

HINDUSTAN APPLIANCES LIMITED

=====

ANNUAL REPORT 2013-2014

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DIRECTORS:-

MR. MEHUL J. SHAH
MR. SANJAY A. DESAI
MR. RAVINDRA K. MYTRA
MR. SUNIL HIRJI SHAH
MR. KALPESH RAMESH SHAH

REGISTERED OFFICE:-

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

AUDITORS

M/s. A.C. MODI & ASSOCIATES
Chartered Accountants

BANKERS

Bank of India

HINDUSTAN APPLIANCES LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of HINDUSTAN APPLIANCES LIMITED will be held at the Registered Office of the Company at 1301, 13th Floor, Peninsula Business Park, Tower B, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013 on Tuesday the 30th September, 2014 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statement of the Company for the financial year ended 31st March, 2014 and the Reports of the Board of Directors and Auditors thereon
2. To appoint Director in place of Mr. Sanjay A Desai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Mehul J Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. A.C. Modi & Associates, Chartered Accountants (Registration no 116555W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company”.

SPECIAL BUSINESS:

5. **To accord consent to the Board of Directors to borrow and to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors to borrow any sums or sums of money from time to time, with or without security and on such terms and conditions as the Board may think fit notwithstanding that the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs 100 Crores (Rupees One hundred Crores Only).

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary, expedient and usual to give effect to this resolution”.

6. **To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft articles contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

7. **To appoint Mr.Ravindra Kanji Myatra (DIN No. 00298604) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr.Ravindra Kanji Myatra (DIN No. 00298604) who was appointed as on 6th March 2007 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 consecutive years for term up to the conclusion of Annual General Meeting of the Company in the calendar year 2019”.

8. **To appoint Mr. Kalpesh Shah (DIN No. 00294115) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr.Kalpesh Shah (DIN No. 00294115)) who was appointed as on 1st October 2009 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the

Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 consecutive years for term up to the conclusion of Annual General Meeting of the Company in the calendar year 2019”.

9. To appoint Mr. Sunil H. Shah (DIN No. 02775683) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Sunil H. Shah (DIN No. 02775683)) who was appointed as on 1st October 2009 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 consecutive years for term up to the conclusion of Annual General Meeting of the Company in the calendar year 2019”.

For and on behalf of the Board



Directors

REGISTERED OFFICE:

1301, 13th Floor, Peninsula Business Park,
Tower B, Senapati Bapat Marg, Lower Parel (West),
Mumbai 400013
Dated : 30/05/2014

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before commencing of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. The register of members and transfer books of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (both days inclusive).
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating of the Special Business to be transacted at the meeting is annexed hereto.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act") IS AS UNDER:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

Item 5

Under the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of a company shall exercise power with the consent of the shareholders in the general meeting by passing special resolution for borrowing (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and s free reserves of the Company. In terms of Section 180(1)(c) of the Companies Act, 2013 it has come into effect from 1st April, 2014, the Board of Directors needs to be authorized by passing special resolution authorizing the Board of Directors to borrow any sums or sums of money from time to time, with or without security and on such terms and conditions as the Board may think fit notwithstanding that the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crores.

The Board commends the special resolution for approval of the members.

None of the directors of the Company is interested or concerned in the said resolution.

Item 6

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain preferences to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. In September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), comprises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies are notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- e) existing articles have been streamlined and aligned with the Act;
- f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusions makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.6 of the Notice.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Item 7

Mr. Ravindra Kanji Myatra (DIN No. 00298604) was appointed as an Independent Director w.e.f. 6th March 2007 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr.Ravindra Kanji Myatra as an Independent Director under section 149 of the act and Clause 49 of the Listing Agreement to hold the office for a term of 5 consecutive years up to the conclusion of Annual General Meeting of the Company in the calendar year 2019.

The Company has received notices in writing from a member alongwith the deposit of requisite amount under section 160 of the act proposing the

candidature of Mr.Ravindra Kanji Myatra for the office of the Director of the Company.

The Company has also received declaration from him that he meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and under Clause 49 of the listing agreement.

In the opinion of the Board Mr.Ravindra Kanji Myatra fulfils the conditions for appointment as Independent Director as specified in the act and the listing agreement. Mr.Ravindra Kanji Myatra is independent of the management.

Brief resume of Mr.Ravindra Kanji Myatra, nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

Copy of the draft letter of appointment of Mr.Ravindra Kanji Myatra as Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr.Ravindra Kanji Myatra is interested in the resolution set out at Item No. 7 of the notice with regard to his appointment.

The relatives of Mr.Ravindra Kanji Myatra may be deemed to be interested in the resolution set out at Item No. 7 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concern or interested, financially or otherwise in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 7 of the notice for the approval of the shareholders.

Item 8

Mr.Kalpesh Shah (DIN No. 00294115) was appointed as an Independent Director w.e.f. 1st October, 2009 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr.Kalpesh Shah as an Independent Director under section 149 of the act and Clause 49 of the Listing Agreement to hold the office for a term of 5 consecutive years up to the conclusion of Annual General Meeting of the Company in the calendar year 2019.

The Company has received notices in writing from a member alongwith the deposit of requisite amount under section 160 of the act proposing the candidature of Mr.Kalpesh Shah for the office of the Director of the Company.

The Company has also received declaration from him that he meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and under Clause 49 of the listing agreement.

In the opinion of the Board Mr.Kalpesh Shah fulfils the conditions for appointment as Independent Director as specified in the act and the listing agreement. Mr.Kalpesh Shah is independent of the management.

Brief resume of Mr.Kalpesh Shah , nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

Copy of the draft letter of appointment of Mr.Kalpesh Shah as Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr.Kalpesh Shah is interested in the resolution set out at Item No. 8 of the notice with regard to his appointment.

The relatives of Mr.Kalpesh Shah may be deemed to be interested in the resolution set out at Item No. 8 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concern or interested, financially or otherwise in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 8 of the notice for the approval of the shareholders.

