694	100%	100260000	100%

11 Compliance with other mandatory requirements:

11.1 Management Discussion and analysis:

A Management Discussion and analysis report forms part of the Annual Report.

11.2 The Company has complied the provisions related to subsidiary companies.

11.3 Disclosures

11.3.1 Related Party Transaction :

The details of all transactions with related parties are placed before the audit committee.

11.3.2 Disclosure of Accounting Treatment :

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

11.3.3 Code of Conduct:

The board has formulated a code of conduct for the board members and senior management of the Company. All the board members and senior management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman is given elsewhere in the Annual Report.

11.3.4 CEO/CFO Certification :

A certificate from Chairman and Finance Head on the financial statements of the Company was placed before the board.

11.3.5 Review of Directors Responsibility Statement:

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

12 Compliance with Non Mandatory requirements:

The board will consider Compliance with Non Mandatory requirements relating to tenure of independent directors, Training of the Board members, Whistle Blower policy at appropriate time.

The audit report of the company for the year ended 31/3/2009 is unqualified.

Declaration on compliance of code of conduct:

It is hereby confirmed that all the Directors and senior management personnel have complied with the code of Conduct framed by the Company and confirmation to that effect has been obtained from the Directors and senior management.

FOR AND ON BEHALF OF THE BOARD


CHAIRMAN.

PLACE: MUMBAI

DATED: 2nd, September, 2009

Management Discussion and Analysis Report:

I) Industry Structure and Developments :

There is fierce competition in the business of Leasing and Finance activity and Service activity which is normal for any business.

II) Opportunities and Threats :

The Company sees good opportunity in the areas in which it operates. The Company perceives normal business threats of competition from new entrants.

III) Segment-wise or Product-wise Performance :

The performance of the company in Leasing and Finance activity activity is stable.

IV) Outlook :

The out look of the Company is positive.

V) Risks and Concerns:

The Company perceives normal business risks and concerns.

VI) Internal Control systems and their adequacy:

The Company has adequate internal control systems.

VII) Discussion on financial performance:


The Company has earned gross total income of Rs. 40.12 lacs for the year under report as against Rs 43.13 lacs in the previous year.

VIII) Material developments in human resources/ Industrial Relations front, and number of people employed:

There are no material developments in human resources front.

No. of employees : Nil

FOR AND ON BEHALF OF THE BOARD


The block contains a handwritten signature in dark ink, which appears to be 'Rajiv' or similar, written over a horizontal line.

CHAIRMAN.

PLACE: MUMBAI

DATED: 2nd, September, 2009

**MR. ALPESH C. MODI ,
B.COM. F.C.A.**

**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL.(022)2888 8790.

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).**

To the Members of **Hindustan Appliances Limited.**

We have Examined the relevant documents and records relating to compliance of conditions of corporate Governance by **Hindustan Appliances Limited('The Company')** for the year ended **31st March, 2009**, as stipulated in clause 49 of the listing agreement of the said company with the stock Exchanges in India.

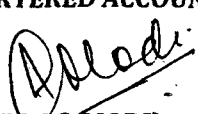
The Compliance of Conditions of corporate governance is responsibilities of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

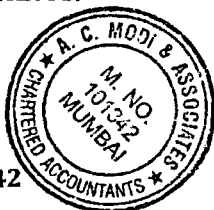
In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, We certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

We state that as per record maintained by the investors grievances committee, no investor grievances was received during the year ended **31st March, 2009**.

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 A.C. MODI & ASSOCIATES.
CHARTERED ACCOUNTANTS.**


(ALPESH C. MODI)
PROPRIETOR
Membership No.101342
PLACE: MUMBAI
DATED: 2nd, September, 2009



**MR. ALPESH C. MODI,
B.COM. F.C.A.**

**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL. (022) 2888 8790.

AUDITORS' REPORT
TO THE MEMBERS OF HINDUSTAN APPLIANCES LIMITED.

We have audited the attached Balance Sheet of **HINDUSTAN APPLANCES LIMITED** as at **31st March, 2009**, the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement bases on our Audit.

- 1) We conduct our audit in accordance with Auditing Standards generally accepted in India. Those standard require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2) As required by the Companies (Auditor's Report) Order, 2003, [as amended by Companies(Auditor's Report)(Amendment) Order , 2004], issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us, we give in the Annexure, hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 3) Further to our comments in the Annexure referred to in paragraph 2 above and subject to the notes to the Balance sheet, We report that:-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our Opinion, The Profit & Loss accounts and Balance Sheet comply with the accounting Standards referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.



MR. ALPESH C. MODI,
B.COM. F.C.A.

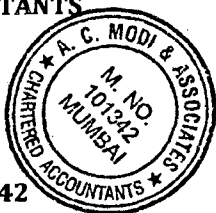
A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL. (022) 2888 8790.

- e) On the basis of written representations received from the Directors, and taken on record by Board of Directors, We report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) *Note No.2 of Schedule No.11 to the financial statements: The Company is a Non Banking Financial Institution in terms of section 45 I (C) of the Reserve Bank of India Act, 1934. As per the last audited accounts of the Company for the year ended March 31, 2009, the financial assets of the Company are more than 50% of its total assets and income from financial assets are also more than 50% of the gross income. Thus, the company has the business of a Non - Banking Financial Company (NBFC) as its principal business and is required to be registered as an NBFC with Reserve Bank of India. The company has not applied for and obtained any such registration.*
- 4) In our opinion and to the best of information and according to explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2009.
 - ii. In the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date and
 - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR



Membership No.101342
PLACE : MUMBAI
DATED : September 2, 2009

**MR. ALPESH C. MODI ,
B.COM. F.C.A.**

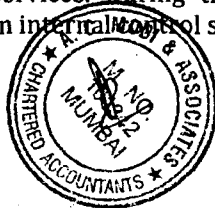
**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL.(022)2888 8790.

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE

1. In respect of its fixed assets:-
 - a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets on basis of available information.
 - b) As explained to us, the fixed assets have been physical verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. There were no material discrepancies noticed on such verifications.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and accordingly the going concern status of the company is not affected.
2. In respect of its inventories:
 - a) The Company was not having any inventories during year as it has not carried out any manufacturing or trading activities.
3.
 - a) According to the information and explanations given to us, the company has not taken any Loans, secured or unsecured from companies, Firms or other parties Covered in the registered maintained under section 301 of the Companies Act, 1956, Accordingly the provision of clauses 4(iii)(f) and 4(iii)(g) of the order are not applicable.
 - b) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registered maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(b) to (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and Services. During the course of audit, we have not observed any major weaknesses in internal control system.