Item 9

Mr.Sunil H. Shah (DIN No. 002775683) was appointed as an Independent Director w.e.f. 1st October, 2009 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr.Sunil H. Shah as an Independent Director under section 149 of the act and Clause 49 of the Listing Agreement to hold the office for a term of 5 consecutive years up to the conclusion of Annual General Meeting of the Company in the calendar year 2019.

The Company has received notices in writing from a member alongwith the deposit of requisite amount under section 160 of the act proposing the candidature of Mr.Sunil H. Shah for the office of the Director of the Company.

The Company has also received declaration from him that he meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and under Clause 49 of the listing agreement.

In the opinion of the Board Mr.Sunil H. Shah fulfils the conditions for appointment as Independent Director as specified in the act and the listing agreement. Mr.Sunil H. Shah is independent of the management.

Brief resume of Mr. Sunil H. Shah , nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

Copy of the draft letter of appointment of Mr.Sunil H Shah as Independent Director setting out the terms and conditions is available by members at the registered office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr.Sunil H. Shah is interested in the resolution set out at Item No. 9 of the notice with regard to his appointment.

The relatives of Mr.Sunil H Shah may be deemed to be interested in the resolution set out at Item No. 8 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concern or interested, financially or otherwise in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 9 of the notice for the approval of the shareholders.

FOR AND ON BEHALF OF THE BOARD.



K.R. Shah

(DIRECTOR)

REGISTERED OFFICE:-

1301, 13th Floor, Peninsula Business Park,
Tower B, Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400013
Dated : 30th May,2014
Place : Mumbai

HINDUSTAN APPLIANCES LIMITED

DIRECTORS' REPORT

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 2014.

Particulars	(Rs.in Lacs)	(Rs.in Lacs)
	Year ended 31.3.2014	Year ended 31.3.2013
Income from operation	74.70	84.24
Total	74.70	84.24
Gross Profit/ loss Before Depreciation and Taxation	72.80	81.19
Add : Income Tax of earlier year	0.00	0.01
Deduct:-		
Depreciation	0.00	0.00
Provision for taxation	22.53	25.20
Deferred tax liabilities	0.00	0.00
Net profit /(Loss) for the year	50.27	55.86

DIVIDEND:

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

OPERATION:

The Company has earned a gross total Income of Rs 74.70 lacs for the year under review against the gross total income of Rs 84.24 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.

DIRECTORS.

Mr.Sanjay A Desai and Mr Mehul J shah, Directors retire by rotation retires by rotation and being eligible offer themselves for reappointment.

PARTICULARS OF EMPLOYEES :

The company did not employ anybody drawing remuneration of Rs. 60,00,000/- or more per annum or Rs.5,00,000/-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:

- i. that in the preparation of the annual accounts for year ended 31st March, 2014 the applicable accounting standards have been followed with no departures there from;
- ii. 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, 2014 and of the profit of the Company for that year;

- iii. 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 ;
- iv. that the Directors have prepared the annual accounts for the year ended 31st March ,2014 on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on 30th May,2014 .

ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY :

The special resolution for altering the Articles of Association of the Company substituting the new Articles of Association in place of the existing Articles of Association based on Table 'F' of the Companies Act, 2013, which sets out the model Articles of Association for a company limited by shares, is proposed for the approval of the members at the ensuing Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS:

The Audited Financial Statement for the year under review ended 31st, march 2014 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

K. R. Shekhar *M. J. M. M.*

DIRECTORS

PLACE: MUMBAI,

DATED: 30th May,2014

HINDUSTAN APPLIANCES LIMITED

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, 2014	31 ST MARCH, 2014
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.4906.00)
(ii)	ii) FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARIES SINCE THEY BECOME THE HOLDING COMPANY'S SUBSIDIARIES.	Rs .Nil	(Rs7,751.00)
6	NET AGGREGATE AMOUNT OF SUBSIDIARIES' PROFIT/(LOSS) DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS	Nil	Nil
(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

K.R. Shah *Majumdar*

DIRECTORS

PLACE: MUMBAI

DATED : 30th May,2014

HINDUSTAN APPLIANCES LIMITED

CORPORATE GOVERNANCE

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 other Company's Positions Held	
		Public	Private	Member	Chairman/ Chairperson
Mr.Sanjay A. Desai	Chairman & Director	0	7	0	0
Mr.Mehul J. Shah	Non Executive Director	3	81	1	0
Mr. Ravindra Myatra	Non Executive Director independent	0	0	0	0
Mr. Sunil Hirji Shah	Non Executive Director independent	1	3	0	0
Mr. Kalpesh R. Shah	Non Executive Director independent	0	8	-0	0-

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. Sanjay A. Desai is aged 53 years. He has vast experience of over 33 years in the field of Marketing of Electricals and Electronics goods.

S.No.	Name of the Company	S.No.	Name of the Company
1	SHIKHAR LEASING & TRADING LIMITED	5	ANCHOR FANS MANUFACTURING COMPANY PVT LTD
2	TENDRIL CHEMICLAS PVT LTD	6	HINDUSTAN APPLIANCES LTD
3	AARYASIDDHI FASHION DESIGNER PVT LTD	7	R. J. LIGHTING & FIXTURES PVT LTD
4	R J PAPER MILLS PVT LTD	8	NIDHAAN BUILDCON PVT LTD

2) Mr. Mehul J. Shah is aged 43years. He has vast experience of about 27 years in the field of Marketing of Electricals and Electronics goods. He is director of following Companies:

S.No.	Name of the Company	S.No.	Name of the Company
1	HIGHWAY FINANCE AND HOLDING (BOMBAY) LIMITED	42	ANCHOR HOMES PRIVATE LIMITED
2	ANCHOR COSMETICS (INDIA) PVT LTD	43	ROMA ELECTRICALS PRIVATE LIMITED
3	ANCHOR KOPP ENTERPRISES PRIVATE LIMITED CN	44	QUICK STOCKTRADE PRIVATE LIMITED
4	GALAN REAL ESTATES P.LTD.	45	TENDRIL CHEMICALS P LTD
5	APPLE COSMETICS PRIVATE LIMITED	46	NEOLI STEELS PRIVATE LIMITED
6	APPLE PHARMACEUTICALS PRIVATE LIMITED	47	HANSIKA CONSULTANTS PRIVATE LIMITED
7	AVANTI HEALTH CARE PRIVATE LIMITED	48	GEENA ALUMINIUM PRIVATE LIMITED
8	KYORI METALS PRIVATE LIMITED	49	ATUL TRADING AND FINANCIAL SERVICES PRIVATE LIMITED
9	HINDUSTAN APPLIANCES LIMITED	50	ANCHOR COLOURS PRIVATE LIMITED
10	ANCHOR MEDICARE PRIVATE LIMITED	51	GIRNAR PLASTICS PVT LTD
11	AVE ANCHOR PRIVATE LIMITED	52	ALFA INFOSYS PRIVATE LIMITED
12	ROMA COSMETICS PRIVATE LIMITED	53	VAIDEHI FISCAL PRIVATE LIMITED
13	ANCHOR SOAP PRIVATE LIMITED	54	SCOTT REMEDIES PVT LTD
14	TRIPLE SECURITIES PRIVATE LIMITED	55	MOUNT BLANC REAL ESTATES PRIVATE LIMITED
15	GREATWHITE HARDWARE PRIVATE LIMITED	56	CLASSIC ELECTRICALS LIMITED
16	OLIVE HOLDINGS PRIVATE LIMITED	57	ANCHOR PENS AND STATIONERY PRIVATE LIMITED
17	GOOD VALUE FINANCIAL SERVICES PRIVATE LIMITED	58	ROMA WRITING INSTRUMENTS PRIVATE LIMITED

18	THIRDWAVE CONSTRUCTIONS PRIVATE LIMITED	59	HUGES REAL ESTATES DEVELOPERS PRIVATE LIMITED
19	PRANAY TELE-SYSTEMS PRIVATE LIMITED	60	KRUSHMI DEVELOPERS PRIVATE LIMITED
20	ANCHOR LEASING PRIVATE LIMITED	61	ANCHOR LANDSCAPES PRIVATE LIMITED
21	SHAH CONSTRUCTION COMPANY LIMITED	62	ANCHOR LIFESCAPES PRIVATE LIMITED
22	KSHANIKA TRADING LIMITED	63	ANCHOR ART PRIVATE LIMITED
23	DEMAG REAL ESTATES PRIVATE LIMITED	64	POPLEY BUILDCON PRIVATE LIMITED
24	NINE X REAL ESTATES DEVELOPERS PRIVATE LIMITED	65	GREAT WHITE LANDSCAPES PRIVATE LIMITED
25	EUREKA EARTH DEVELOPERS PRIVATE LIMITED.	66	COSMIC LANDSCAPES PRIVATE LIMITED
26	AKSHAR INFRATECH PRIVATE LIMITED	67	N. L. LOGISTICS PRIVATE LIMITED
27	Akshar Accommodations Private Limited	68	ARROTIC REAL ESTATE PRIVATE LIMITED
28	Akshar Land Developers Private Limited	69	TATVAM CONSTRUCTIONS PRIVATE LIMITED
29	AKSHAR INFRAPROJECTS PRIVATE LIMITED	70	ENGENIA TRADERS PVT LTD
30	ASSOCIATION OF ELECTRICALS & ELECTRONICS GOODS MANUFACTURERS	71	AKSAR SPACE PRIVATE LIMITED
31	DUPONT TRADING AND INVESTMENTS LIMITED	72	ROBUST LANDSCAPES PRIVATE LIMITED
32	ANCHOR ACCOMMODATIONS PRIVATE LIMITED	73	KOCHI CRICKET PRIVATE LIMITED
33	SECO ENGINEERS (INDIA) PVT LTD	74	ANCHOR MOTION PICTURES PRIVATE LIMITED
34	PILEATED FINVEST PRIVATE LIMITED	75	ANCHOR BUILDCON PRIVATE LIMITED
35	HARIT BARAN FINVEST PRIVATE LIMITED	76	GREAT WHITE GLOBAL PRIVATE LIMITED
36	RIDER SWITCHES PRIVATE LIMITED	77	ANCHOR ENTERPRISES PVT LTD
37	QUIET AGRO FARMS PRIVATE LIMITED	78	Anchor Realty Projects Private Limited
38	PURNIMA FILMS PRIVATE LIMITED	79	ANCHOR HOUSING PRIVATE LIMITED
39	KARAN ELECTRONICS & ELECTRICALS PRIVATE LIMITED.	80	ANCHOR PAINTS (INDIA) PRIVATE LIMITED
40	JIVITESH EXPORTS PRIVATE LIMITED	81	ANCHOR LIGHTINGS PRIVATE LIMITED
41	ANCHOR EARTH PRIVATE LIMITED	82	YASH PROCON PRIVATE LIMITED

3) Mr. Ravindra Myatra is aged 58 years . He has vast experience of over 33 years in the field of Marketing of Electricals and Electronics goods. He is not a director of any other company.

He is a member of audit committee, , shareholders committee and Remuneration Committee of the Company. He does not hold any Equity Share of the Company.

4) Mr. Sunil H. Shah, aged 46 years. He has vast experience of about 20 years in the field of Accounting and auditing. He is director of following Companies:

1) CROWN SWITCHGEARS PVT.LTD.	3) GEENA ALUMINIUM PVT LTD
2) JOGINDRA EXPORTS LIMITED.	4) BISHAKHA DIAMONDS PVT LTD.

He is a member of audit committee, shareholders committee and Remuneration Committee of the Company. He does not hold any Equity Share of the Company.