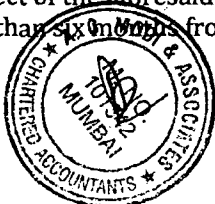
**MR. ALPESH C. MODI ,
B.COM. F.C.A.**

**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL (022) 2888 8790.

5. In respect of transaction covered under section 301 of the Companies Act, 1956.:
- In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangement that needed to be entered in to in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - In our opinion and according to the information and explanations given to us there are no transactions in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 Lacs (Rupees Five Lacs Only) or more in respect of any party.
6. The Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Act and the companies (Acceptance of Deposits) Rules, 1975. Accordingly the provision of clause 4(vi) of the order are not applicable.
7. In our opinion, The company has an internal audit system commensurate with its size and nature of its business.
8. The central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956. Accordingly the provision of clause 4(viii) of the order is not applicable.
9. In respect of statutory dues:
- According to the records provided to us, the Company is generally regular in depositing with appropriate authority undisputed statutory dues including amount of Provident fund, Investor education and protection fund, Employee's state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other Material statutory dues, applicable to it.

According to the Information and Explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st march, 2009 for a period of more than six months from the date of becoming payable.

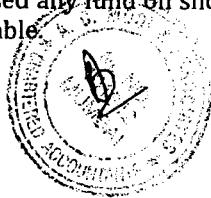


**MR. ALPESH C. MODI ,
B.COM. F.C.A.**

**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL.(022)2888 8790.

- b) According to the records of the company and information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty/ cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. According to the information and explanation given to us, we are of the opinion that the Company has not taken / availed any loans from the financial institutions, Banks or Debenture Holders and accordingly the provision of clause 4(xi) of the order is not applicable.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund / society. Accordingly, clause 4 (xiii) of the order is not applicable.
14. According to the Information and explanation given to us the company is not dealing or Trading in Shares, Securities and Debentures. Investments in respect of all shares, debentures and other investments have been held by the company in its own name and has also maintained adequate and proper records.
15. According to the Information and Explanations given to us, and the representations made by the management, company has not given any guarantee for loans taken by others from any banks or financial institution, during the year.
16. The Company has not obtained any term loan during the year. There was no terms loan outstanding at the beginning of the year Accordingly clause 4 (xvi) of the order is not applicable.
17. The company has not raised any fund on short term basis and accordingly clause 4 (xvii) of the order is not applicable.



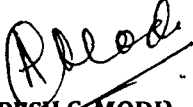
**MR. ALPESH C. MODI ,
B.COM. F.C.A.**

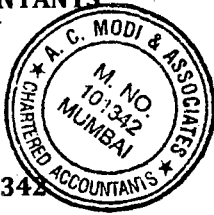
**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL.(022)2888 8790.

18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year the Company has not issued any debenture and also there is no any outstanding during the year accordingly Clause 4(xix) of the order is not applicable.
20. During the year the Company has not raised any money by way of issue of shares to the public accordingly Clause 4(xx) of the order is not applicable.
21. During the course of examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have been informed of such cases by the Management.

**For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS**


**(ALPESH C. MODI)
PROPRIETOR
Membership No.101342**



**PLACE : MUMBAI
DATED : September 2, 2009**

HINDUSTAN APPLIANCES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

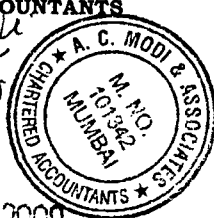
PARTICULARS	SCH. NO.	AS AT 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
I. SOURCES OF FUND		RUPEES	RUPEES	RUPEES
1) Shareholders Fund:				
a) Capital	1	99,888,000.00		99,888,000.00
b) Reserves & Surplus	2	13,302,237.26		10,570,053.71
		Total Rs.	113,190,237.26	110,458,053.71
II. APPLICATION OF FUNDS:				
1) Fixed Assets:	3			
a) Gross Block		47,000.00		47,000.00
b) Less: Depreciation		47,000.00		47,000.00
c) Net Block			0.00	0.00
2) Investments:	4		8,948,000.00	8,948,000.00
3) Current Assets, Loans & Advances:				
b) Cash & Bank Balances	5	178,667.46		249,007.71
c) Loans & Advances	6	107,493,569.80		104,713,546.00
		107,672,237.26		104,962,553.71
Less: Current Liabilities & Provisions				
a) Liabilities	7	3,430,000.00		3,430,000.00
b) Provisions	8	0.00		22,500.00
		3,430,000.00		3,452,500.00
Net Current Assets			104,242,237.26	101,510,053.71

Per our report of even date attached 11
For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR

PLACE: MUMBAI

DATE: 2 SEP 2009



FOR HINDUSTAN APPLIANCES LIMITED

DIRECTORS

HINDUSTAN APPLIANCES LIMITED,

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH , 2009

PARTICULARS	SCH. NO.	Year Ended 31.03.2009	Year Ended 31.03.2009	Year Ended 31.03.2008
Income:		RUPEES	RUPEES	RUPEES
Income from Operations	9	4,011,676.80		4,312,580.36
			4,011,676.80	4,312,580.36
Expenditure:				
Other Expenses	10	102,145.25		339,879.00
Depreciation	3	0.00		314.20
			102,145.25	340,193.20
Net Profit Before Taxation			3,909,531.55	3,972,387.16
Less: Income Tax of Earliar Year			(32,652.00)	63,177.97
Less :Provision for Taxation			1,210,000.00	1,115,000.00
Less : Provision for Fringe Benefit Tax			0.00	1,000.00
Net profit after taxation			2,732,183.55	2,793,209.19
Carried to the Balance Sheet.				
Earing Per Share (Rupees) (Refer note no. 10 of Schedule- 11)				
Basic Earing Per Share			0.27	0.28
Diluted Earning Par Share			0.27	0.28

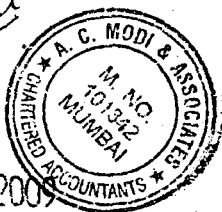
Notes to the Accounts Per Schedule 11

Per our report of even date attached.
For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR

PLACE:MUMBAI

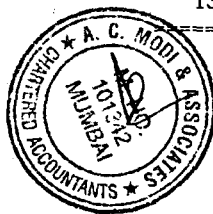
DATE: 2 SEP 2009



FOR HINDUSTAN APPLIANCES LIMITED

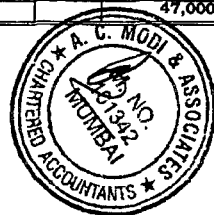
DIRECTORS

HINDUSTAN APPLIANCES LIMITED	AS AT 31.03.2009	AS AT 31.03.2008
	RUPEES	RUPEES
SCHEDULE -1- CAPITAL:		
AUTHORISED CAPITAL		
1,03,00,000 Equity Shares of Rs.10/- each. (Previous Year 1,03,00,000 Equity Shares of Rs.10/- each.)	103,000,000.00	103,000,000.00
	103,000,000.00	103,000,000.00
ISSUED, SUBSCRIBED AND PAID UP		
1,00,26,000 Equity Shares of Rs.10/- each fully Paid Up. (Previous Year 1,00,26,000 Equity Shares of Rs.10/- each fully paid up)	100,260,000.00	100,260,000.00
Less: Calls in Arrears 49600 Equity Shares of Rs.10/- Each & call of Rs.7.50 each in arrears (Previous Year: 49,600 Equity Shares of Rs.10/- Each & call of Rs.7.50 each in arrears)	372,000.00	372,000.00
	99,888,000.00	99,888,000.00
SCHEDULE -2- RESERVE & SURPLUS:		
Profit & Loss Account		
Profit & Loss Account	10,570,053.71	7,776,844.52
Add: Profit (Loss) for the Year	2,732,183.55	2,793,209.19
	13,302,237.26	10,570,053.71