5) Mr. Kalpesh R. Shah is aged 52 years. He has vast experience of over 25 years in the field of accounting. He is director of following Companies:

1) HANIMA INVESTMENTS PVT LTD	5) ARIANA SOFTECH PVT LTD
2) KALINDI PROPERTIES PVT LTD	6) AVANTI KOPP SWITCH GEARS PVT LTD
3) BASUSHREE DIE CASTINGS PVT LTD	7) WOODS ANCHOR ELECTRICALS PVT LTD.
4) HUGES SOFTECH PVT LTD	8) KUNAL WIRES PVT LTD.

He is a member of audit committee, shareholders committee and Remuneration Committee of the Company. He does not hold any Equity Share of the Company.

BOARD MEETINGS: 7 Meetings of the Board of directors were held during the financial year ended on 31st March, 2014.

Dates of Board Meeting	Dates of Board Meeting
30 th April, 2013	14 th November, 2013
30 th May, 2013	14 th February, 2014
14 th August, 2013	25 th March, 2014
10 th September, 2013	

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	7	Present
Mr. Mehul J. Shah	7	Present
Mr. Ravindra K. Mytra	7	Present
Mr. Sunil H. Shah	7	Present
Mr. Kalpesh R. Shah	7	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 inter alia 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 judgment 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
Sunil H. Shah	Chairman -Non Executive Director & independent	4	4
Ravindra K. Myatra	Non Executive Director & independent	4	4
Kalpesh R. Shah	Non Executive Director & independent	4	4

(d) 4 Meetings of the Audit Committee were held during the financial year ended 31/3/2014 as under:

1)	30/05/2013	3)	14/11/2013
2)	14/08/2013.	4)	14/02/2014.

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. Ravindra K. Myatra	Non executive Independent Director	0	0
Mr. Sunil H Shah	Non executive Independent Director	0	0

Number of Meetings held Nil

5 SHAREHOLDERS COMMITTEE :

Four Meetings of the shareholders Committee were held during the financial year ended 31/3/2013 as under:

1)	30/05/2013.	3)	14/02/2014.
2)	14/08/2013.	4)	14/11/2013.

Name	Designation	Number of Meetings	
		Held	Attended
Mr.Sanjay A. Desai	Chairman	4	4
Mr. Mehul J. Shah	Director	4	4
Mr. Kalpesh R. Shah	Non Executive Independent Director	4	4

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

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
31/03/2013	AGM	C- 101 INNOVA MARATHON NEXT GEN, OFF G K MARG, LOWER PAREL (WEST) MUMBAI 400013	30/08/2013	11.00 AM
31/03/2012	AGM	33,HUGES, 3 RD FLOOR, OPP. PREM PURI ASHRAM, N.S PATKAR MARG GRANT ROAD (W) ,MUMBAI 400 007	30/09/2012	11.00 (A.M)
31/03/2011	AGM	33,HUGES, 3 RD FLOOR, OPP. PREM PURI ASHRAM, N.S PATKAR MARG GRANT ROAD (W) ,MUMBAI 400 007	30/9/2009	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 :

- (a) 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
- (b) 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
• 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
Tuesday 30 th September,2014 at 11.00 AM.	1301, 13th Floor, Peninsula Business Park, Tower B, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013	11.00 A.M.

2. Financial Calender

Financial reporting for the Quarter ending

Reporting date as on	Due date as on by
30/06/2014	14/08/2014
30/09/2014	14/11/2014
31/12/2014	14/02/2015
31/03/2015	31/05/2015

3. Book Closure Date 26/09/2014. To 30/09/2014

4. Address for Correspondence:

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

5.5. Listing on Stock Exchange:

Bombay Stock Exchange Ltd. Mumbai

Phiroze JeeJeebhoy Towers, Dalal street, Mumbai 400023.

6. Stock Code : 531918

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 31/03/2014

Share holding	SHARE HOLDERS	SHARE HOLDIER S	SHARE AMOUNT	SHARE AMOU NT
Nominal value	NUMBERS	% OF TOTAL	In Rs.	% of Total
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,2014 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 31/3/2014 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: 30th May,2014

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. 74.70 lacs for the year under report as against Rs 84.24 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



CHAIRMAN.

PLACE: MUMBAI

DATED: 30th May,2014



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTAN APPLIANCES LIMITED **REPORT ON THE FINANCIAL STATEMENTS.**

We have audited the accompanying financial statements of Hindustan Appliances Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by Section 227(3) of the Act, 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 purpose 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 those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013





A.C. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Flat No.1603, 16th Floor, Rashmi Heights, Opp. M. W. Desai Hospital, Dayabhai Patel Road, Malad (East), Mumbai - 400097
Mob.: 9324659021- Email: alpesh.modi@gmail.com

- e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For A.C.MODI & ASSOCIATES

Chartered Accountants

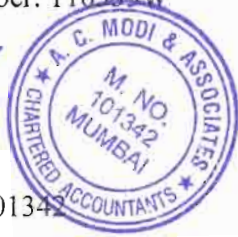
Firm's registration number: 116555W

Alpesh

ALPESH C.MODI

Proprietor

Membership number: 101342



Place: Mumbai

Date: **30 MAY 2014**



ANNEXURE TO INDEPENDENT AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER
LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

1. In respect of its fixed assets:

Based on our scrutiny of the company's books of accounts and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets at the end of the financial year nor at any time during the financial year ended on that date.

2. In respect of its inventories:

a) As the company does not engaged in the business of manufacturing, marketing and processing of any goods and articles, the provisions of Clause (ii) of paragraph 4 of the CARO is not applicable.

3. In respect of its loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

In respect loans taken from persons covered U/s.301 of the companies Act:

According to the information and explanations given to us, the company has not taken any secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956

In respect loans granted to the persons covered U/s.301 of the companies Act :

According to the information and explanations given to us, the company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956

4. Having regard to the nature of the company's business and based on our scrutiny of the company's records and the information and explanation received by us, we report that the company's activities do not include purchase of inventory and sale of goods. In our opinion and according to the information and explanation received by us, there are adequate internal control procedure commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system with regard to purchase of fixed assets.





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 transactions 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 was no any transactions was made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹. 5,00,000 in respect of each party during the year have been made a prices which appears reasonable as per information available with the company.
6. Based on scrutiny of the company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any loan or deposit which are deposits within the meaning of Rule2(b) of the Company's (Acceptance of Deposit) Rules,1975 from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the CARO are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanation provided by the management, the company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209 (1) (d) of the Companies Act,1956 do not apply to the company. Hence, in our opinion no comment on maintenance of cost records under section 209(1)(d) is required.
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,2014 for a period of more than six months from the date of becoming payable.





- 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 at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the records of the company, the company has not borrowed from financial institutions or banks or issued debenture till the end of the financial year. Hence, in our opinion, the question of reporting of default in repayment of dues to financial institutions or bank or debenture does not arise.
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, and to the best of our information and according to the explanation provided by the management, we are of the opinion that the company is neither a Chit Fund Nor a Nidhi/Mutual benefit society. Hence, in our opinion, the requirements of Para 4(xiii) of the CARO do not apply to the company.
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 have also maintained adequate and proper records.
15. According to the records of the company and the Information and Explanation provided by the management, the company has not given any guarantee for loans taken by others from any banks or financial institution.
16. The Company has not obtained any term loan during the year. There was no terms loan outstanding at the beginning of the year.
17. According to the Information and Explanations given to us and over all examination of balance sheet of the Company, we report that no fund raised on short term basis have been used for long term investment by the company.
18. According to the records of the company and the information and explanation provided by the management, 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 hence the question of creating security or charge in respect of debenture does not arise.





20. During the year the Company has not raised any money by way of public issue.
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

Firm's registration number: 116555W

Alpesh C. Modi

ALPESH C. MODI

Proprietor

Membership number: 101342



Place: Mumbai

Date: **30 MAY 2014**

HINDUSTAN APPLIANCES LIMITED

Balance Sheet as at 31st March, 2014

			(Amount in ₹)	
PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013	
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	3	99,888,000	99,888,000	
(b) Reserves and surplus	4	27,608,751	22,582,001	
Current liabilities				
(a) Other current liabilities	5	-	12,050	
TOTAL		127,496,751	122,482,051	
ASSETS				
Non-current assets				
(a) Non-current investments	6	2,776,000	2,776,000	
Current assets				
(a) Cash and cash equivalents	7	87,912,870	86,102,211	
(b) Short-term loans and advances	8	36,687,390	33,483,350	
(c) Other Current Assets	9	120,490	120,490	
TOTAL		127,496,751	122,482,051	

Significant accounting policies & Notes on the Financial Statement

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As Per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W



ALPESH C. MODI

Proprietor

M.No.: 101342

For and on behalf of the Board of Directors

K.R. Shek

Directors

Place : Mumbai

Dated: 30 MAY 2014

HINDUSTAN APPLIANCES LIMITED

Statement of Profit and loss for the year ended 31st March, 2014

(Amount in ₹)			
PARTICULARS	Note No.	2013-2014	2012-2013
Other income	10	(7,470,396	8,423,513
Total Revenue		7,470,396	8,423,513
Expenses:			
Employees Benefit	11	-	24,613
Finance Cost	12	-	5,733
Other expenses	13	(190,646	274,169
Total Expenses		190,646	304,515
Profit/(Loss) before tax		(7,279,750	8,118,998
Tax expense:			
(1) Current tax		(2,253,000	2,520,000
(2) Deferred tax Assets/(Liability)		-	-
(3) Income Tax of earlier Years		-	12,931
Profit (Loss) for the Year		5,026,750	5,586,067
Earnings per Equity Share:	14		
(1) Basic		0.50	0.56
(2) Diluted		0.50	0.56

Significant accounting policies & Notes on the Financial Statement

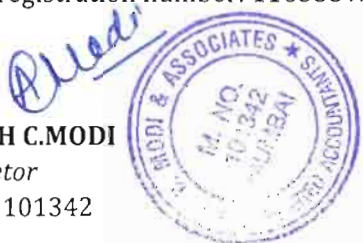
1-24

As Per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W



ALPESH C.MODI

Proprietor

M. No.: 101342

For and on behalf of the Board of Directors

Handwritten signatures of Raju and K.R. Shah.

Directors

Place : Mumbai

Dated: 30 MAY 2014

HINDUSTAN APPLIANCES LIMITED, CASH FLOW STATEMENT FOR THE YEAR 2013-14				
(Rs. in Lacs)				
PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2013
A. Cash Flow Arising From Operating Activities :				
Net Profit Before Tax & Extra ordinary Items		72.80		81.19
Adjustment for:				
A) Interest Income	(74.70)		(84.24)	
		(74.70)		(84.24)
Operating Profit Before working capital changes		(1.91)		(3.05)
Adjustment for:				
a) Trade Payables & Other Liabilities	(0.12)		(0.10)	
b) Current Assets	(0.00)		0.17	
c) Loans & Advances	(32.04)		(77.48)	
		(32.16)		(77.41)
Cash flow before extra-ordinary items		(34.07)		(80.46)
Less: Income Tax Paid		(22.53)		(25.20)
Less: Income Tax of Earlier Year		-		(0.13)
Net Cash from operating Activities	(A)	(56.60)	(A)	(105.79)
B) Cash Flow from Investment Activities				
Net Cash from Investment Activities	(B)	-	(B)	-
C) Cash Flow from Financing Activities				
a) Interest Income	74.70		84.24	
Net Cash from financing Activities	(C)	74.70	(C)	84.24
Net increase in cash and cash equivalent (A+B+C)		18.11		(21.55)
Cash and cash equivalent at the begining		861.02		882.57
Cash and cash equivalent at the end		879.13		861.02

Significant accounting policies & Notes on Financial Statements

As Per our report of even date
for A.C.MODI & ASSOCIATES
Chartered Accountants
Firm's registration number: 116555W

ALPESH C MODI
Proprietor
M.No: 101342

Place : Mumbai

Dated:

PLACE: MUMBAI

DATE:

30 MAY 2014



For and on behalf of the Board of Directors

M. R. Shet K.R. Shet

Directors

HINDUSTAN APPLIANCES LIMITED

Notes forming part of the Financial Statements

1. Companies Overview:

Hindustan Appliances Limited (the company) is a public Limited company incorporated under the provisions of the companies Act, 1956 vide CIN : L18101MH1984PLC034857

2. Significant Accounting Policies:

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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.