HINDUSTAN APPLIANCES LIMITED
SCHEDULE 3- FIXED ASSETS:

S. NO.	PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION				NET BLOCK	
			AS ON 1/4/2008 Rs.	ADDITION (DEDUCTION) Rs.	AS ON 31/3/2009 Rs.	AS ON 1/4/2008 Rs.	DEPRECIATION ON DEDUCTION	FOR CURRENT YEAR Rs.	AS ON 31/3/2009 Rs.	AS ON 31/3/2009 Rs.	AS ON 31/3/2008 Rs.
1	COMPUTER SYSTEM	40.00%	47,000.00	0.00	47,000.00	47,000.00	0.00	0.00	47,000.00	0.00	0.00
	TOTAL		47,000.00	0.00	47,000.00	47,000.00	0.00	0.00	47,000.00	0.00	0.00
	PRVIOUS YEAR		47,000.00	0.00	47,000.00	46,685.80	0.00	314.20	47,000.00	0.00	314.20



HINDUSTAN APPLIANCES LIMITED	AS AT 31.03.2009	AS AT 31.03.2008
	RUPEES	RUPEES
SCHEDULE -4 INVESTMENT(AT COST)		
(1) QUOTED, NON TRADE, LONG TERM		
8,000 Equity Shares of Rs.100/- Each of Shah Construction Ltd.(Market Value Rs.20,80,000/- Previous Year Rs.20,80,000/-)	800,000.00	800,000.00
73,000 Equity Shares of Rs.10/- Each of Classic Electricals Limited. (Market Value Rs.11,82,600/- Previous Year Rs.11,82,600/-)	219,000.00	219,000.00
686,000 Equity Shares of Rs.10/- Each of Bharat Parental Limited. (Market Value Rs.37,38,700/- Previous Year Rs.37,38,700/-)	6,172,000.00	6,172,000.00
49,000 Equity Shares of Rs.10/- Each of Shikhar Leasing & Trading Ltd. (Market Value Rs.1,47,000/- Previous Year Rs.147,000/-)	147,000.00	147,000.00
(2) UNQUOTED, NON TRADE, LONG TERM		
6,10,000 Equity Shares of Rs.10/- Each of Kalpana Lamps & Components Limited	610,000.00	610,000.00
(3) INVESTMENT IN SUBSIDIARY COMPANIES		
UNQUOTED, NON TRADE, LONG TERM		
5000 Equity Shares of Rs.100/- Each of Jogindra Exports Pvt. Ltd.	500,000.00	500,000.00
5000 Equity Shares of Rs.100/- Each of Kshanika Trading Pvt. Ltd.	500,000.00	500,000.00
	8,948,000.00	8,948,000.00



HINDUSTAN APPLIANCES LIMITED	AS AT 31.03.2009	AS AT 31.03.2008
	RUPEES	RUPEES
SCHEDULE -5- CASH & BANK BALANCE:		
Cash on hand	0.00	6,240.25
Balances With Schedule Banks in - Current Accounts	178,667.46	242,767.46
	178,667.46	249,007.71
SCHEDULE -6- LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Loans to Subsidiaries	77,126,000.00	48,931,000.00
Loans to Body Corporates	29,486,665.80	54,861,686.00
Advances recoverable in cash or in kind or for value to be received.	880,904.00	920,860.00
	107,493,569.80	104,713,546.00
SCHEDULE -7- CURRENT LIABILITIES:		
other Liabilities	3,430,000.00	3,430,000.00
	3,430,000.00	3,430,000.00
SCHEDULE -8- PROVISIONS:		
Out Standing Liabilities	0.00	22,500.00
	0.00	22,500.00
SCHEDULE -9- INCOME FROM OPERATIONS:		
Interest received (T.D.S.Rs. 903,320/- Previous Year Rs.: 856,045/-)	4,004,845.80	3,788,390.00
Dividend Income	0.00	524,190.36
Interest received on I.T. Refund	6,831.00	0.00
	4,011,676.80	4,312,580.36
SCHEDULE -10- OTHER EXPENSES:		
Audit Fees	50,000.00	10,000.00
Bank Charges	300.00	349.00
Electric power	0.00	9,733.00
Donation u/s 80G	0.00	300,000.00
Legal & professional Charges	10,000.00	5,000.00
Listing fee	30,000.00	0.00
Miscellaneous expenses	7,240.25	0.00
Postage & Telephone Expenses	0.00	3,759.00
Rates & Taxes	4,605.00	5,000.00
Advertisement Exp.	0.00	6,038.00
	92,145.25	339,879.00



HINDUSTAN APPLIANCES LIMITED

SCHEDULE- 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

1) BASIS OF OF ACCOUNTING:

- (i) The Consolidated Financial Statements have been prepared on the historical cost basis and on the accounting principles of a going concern.
- (ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- (iii) All income and expenditure items having a material bearing on the financial statements are generally recognised on accrual basis, material known liabilities are provided for on the basis of available information/ estimation, however certain claims and income which are not ascertainable/ acknowledged by customers are not taken into accounts.

2) USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) REVENUE RECOGNITION:

Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

Revenue in respect of Insurance / Other Claims, etc., is recognized only when it is admitted by the insurance / other authorities and there is reasonable certainty that the ultimate collection will be made.

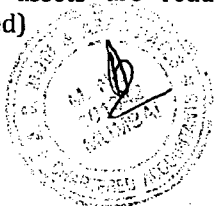
4) FIXED ASSETS:

Intangible Assets:

Computer software purchased by the company is amortised over a period of 3 years.

Valuation of Tangible Fixed Assets

Fixed Assets are valued at cost of acquisition or construction inclusive of duties (net of cenvat/Vat), taxes, incidental expenses, erecting expenses & interest cost etc. upto the date asset is put / ready to use. They are stated at historical costs or other amounts substituted for historical costs. Cenvat/Vat credit availed on purchase of fixed assets are reduced from the purchase cost of Fixed Assets.(whenever and wherever required)



5) METHOD OF DEPRECIATION

Depreciation on fixed assets is provided on the written down value of the assets at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Assets below Rs.5000/- are depreciated @100% in the year of purchase.

6) VALUATION OF INVESTMENTS:

Long Term Investments are shown at cost unless there is a permanent decline in value thereof, in which case, adequate provision is made in the accounts.

7) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognised but are disclosed at their estimated value in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

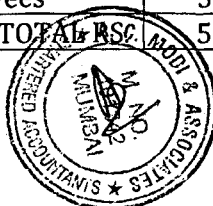
2. The Company is a Non Banking Financial Institution in terms of section 45 I (C) of the Reserve Bank of India Act, 1934. As per the last audited accounts of the Company for the year ended March 31, 2009, the financial assets of the Company are more than 50% of its total assets and income from financial assets are also more than 50% of the gross income. Thus, the company has the business of a Non – Banking Financial Company (NBFC) as its principal business and is required to be registered as an NBFC with Reserve Bank of India. The company has not applied for and obtained any such registration.
3. Additional information pursuant to provision of paragraphs 3, 4, 4C & 4D of part II of Schedule VI of the companies Act, 1956 is given to the extent applicable.
4. "The Micro , Small and Medium Enterprises Development Act, 2006" has come in to force from October 2, 2006 which has repealed the provisions of Interest on delayed payment to small scale and ancillary Industrial undertaking Act ,1993

The Company is in communication with its suppliers to ascertain the applicability of this Act. As on the date of this Balance sheet, the company has not received any communications from any of its suppliers regarding the applicability of this Act to them. This has been relied upon by the Auditors.

5. The Company is having one business segment i.e. Leasing & Finance Activities and Hence Segment reporting is not applicable to the company.

6. AUDITOR'S REMUNERATION

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Audit fees & Tax Audit Fees	50,000.00	10,000.00
TOTAL	50,000.00	10,000.00



7. Balances of Loans and advances, Current Liabilities and other liabilities are subject to confirmation, reconciliation and adjustments, if any and are stated at their recoverable value.
8. Expenditure incurred on employees who were in receipts of remuneration in the aggregate at the rate not less than Rs.24,00,000/- per year or Rs. 2,00,000/- per month for any period Rs. Nil.
9. Managerial remuneration under section 198 of the Companies Act, 1956 to a director is as follows:

	Particulars	2008-2009	2007-2008
(a)	Salary & Allowances	NIL	NIL
(b)	Commission	NIL	NIL

The Computation of profit u/s.309(5) of the companies Act,1956 has not been given as no commission is payable to Directors.

10. EARNING PER SHARE (EPS)

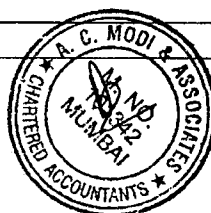
PARTICULARS	31.03.2009	31.03.2008
As per Profit And Loss account.	27,32,184	27,93,209
No. of Equity Shares	1,00,26,000	1,00,26,000
Earning per Share (Rs.)	0.27	0.28
Diluted Earning per Share (Rs.)	0.27	0.28

11. C.I F. value of import: Rs. Nil (Previous year Nil)
12. Expenditure in Foreign currency: Rs. Nil (previous year Nil)
13. Remittance in Foreign currency: Rs. Nil (previous year Nil)
14. FOB value of goods exported : Rs. Nil (previous year Nil)
15. Previous year's figures have been regrouped, recast and reclassified wherever necessary to make them comparable with the figures of current years.
16. Related party disclosure in accordance with the Accounting Standard 18-issued by the Institute of chartered Accountants of India.

A) RELATIONSHIP:

SUBSIDIARY COMPANIES:	
Jogindra Exports Limited	Subsidiary
Kshnika Trading Limited	Subsidiary

ASSOCIATED COMPANIES	
Anchor Leasing Pvt.Ltd.	



KEY MANAGERIAL PERSONNEL & THEIR RELATIVES	
Shri Kantilal Samji Maroo	Director
Shri Mehul Jadavji Shah	Director
Shri Sanjay A. Desai	Director
Shri Hitesh R. Karia	Director
Shri Ravindra Kanji Mytra	Director

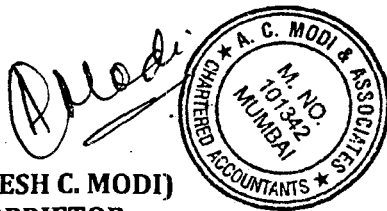
Note : related party relationship is as identified by the company and relied upon by the auditor.

The following transactions were carried out with the related parties in the ordinary course of business.

Name of the related parties with whom the transaction have been made	Description of relationship with the party	Nature of transaction	Amount paid/ (Refund) For 2008-2009	Amount paid For 2007-2008	Amount out standing as on 31.03.2009	Amount out standing as on 31.03.2008
Jogindra Exports Ltd.	Subsidiary	Loan	2,51,00,000/-	65,50,000/-	5,87,20,000/-	3,36,20,000/-
Kshnika Trading Ltd.	Subsidiary	Loan	30,95,000	NIL	1,84,06,000/-	1,53,11,000/-
Anchor Leasing Private Ltd	Associate Company	Loan	(248,63,821)	543,50,487	2,94,86,666/-	543,50,487/-

Per our Report of even date attached.

For A. C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS



(ALPESH C. MODI)
PROPRIETOR
Membership No.101342

For HINDUSTAN APPLIANCES LIMITED.

DIRECTORS

PLACE : MUMBAI
DATED : 2ND, September, 2009.

Additional Information pursuant to Part-IV of schedule-VI of the Companies Act,1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(1) REGISTRATION DETAILS		34857
STATE CODE		11
BALANCE SHEET DATE		31.3.2009
(2) CAPITAL RAISED DURING THE YEAR		
PUBLIC ISSUE		NIL
BONUS ISSUE		NIL
RIGHT ISSUE		NIL
PRIVATE PLACEMENT		NIL
(3) POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)		
TOTAL LIABILITIES		1,13,190.24
TOTAL ASSETS		1,13,190.24
SOURCES OF FUNDS:		
PAID UP CAPITAL		99,888.00
RESERVE AND SURPLUS		13,302.24
APPLICATION OF FUNDS :		
INVESTMENT		8,948.00
NET CURRENT ASSETS & ADVANCES		1,04,242.24
(4) PERFORMANCE OF COMPANY (Amount in Rupees Thousands)		
TURNOVER (GROSS INCOME)		4,011.68
TOTAL EXPENDITURE		102.15
PROFIT /(LOSS) BEFORE TAX		3,909.53
PROFIT(LOSS) AFTER TAX		2,732.18
EARNING PER SHARE IN RUPEES		0.27 (Face Value Rs.10/-)
DIVIDEND RATE		NIL per shares
(5) GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY		----N.A.----

For HINDUSTAN APPLIANCES LIMITED.