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.

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.

Investments:

Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed at their estimated value in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Taxes on Income:

In accordance with Accounting Standard (AS-22) - Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognised only if, there is virtual certainty that sufficient future taxable income will be available, against which they can be realised.

3: Share Capital

Particulars	As at 31st March 2014		As at 31st March 2014	
	Number	₹	Number	₹
Authorised Share Capital				
Equity Shares of ₹ 10/- each	10,300,000	103,000,000	10,300,000	103,000,000
Issued, Subscribed & Fully Paid up				
Equity Shares of ₹ 10/- Each Fully paid Up.	9,976,400	99,764,000	9,976,400	99,764,000
Equity Shares of ₹ 10/- Each, (₹ 7.50 per shares Not paid up) Rs (call of ₹ 7.50 per shares in arrears.)	49600	124000	49600	124,000
Total	10,026,000	99,888,000	10,026,000	99,888,000

Particulars	Equity Shares	Equity Shares	Equity Shares	Equity Shares
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	10,026,000	100,260,000	10,026,000	100,260,000
Shares Issued during the year	-	-	-	-
Shares bought back/reduction during the year	-	-	-	-
Shares outstanding at the end of the year	10,026,000	100,260,000	10,026,000	100,260,000



Terms/Rights attached to Equity Shares

The Company has issued only one class of Equity shares having par value of ₹.10/- per shares. Each shareholders of equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

Details of Share Holders holding more than 5% shares in the company at the end of the Year.

Name of Shareholders	As at 31st March 2014		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mehul Jadavji Shah	6,582,000	65.66%	6,582,000	65.66%

4: Reserves and Surplus

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
A. Surplus/(Deficit) in the statement of Profit and Loss		
As per Last Balance Sheet	22,582,001	16,995,934
Add: Net Profit/(Net Loss) For the current year	5,026,750	5,586,067
Closing Balance	27,608,751	22,582,001
Total	27,608,751	22,582,001

5: Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
(a) Other Payables (includes Liabilities for Expenses)	-	12,050
Total	-	12,050

6: Non Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
(a) Investment in Equity instruments Fully Paid Up (Quoted, Non-Traded) (At Cost)		
Name of the Company along with No of share held	Previous Year No of Shares held	Face Value of Equity Shares
8,000 Equity Shares of Shah Constructions Co.Ltd	8,000	100/-
73,000 Equity Shares of Classic Electricals Limited.	73,000	10/-
49,000 Equity Shares of Shikhar Leasing & Trading Ltd.	49,000	10/-
(b) Investment in Equity Shares Fully Paid Up (unquoted, Non -Traded) (At Cost)		
Name of the Company along with No of share held	Previous Year No of Shares held	Face Value of Equity Shares
6,10,000 Equity Shares of Kalpana Lamps & Components Ltd	610,000	10/-
(C) Investment in Equity of Subsidiaries: (Unquoted, Non Traded) (at Cost)		
Name of the Company along with No of share held	Previous Year No of Shares held	Face Value of Equity Shares
5000 Equity Shares of Jogindra Exports Ltd.	5,000	100/-
5000 Equity Shares of Kshanika Trading Ltd.	5,000	100/-
Total	2,776,000	2,776,000



Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Aggregate amount of quoted investments	1,166,000	1,166,000
Aggregate Market value of quoted investments (#)	N.A.	N.A.
Aggregate amount of unquoted investments	1,610,000	1,610,000
(#) Infrequently Traded hence Not applicable		

7: Cash and Cash equivalents

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
a. Cash on hand	15,065	15,170
b. Balances with schedule banks		
- In Current accounts	1,897,805	87,041
- In Fixed Deposit/ Margin Money	86,000,000	86,000,000
Total	87,912,870	86,102,211

8: Short Term Loans and Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, considered good		
(a) Loans to Subsidiary Company	36,576,000	33,121,000
(b) Loan to Employee	-	275,000
(c) Advance Payment of taxes (Net of Provisions)	111,390	87,350
Total	36,687,390	33,483,350

9: Other Current Assets

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, considered good		
Interest Accrued but not due	120,490	120,490
Total	120,490	120,490

10: Other Income

Particulars	2013-2014	2012-2013
	₹	₹
Interest on Bank Deposit (TDS ₹. 7,47,040/-Previous Year ₹. 842,350/-)	7,470,396	8,423,513
Total	7,470,396	8,423,513

11: Employee benefits expenses

Particulars	2013-2014	2012-2013
	₹	₹
Salary, Bonus & other allowances	-	24,613
Total	-	24,613

12: Finance Cost

Particulars	2013-2014	2012-2013
	₹	₹
Interest Others	-	5,733
Total	-	5,733



13: Other Expenses:

Particulars	2013-2014	2012-2013
	₹	₹
Rates & Taxes	1,650	6,025
Payment to Auditors:		
-Audit Fees & Other services	84,270	84,270
Legal & Professional charges	44,579	57,315
Printing & Stationary Exp	-	27,541
Listing Fees	45,001	92,154
Fines & Penalty	8,988	
Miscellaneous Expenses	6,158	6,864
Total	190,646	274,169

14: Earning per share

Particulars	2013-2014	2012-2013
	₹	₹
Net Profit/(Loss) after tax	5,026,750	5,586,067
Weighted average No. of Shares	10,026,000	10,026,000
Nominal value per Share	10	10
Earnings per Share	0.50	0.56
Diluted Earnings per Share	0.50	0.56

15: Provision for accruing of liabilities for gratuity in terms of Accounting Standard 15 [AS-15 (revised 2005)] "Accounting for Employee Benefits" issued by The Institute of Chartered Accounts of India has not been made in the accounts. The figure of which is not ascertainable. However same is accounted on cash basis.