DIRECTORS

PLACE : MUMBAI

DATED : 2 SEP 2009

**HINDUSTAN APPLIANCES LIMITED,
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(RS. IN '000)

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<u>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</u>		
Net Profit Before Tax & Extra ordinary Items	3,909.53	3,972.39
Adjustment for:		
a) Depreciation Charges	0.00	0.31
	0.00	0.31
<u>Operating Profit Before working capital changes</u>	3,909.53	3,972.70
Adjustment for:		
a) Trade & Other receivables	0.00	62,500.00
b) Trade Payables & Other Liabilities	(22.50)	(3,552.05)
c) Loans & Advances	(2,780.02)	(61,464.05)
	(2,802.52)	(2,516.10)
<u>Cash flow before extra-ordinary items</u>	1,107.01	1,456.60
Less: Income Tax Paid	1,210.00	1,177.05
Less: Income Tax Of Earlier Year	(32.65)	63.18
Less: FREINGE BENEFIT TAX PAID	0.00	1.00
Net Cash from operating Activities (A)	(70.34)	215.37
<u>B) Cash flow from Investing Activities</u>		
	0.00	0.00
Net Cash used in investing activities (B)	0.00	0.00
<u>C) Cash Flow from Financing Activities</u>		
	0.00	0.00
Net Cash from financing Activities (C)	0.00	0.00
Net increase in cash and cash equivalent (A+B+C)	(70.34)	215.37
Cash and cash equivalent at the begining	249.01	33.64
Cash and cash equivalent at the end	178.67	249.01

During the year the company ordinary activity is Financing activity and hence the same is consid as opearational activity in the financial statement and also in Cash flow statement.

FOR HINDUSTAN APPLIANCES LIMITED.

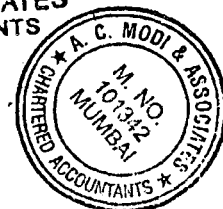
DIRECTOR.

DATED: 2ND SEPTEMBER, 2009

PLACE : MUMBAI

For A. C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR



Hindustan Appliances Limited
5, Sunbeam Chambers,
Opp. Liberty Cinema,
New Marine Lines,
Mumbai-400 020.

ATTENDANCE SLIP

Name & Address of the Shareholder
(in Block Letter)

No. of Shares held :

Name of Proxy :
(if applicable)

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held on Wednesday the 30th September, 2009 at 11.00 A.M. at the Registered Office of the Company at 5, Sunbeam Chambers, Opp. Liberty Cinema, New Marine lines, Mumbai-400 020.

Signature of Shareholder/Proxy

Hindustan appliances Limited
5, Sunbeam Chambers,
Opp. Liberty Cinema,
New Marine lines,
Mumbai-400 020.

PROXY FORM

Dated:

I/We of ofof failing him..... ofto vote for me/us, and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday , 30th September, 2009 and any adjournment thereof. As WITNESS my/our hand this day of 2009 Signed by the said

Folio No.....

No. of Shares held

1Rupee
Revenue
Stamp.

Signature.....

Note : This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting..

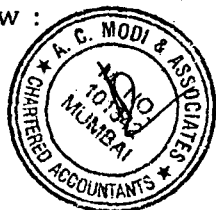
MR. ALPESH C. MODI,
B.COM. F.C.A.

A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.

6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL. (022) 2888 8790.

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HINDUSTAN APPLIANCES LIMITED
MUMBAI ON THE CONSOLIDATED FINANCIAL STATEMENT INCLUDING ITS SUBSIDIARIES FOR
THE YEAR ENDED 31ST MARCH, 2009**

- 1) We have audited the attached **Consolidated Balance Sheet** as at 31st March, 2009, **consolidated profit & Loss** accounts for the year ended on that date ("Consolidated Financial Statements") and **consolidated cash flow statement** for the year then ended of **Hindustan Appliances Limited** and its subsidiary Companies. These financial Statements are the responsibility of the **Hindustan Appliances Limited's** management. our Responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We have not audited the financial statements of any of the subsidiaries viz. (a) Jogindra Exports Limited and (b) Kshnika Trading Limited. These financial statements have been audited by other auditor whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.
- 4) We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of accounting standard (AS) 21, consolidated Financial statements, issued by the institute of Chartered Accountants of India and on the basis of separate audited financial statements of Hindustan Appliances Limited and its subsidiaries included in the consolidated financial statement after incorporating changes to the extent they were material and identifiable from the audited accounts of each of its Subsidiaries.
- 5) Subject to foregoing and on consideration of separe Audit report on Individual Audited financial statements of Hindustan Appliance's Limited and its subsidiaries, In our opinion and to the best of information and according to the explanations given to us, the consolidated Financial Statements read together with the notes thereon, give a true and fair view :



.....2.....

**MR. ALPESH C. MODI ,
B.COM. F.C.A.**


**A.C. MODI & ASSOCIATES,
CHARTERED ACCOUNTANTS.**

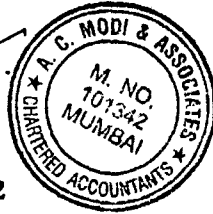
6, RUXMANI NIWAS, OPP. AJANTA HOTEL, DAFTARY ROAD, MALAD (E), MUMBAI 400097 TEL.(022)2888 8790.

....2.....

- a. In the case of consolidated Balance Sheet, of the state of affairs of Hindustan appliances Limited and its subsidiary Companies as at 31st March, 2009 ,
- b. In the case of the consolidated Profit & Loss Account of the Profit of Hindustan appliances Limited and its subsidiary Companies for the year ended on that date
- c. In the case of the consolidated cash flows of Hindustan appliances Limited and its subsidiary Companies for the year ended on that date.

**FOR A.C. MODI & ASSOCIATES.
CHARTERED ACCOUNTANTS.**


**(ALPESH C. MODI)
PROPRIETOR
Membership No.101342**



**PLACE: MUMBAI
DATED: 2ND, September, 2009**

HINDUSTAN APPLIANCES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

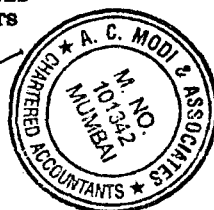
PARTICULARS	SCH. NO.	AS AT 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
I. SOURCES OF FUND		RUPEES	RUPEES	RUPEES
1) Shareholders Fund:				
a) Capital	1	99,888,000.00		99,888,000.00
b) Reserves & Surplus	2	13,259,232.26		10,536,023.71
			113,147,232.26	110,424,023.71
2) Unsecured Loans	3		0.00	5,200,000.00
		Total Rs.	113,147,232.26	115,624,023.71
II. APPLICATION OF FUNDS:				
1) Fixed Assets:	4			
a) Gross Block		18,887,673.00		15,823,533.00
b) Less: Depreciation		47,000.00		47,000.00
c) Net Block			18,840,673.00	15,776,533.00
2) Investments:	5		7,948,000.00	7,948,000.00
3) Current Assets, Loans & Advances:				
a) Project Account	6	36,494,180.20		34,207,585.29
b) Cash & Bank Balances	7	543,465.26		399,529.42
c) Loans & Advances	8	52,867,569.80		60,782,546.00
		89,905,215.26		95,389,660.71
Less: Current Liabilities & Provisions				
a) Liabilities	9	3,509,346.00		3,474,850.00
b) Provisions	10	41,400.00		23,500.00
		3,550,746.00		3,498,350.00
Net Current Assets			86,354,469.26	91,891,310.71
4) Miscellaneous expenditure (To the extent not written off or adjusted)	11		4,090.00	8,180.00
		Total Rs.	113,147,232.26	115,624,023.71
Notes to the Accounts Per Schedule-	14			