16: In accordance with the pronouncements of Accounting Standard 22 : Accounting for Taxes deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between the taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or subsequent period.

In view of reasonable uncertainty as to the utilization of deferred tax assets in the foreseeable future in relation to carry forward capital Loss under tax laws the same has not been recognised in books of accounts as per para 17 of the said standard:

17: Related Party Transactions

Related party disclosure in accordance with the Accounting Standard 18-issued by the Institute of chartered Accountants of India is as under

Subsidiaries Companies	
Jogindra Exports Limited	Subsidiary
Kshnika Trading Limited	Subsidiary
Associated Companies.....NIL	
Key Managerial Personnel & Their Relatives	
Shri Sunil Hirji Shah	Director
Shri Mehul Jadavji Shah	Director
Shri Sanjay A. Desai	Director
Shri Kalpesh R. Shah	Director
Shri Ravindra Kanji Maytra	Director

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	Loan Amount paid/(refund)	Loan Amount paid 2013-2014	Amount out standing as on 31st March 2014	Amount out standing as on 31st March 2013
			₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Jogindra Exports Ltd.	Subsidiary	Loan	1.00	26.15	39.15	14.00
Kshnika Trading Ltd.	Subsidiary	Loan	2.50	11.90	326.61	317.21

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

There are no transactions were carried out with the related parties in the ordinary course of business

18: Imports (Valued on the Cost, Insurance and Freight)

Particulars	2013-2014	2012-2013
	₹	₹
CIF value of Imports	Nil	Nil



19: Activity in Foreign Currency

Particulars	2013-2014	2012-2013
	₹	₹
Earnings in Foreign currency	Nil	Nil
Expenditure in Foreign currency	Nil	Nil

20: Remittance in Foreign currency

Particulars	2013-2014	2012-2013
	₹	₹
For payment of Dividend	Nil	Nil

21: FOB value of goods exported

Particulars	2013-2014	2012-2013
	₹	₹
FOB value of goods exported	Nil	Nil

22: Balances in respect of Loans & advances in most of the cases are subject to confirmations, reconciliations and adjustments, if any.

23: In the opinion of the management Loans & Advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the books of accounts.

24: The previous year's figures have been regrouped & recast wherever necessary to make them comparable.

As Per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W

ALPESH C.MODI

Proprietor

Membership number: 101342

Place : Mumbai

Dated: 30 MAY 2014



For and on behalf of the Board of Directors

K.R. Shah

Directors



INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTAN APPLIANCES LIMITED **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS.**

We have audited the accompanying financial statements of Hindustan Appliances Limited (the Company) and its Subsidiaries (Collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) In the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiaries whose financial statements reflects the total Assets (Net) of ₹. 3917.67 lakhs as at 31st March,2014, total Revenue (Net) of ₹. (0.05) lakhs and Cash flow (Net) of ₹. 20.66 lakhs for the year ended on that date . 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.

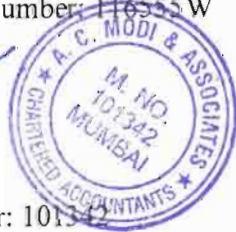
Our Opinion is not qualified in respect of other matter

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W

Alpesh C. Modi



ALPESH C.MODI

Proprietor

Membership number: 101342

Place: Mumbai

Date: 30 MAY 2014

HINDUSTAN APPLIANCES LIMITED

Consolidated Balance Sheet as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	99,888,000	99,888,000
(b) Reserves and surplus	4	27,604,948	22,583,104
Current liabilities			
(a) Short term Borrowings	5	353,958,579	345,704,046
(b) Trade Payables	6	143,684	111,580
(c) Other current liabilities	7	93,174	91,897
TOTAL		481,688,385	468,378,627
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	3,026,895	3,515,966
(b) Non-current investments	9	24,978,549	24,942,549
(c) Long-term loans and advances	10	50,797,244	51,185,387
Current assets			
(a) Project Development A/c.	11	301,466,539	290,030,205
(b) Cash and cash equivalents	12	88,339,905	86,274,307
(c) Short-term loans and advances	13	12,958,763	12,309,723
(d) Other Current Assets	14	120,490	120,490
TOTAL		481,688,385	468,378,627

Notes on Financial Statements

1-29

As per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

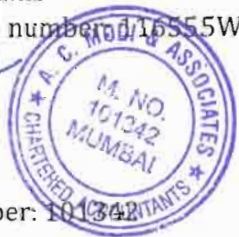
Firm's registration number: 101342

Alpesh

ALPESH C. MODI

Proprietor

Membership number: 101342



For and on behalf of the Board of Directors

Manoj

K.R. Shob

Directors

Place : Mumbai

Dated: 30 MAY 2014

HINDUSTAN APPLIANCES LIMITED

Consolidated Statement of Profit and loss for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	2013-2014	2012-2013
Revenue			
Other income	15	7,470,396	8,423,513
Total Revenue		7,470,396	8,423,513
Expenses:			
Employee benefits expense	16	-	24,613
Finance costs	17	-	5,733
Depreciation and amortization expense	18	-	-
Other expenses	19	195,552	276,258
Total expenses		195,552	306,604
Profit/(Loss) before tax		7,274,844	8,116,909
Tax expense:			
(1) Current tax		2,253,000	2,520,000
(2) Deferred tax Assets/(Liability)		-	-
(3) Income Tax of earlier Years		-	12,931
Profit (Loss) for the Year		5,021,844	5,583,978
Earnings per equity share:	20		
(1) Basic		0.50	0.56
(2) Diluted		0.50	0.56