Per our report of even date attached.
For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR

PLACE: MUMBAI

DATE: 2 SEP 2009



FOR HINDUSTAN APPLIANCES LIMITED

[Signature]
DIRECTORS

HINDUSTAN APPLIANCES LIMITED,

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH , 2009

PARTICULARS	SCH. NO.	Year Ended 31.03.2009	Year Ended 31.03.2009	Year Ended 31.03.2008
Income:		RUPEES	RUPEES	RUPEES
Income from Operations	12	4,011,676.80		4,312,580.36
			4,011,676.80	4,312,580.36
Expenditure:				
Other Expenses	13	111,120.25		342,079.00
Depreciation	4	0.00		314.20
			111,120.25	342,393.20
Net Profit Before Taxation			3,900,556.55	3,970,187.16
Less: Income Tax of Earlier Year			(32,652.00)	63,177.97
Less : Provision for Taxation			1,210,000.00	1,115,000.00
Less : Provision for Fringe Benefit Tax			0.00	1,000.00
Net profit after taxation			2,723,208.55	2,791,009.19
Carried to the Balance Sheet.				
Earing Per Share (Rupees) (Refer note no. 7 of Schedule- 14)				
Basic Earing Per Share			0.27	0.28
Diluted Earning Par Share			0.27	0.28

Notes to the Accounts Per Schedule-

14

Per our report of even date attached.

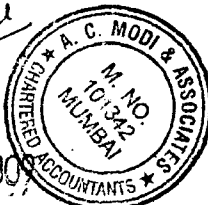
For A.C. MODI & ASSOCIATES

CHARTERED ACCOUNTANTS

(ALPESH C. MODI)
PROPRIETOR

PLACE:MUMBAI

DATE: 2 SEP 2009



FOR HINDUSTAN APPLIANCES LIMITED

DIRECTORS

CONSOLIDATED SCHEDULES FORMING PART OF FINANCIAL STATEMENT.**HINDUSTAN APPLIANCES LIMITED****AS AT
31.03.2009****AS AT
31.03.2008****RUPEES****RUPEES****SCHEDULE -1- CAPITAL:****AUTHORISED CAPITAL**1,03,00,000 Equity Shares of Rs.10/- each.
(Previous Year 1,03,00,000 Equity Shares of
Rs.10/- each.)

103,000,000.00

103,000,000.00

103,000,000.00

103,000,000.00

ISSUED, SUBSCRIBED AND PAID UP1,00,26,000 Equity Shares of Rs.10/-
each fully Paid Up. (Previous Year
1,00,26,000 Equity Shares of Rs.10/-
each fully paid up)

100,260,000.00

100,260,000.00

Less: Calls in Arrears
49600 Equity Shares of Rs.10/- Each &
call of Rs.7.50 each in arrears
(Previous Year: 49,600 Equity Shares of
Rs.10/- Each & call of Rs.7.50 each in
arrears)

372,000.00

372,000.00

99,888,000.00

99,888,000.00

SCHEDULE -2- RESERVE & SURPLUS:**Profit & Loss Account**

Profit & Loss Account

10,536,023.71

7,745,014.52

Add: Profit (Loss) During The Year

2,723,208.55

2,791,009.19

13,259,232.26

10,536,023.71

SCHEDULE-3 : UNSECURED LOANS**(i) Unsecured Loans**

From Corporate bodies

5,200,000.00

0.00

5,200,000.00

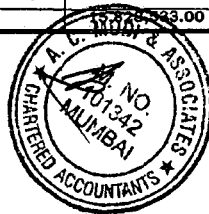


HINDUSTAN APPLIANCES LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF FINANCIAL STATEMENT.

SCHEDULE 4- FIXED ASSETS:

S. NO.	PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			AS ON 1/4/2008 Rs.	ADDITION (DEDUCTION) Rs.	AS ON 31/3/2009 Rs.	AS ON 1/4/2008 Rs.	DEPRECIATION ON DEDUCTION	FOR CURRENT YEAR Rs.	AS ON 31/3/2009 Rs.	AS ON 31/3/2009 Rs.	AS ON 31/3/2008 Rs.
1	COMPUTER SYSTEM	40.00%	47,000.00	0.00	47,000.00	47,000.00	0.00	0.00	47,000.00	0.00	0.00
2	FLAT AT SAIDALE (under Constructions)	0.00%	15,776,533.00	3,064,140.00	18,840,673.00	0.00	0.00	0.00	0.00	18,840,673.00	15,776,533.00
	TOTAL		15,823,533.00	3,064,140.00	18,887,673.00	47,000.00	0.00	0.00	47,000.00	18,840,673.00	15,776,533.00
	PRVIOUS YEAR			0.00	15,823,533.00	46,685.80	0.00	314.20	47,000.00	15,776,533.00	15,776,847.20



SCHEDULE -5 INVESTMENT(AT COST)**(1) QUOTED, NON TRADE, LONG TERM**

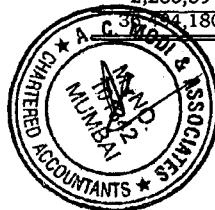
8,000 Equity Shares of Rs.100/- Each of Shah Construction Ltd.(Market Value Rs.20,80,000/- Previous Year Rs.20,80,000/-)	800,000.00	800,000.00
73,000 Equity Shares of Rs.10/- Each of Classic Electricals Limited. (Market Value Rs.11,82,600/- Previous Year Rs.11,82,600/-)	219,000.00	219,000.00
686,000 Equity Shares of Rs.10/- Each of Bharat Parental Limited. (Market Value Rs.37,38,700/- Previous Year Rs.37,38,700/-)	6,172,000.00	6,172,000.00
49,000 Equity Shares of Rs.10/- Each of Shikhar Leasing & Trading Ltd. (Market Value Rs.1,47,000/- Previous Year Rs.147,000/-)	147,000.00	147,000.00

(2) UNQUOTED, NON TRADE, LONG TERM

6,10,000 Equity Shares of Rs.10/- Each of Kalpana Lamps & Components Limited	610,000.00	610,000.00
	7,948,000.00	7,948,000.00

SCHEDULE- 6 : PROJECT ACCOUNT.

OPENING BALANCE.	34,207,585.29	33,433,014.29
ADD. : EXPENSES FOR THE PROJECT		
Construction Expenses		
Audit Fees	500.00	500.00
Bank Charges	746.00	900.00
Security Charges	425,616.40	396,730.00
Interest	0.00	27,279.00
Staff Welfare	50,889.00	0.00
Building Material	696,342.00	0.00
B.M.C. Charges	0.00	108,484.00
Electric Exp.	74,230.00	29,222.00
Labour Charges	111,250.00	0.00
Rates & Taxes	125,270.00	1,500.00
Telephone Charges	6,247.51	10,626.00
Professional fees	561,800.00	145,380.00
Conveyance Exp.	10,627.00	2,175.00
Sundry Exp.	67,410.00	24,775.00
Salary, Bonus & Wages	155,667.00	27,000.00
	2,286,594.91	774,571.00
	36,494,180.20	34,207,585.29



SCHEDULE -7- CASH & BANK BALANCE:

Cash on hand	9,698.49	90,189.25
Balances With Schedule Banks in - In Current Accounts	533,766.77	309,340.17
	543,465.26	399,529.42

SCHEDULE -8- LOANS AND ADVANCES:**(Unsecured, Considered good)**

Loans to Body Corporates	29,486,665.80	54,861,686.00
Advances recoverable in cash or in kind or for value to be received.	23,380,904.00	5,920,860.00
	52,867,569.80	60,782,546.00

SCHEDULE -9- CURRENT LIABILITIES:

Sundry Creditors	79,346.00	44,850.00
Other Liabilities	3,430,000.00	3,430,000.00
	3,509,346.00	3,474,850.00

SCHEDULE -10- PROVISIONS:

Audit Fees Payable	1,000.00	23,500.00
T.D.S. Payable	1,400.00	0.00
Salary Payable	39,000.00	0.00
	41,400.00	23,500.00

SCHEDULE-11 MISCELLENIOUS EXPENDITURE:

(To the extent not written off or adjusted)

Preliminary Expenses	8,180.00	8,180.00
Less: Written off during the year	4,090.00	-
	4,090.00	8,180.00

SCHEDULE -12- INCOME FROM OPERATIONS:

Interest received (T.D.S.Rs. 903,320/- Previous Year Rs.: 856,045/-)	4,004,845.80	3,788,390.00
Dividend Income	0.00	524,190.36
Interest received on I.T. Refund	6,831.00	0.00
	4,011,676.80	4,312,580.36

SCHEDULE -13- OTHER EXPENSES:

Audit Fees	50,500.00	10,500.00
Bank Charges	365.00	549.00
Electric power	0.00	9,733.00
Donation u/s 80G	0.00	300,000.00
Legal & professional Charges	* 10,000.00	5,000.00
Listing fee	30,000.00	0.00
Miscellaneous expenses	8,770.25	0.00
Postage & Telephone Expenses	0.00	3,759.00
Rates & Taxes	7,395.00	6,500.00
Advertisement Exp.	0.00	6,038.00
Preliminary Exp. W/off	4,090.00	-
	111,120.25	342,079.00



HINDUSTAN APPLIANCES LIMITED (CONSOLIDATED)

SCHEDULE- 14

NOTES ON THE CONSOLIDATED ACCOUNTS:

A. : SIGNIFICANT ACCOUNTING POLICIES

1) PRINCIPLES OF CONSOLIDATION:

a) The Consolidated Financial Statements comprise the financial statement of Hindustan Appliances Limited (hereinafter referred to as the holding company) and its subsidiary companies. The list of the subsidiary companies considered for consolidation together with the proportion of share holding by the group is as follows.:

Name of subsidiary	Country of Incorporation	% of Group Holding
Jogindra Exports Limited	India	100%
Kshnika Trading Limited	India	100%

b) The Financial Statements of each of the subsidiaries drawn up to the same reporting date viz. year ended on 31st March, 2009 have been used for the purpose of consolidation.

c) The Consolidated Financial Statements have been prepared in the same format as adopted by the holding company to the extent possible, required by accounting standard (AS) 21, Consolidated Financial Statements, issued by the institute of Chartered Accountants of India.

d) Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited accounts to make them uniform with the accounting policies followed by the holding company.

2) BASIS OF OF ACCOUNTING :

The Consolidated Financial Statements have been prepared on the historical cost basis and on the accounting principles of a going concern.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

All income and expenditure items having a material bearing on the financial statements are generally recognised on accrual basis, material known liabilities are provided for on the basis of available information/ estimation, however certain claims and income which are not ascertainable/ acknowledged by customers are not taken into accounts.

3) USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and



expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

4) REVENUE RECOGNITION:

Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

Revenue in respect of Insurance / Other Claims, etc., is recognized only when it is admitted by the insurance / other authorities and there is reasonable certainty that the ultimate collection will be made.

In respect of Real Estate Development activity, the company is following Project completion method of accounting for revenue recognition in order to depict the reasonable picture of the project. Revenue is recognized when Project is completed, Occupancy Certificate (OC) is obtained from the Municipal authority and possession along with risk and reward in the property is transferred to the prospective buyer.

5) WORK IN PROGRESS :

In respect of Real Estate Development activity of the company, the work in progress consists of the cost of materials, labour charges and other incidental expenses for the project till the date of the Balance sheet.

In view of the project completion method of accounting followed by the company, work in progress along with the booking amount received carried forward to subsequent year.

6) FIXED ASSETS:

Intangible Assets:

Computer software purchased by the company is amortised over a period of 3 years.

Valuation of Tangible Fixed Assets

Fixed Assets are valued at cost of acquisition or construction inclusive of duties (net of cenvat/Vat), taxes, incidental expenses, erecting expenses & interest cost etc. upto the date asset is put / ready to use. They are stated at historical costs or other amounts substituted for historical costs. Cenvat/Vat credit availed on purchase of fixed assets are reduced from the purchase cost of Fixed Assets.(whenever and wherever required)

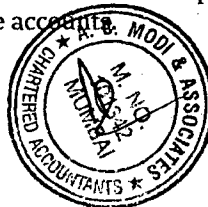
7) METHOD OF DEPRECIATION

Depreciation on fixed assets is provided on the written down value of the assets at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Assets below Rs.5000/- are depreciated @100% in the year of purchase.

8) VALUATION OF INVESTMENTS:

Long Term Investments are shown at cost unless there is a permanent decline in value thereof, in which case, adequate provision is made in the accounts.



9) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognised but are disclosed at their estimated value in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

10) VALUATION OF INVENTORIES

Construction work in progress includes cost of land, premium for development right, interest and expenses incidental to the projects undertaken by the company.

B. NOTES FORMING PART OF ACCOUNTS

1. SEGMENT REPORTING POLICIES : Disclosures pursuant to the requirements of accounting standards:

Disclosures as per AS 17 " Segment reporting" issued by institute of chartered Accountants of India.

(a) Segment information:

Composition of business segments: The business segments have been identified taking in to consideration:

1. The Nature of the Product.
2. The Differential risks and returns of the segments.
3. The organisation structure.
4. The Internal Financial Reporting systems.

Business Segments:

- Leasing and Finance Activity
- Construction Activity

(b) Inter segment transfer pricing:

Inter segment prices are normally negotiated amongst the segment with reference to the cost, market prices and business risks, within an overall optimization objective.

(c) Basis for allocating revenues and expenses to the segments.

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relates to the enterprise as a whole and are not allocable to segment on the reasonable basis, have been included under "Unallocable Expenses" and or "Unallocable Income".

As per Annexure -I

2. Previous year's figures have been regrouped, recast and reclassified wherever necessary to make them comparable with the figures of current year.



3. EARNING PER SHARE (EPS)

PARTICULARS	31.03.2009	31.03.2008
As per Profit And Loss account	27,23,208	27,91,009
No. of Equity Shares	1,00,36,000	1,00,36,000
Earning per Share (Rs.)	0.27	0.28
Diluted Earning per Share (Rs.)	0.27	0.28

4. Related party disclosure in accordance with the Accounting Standard 18-issued by the Institute of chartered Accountants of India.

1) Relationships:

Associate Parties:

Anchor Leasing Private Limited

2) Key Managerial Personnel :

Shri Kantilal Samji Maroo	Director
Shri Mehul Jadavji Shah	Director
Shri Sanjay A. Desai	Director
Shri Hitesh R. Karia	Director
Shri Ravindra Kanji Mytra	Director

3) RELATIVES: Relative of key managerial personnel and their enterprises where transaction have been taken place.

Nil

Note : related party relationship is as identified by the company and relied upon by the auditor.

The following transactions were carried out with the related parties in the ordinary course of business.

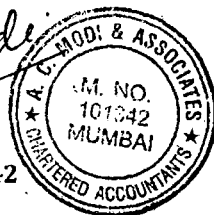
Name of the related parties with whom the transaction have been made	Description of relationship with the party	Nature of transac-tion	Amount paid for 2008-2009	Amount paid For 2007-2008	Amount out standing as on 31.03.2009	Amount out standing as on 31.03.2008
Anchor Leasing Private Ltd	Associate Company	Loan	(248,63,821)	543,50,487	2,94,86,666/-	543,50,487/-

Per our Report of even date attached.

For A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

For HINDUSTAN APPLIANCES LIMITED.

(ALPESH C. MODI)
PROPRIETOR
Membership No.101342
PLACE : MUMBAI
DATED : 2ND, September,2009.



DIRECTORS

HINDUSTAN APPLIANCES LIMITED
SEGMENT REPORTING

ACCOUNTING YEAR 2008-2009

Annexure - I

PARTICULARS	Financing Activities	Real Estate Development	Unallocable Items	TOTAL
Segment Revenue	4,011,677	-	-	4,011,677
(Income from Operations)	-	-	-	
Segment Results				
Profit/(Loss) before Interest & Tax	3,909,532	-	(8,975)	3,900,557
Total Profit/(loss) before tax	3,909,532	-	(8,975)	3,900,557
Less: Tax expenses and Earlier year adjustments	1,177,348			1,177,348
Net Profit after Tax	2,732,184	-	(8,975)	2,723,209
Assets				
Segment Assets	30,546,237	59,321,599	26,826,052	116,693,888
Unallocated Assets			4,090	4,090
Total Assets	30,546,237	59,321,599	26,830,142	116,697,978
Liabilities				
Segment Liabilities	3,430,000	120,246	500	3,550,746
Unallocated Liabilities				
Total Liabilities	3,430,000	120,246	500	3,550,746
Others				
Capital Expenditure Incurred during the year (Including Capital Work in Progress)	-	3,064,140	-	3,064,140
Unallocated Capital expenditure				
Total	-	3,064,140	-	3,064,140
Depreciation	-	-	-	-
Unallocated Corporate Depreciation	-	-	-	-
Total				

Note: Segment information

1. Primary segment reporting (by business segments)
2. Composition of business segments.

Segment	Products covered
a) Financing Activity	Financing and Leasing Business
b) Real Estate Development	Real Estate Development

3 Secondary Segment information

The company caters mainly to the needs of Indian markets and there is no export turnover and hence geographical segment is not given.

As per our report of our even date
For A.C.Modi & Associates
Chartered Accountants

Alpesh C. Modi
Proprietor

Mumbai
Dated:

2 SEP 2009



For Hindustan Appliances Limited

Director

HINDUSTAN APPLIANCES LIMITED,
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
(RS. IN '000)

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<u>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</u>		
Net Profit Before Tax & Extra ordinary Items	3,900.56	3,970.19
Adjustment for:		
a) Depreciation Charges	0.00	0.31
b) Miscellaneous Expenses W/off	4.09	0.00
c) rent Income	0.00	0.00
	4.09	0.31
<u>Operating Profit Before working capital changes</u>	3,904.65	3,970.50
Adjustment for:		
a) Trade & Other receivables	0.00	62,500.00
b) Trade Payables & Other Liabilities	52.40	(8,790.21)
c) Loans & Advances	7,914.99	(59,914.05)
d) Inventories for Construction WIP	(2,286.59)	(774.56)
	5,680.79	(6,978.82)
<u>Cash flow before extra-ordinary items</u>	9,585.43	(3,008.32)
Less: Income Tax Paid	1,210.00	1,177.05
Less: Income Tax Of Earlier Year	(32.65)	63.18
Less: FREINGE BENEFIT TAX PAID	0.00	1.00
Net Cash from operating Activities (A)	8,408.09	(4,249.55)
<u>B) Cash flow from Investing Activities</u>		
a) Acquisition of Fixed Assets	(3,064.14)	0.00
	(3,064.14)	0.00
Net Cash used in investing activities (B)	(3,064.14)	0.00
<u>C) Cash Flow from Financing Activities</u>		
a) Rent income	0.00	0.00
b) Interest Income	0.00	0.00
c) Unsecured Loans Received/Paid	(5,200.00)	4,563.97
	(5,200.00)	4,563.97
Net Cash from financing Activities (C)	(5,200.00)	4,563.97
Net increase in cash and cash equivalent (A+B+C)	143.95	314.42
Cash and cash equivalent at the begining	399.52	85.10
Cash and cash equivalent at the end	543.47	399.52

During the year the company ordinary activity is Financing activity and hence the same is considered as operational activity in the financial statement and also in Cash flow statement.

FOR HINDUSTAN APPLIANCES LIMITED.

DIRECTOR:

DATED: 2ND SEPTEMBER, 2009.

PLACE : MUMBAI

For A. C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

(ALRESH C. MODI)
PROPRIETOR