Notes on Financial Statements

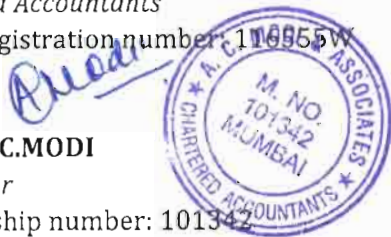
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As Per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 109955W



ALPESH C.MODI

Proprietor

Membership number: 101342

For and on behalf of the Board of Directors

M. Modi

K. R. Shek

Directors

Place : Mumbai

Dated: 30 MAY 2014

HINDUSTAN APPLIANCES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14

(Rs. in Lacs)

PARTICULARS	YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013	
A. Cash Flow Arising From Operating Activities :				
Net Profit Before Tax & Extra ordinary Items		72.75		81.17
Adjustments for:				
a) Interest Income		(74.70)		(84.24)
Operating Profit Before working capital changes		(1.96)		(3.07)
Adjusment for:				
a) Trade Payables & Other Liabilities	82.88		(34.51)	
b) Construction Work in Project A/c	(109.47)		(42.55)	
c) Current Assets & Loans & Advances	(6.49)		(91.18)	
d) Loans & Advances Given	3.88		92.31	
		(29.20)		(75.93)
Cash flow before extra-ordinary items		(31.16)		(79.00)
Less: Income Tax Paid		22.53		25.20
Less: Income Tax of Earlier Year		-		(0.13)
Net Cash from operating Activities	(A)	(53.69)	(A)	(104.33)
B) Cash Flow from Investment Activities				
a) Addition in Non Current Investment		(0.36)		(0.36)
Net Cash from Investment Activities	(B)	(0.36)	(B)	(0.36)
C) Cash Flow from Financing Activities				
a) Interest Income		74.70		84.24
Net Cash from financing Activities	(C)	74.70	(C)	84.24
Net increase in cash and cash equivalent (A+B+C)		20.66		(20.45)
Cash and cash equivalent at the begining		862.74		883.19
Cash and cash equivalent at the end		883.40		862.74

Notes on Financial Statements

As per our report of even date

for A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116855W

ALPESH C. MODI

Proprietor

Membership number: 101342

Place : Mumbai

Dated: 30 MAY 2014



For and on behalf of the Board of Directors

M. J. K. K. K. *K. R. Shel*

Directors

HINDUSTAN APPLIANCES LIMITED

1. Notes forming part of consolidated financial statements and significant Accounting policies for the year ended 31st March, 2014.

Significant Accounting Policies:

2. PRINCIPLES OF CONSOLIDATION:

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, 2014 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

Basis of Accounting:

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 the available information/estimates. However, certain claims and income which are not ascertainable/acknowledged are not taken into account. The accounts are prepared on historical cost basis. Accounting policies not referred to otherwise are consistent with generally accepted accounting policies.

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.

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 obtain from the Municipal authority and possession along with risk and reward in the property is transferred to the prospective buyer.

Project Development A/c.

In respect of Real Estate Development activity of the company ,the work in progress consist 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 (if any) carried forward to subsequent year.

Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed at their estimated value in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Fixed assets and depreciation:



Fixed assets are stated at cost of acquisition/construction less accumulated depreciation. The depreciation has been provided on the written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956.

Impairment of Assets:

An assets is treated as impaired when carrying cost of assets exceeds its recoverable value. An Impairment loss is charged to the Profit & Loss A/c. in the year in which an assets are identified as impaired.

Investments:

Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

3 Share Capital

Share Capital	As at 31st March 2014		As at 31st March 2013	
	Number	₹	Number	₹
Authorised Share Capital				
Equity Shares of ₹ 10/- each	10,300,000	103,000,000	10,300,000	103,000,000
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid up.	9,976,400	99,764,000	9,976,400	99,764,000
Equity Shares of ₹ 10/- each partly paid up.@ Rs 2.50/-	49,600	124,000	49,600	124,000
Total	10,026,000	99,888,000	10,026,000	99,888,000

Particulars	Equity Shares	Equity Shares	Equity Shares	Equity Shares
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	10,026,000	99,888,000	10,026,000	99,888,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,026,000	99,888,000	10,026,000	99,888,000

Terms/Rights attached to Equity Shares

The Company has issued only one class of Equity shares having par value of ₹.10/- per shares. Each shareholders of equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

Details of Share Holders holding more than 5% shares in the company at the end of the Year.

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mehul Jadavji Shah	6,582,000	65.66%	6,582,000	65.66%

4 Reserves and Surplus

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
A. Surplus/(Deficit) in the statement of Profit and Loss		
As per Last Balance Sheet	22,583,104	16,999,126
Add: Net Profit/(Net Loss) For the current year	5,021,844	5,583,978
Closing Balance	27,604,948	22,583,104
Total	27,604,948	22,583,104

5 Short Term Borrowings

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured loans from Corporate Bodies	353,958,579	345,704,046
Total	353,958,579	345,704,046



HINDUSTAN APPLIANCES LIMITED

8 : FIXED ASSETS :

Particulars	Rate	Gross Block			Depreciation / Amortisation			Net Block		
		As At 1-Apr-13	Additions	Deductions	As At 31-Mar-14	As At 1-Apr-13	For the Year	Deductions	As At 31-Mar-14	As At 31-Mar-13
		(Amount in ₹)								
TANGIBLE ASSETS										
Crane	13.91%	5,441,017	-	-	5,441,017	1,966,411	483,318	-	2,449,728	3,474,606
Plant & Machinery	13.91%	13,125	-	-	13,125	3,842	1,291	-	5,133	9,283
Office Equipments	13.91%	43,680	-	-	43,680	11,603	4,462	-	16,065	32,077
Total Current Year		5,497,822			5,497,822	1,981,856	489,071		2,470,927	3,515,966
Total Previous Year		5,497,822			5,497,822	1,413,763	568,093		1,981,856	4,084,059

Note:

(A) Pursuant to accounting standard 28 "Impairment of Assets", the company has made an assessment as at 31st March, 2014 for any indication of impairment in the carrying amount of the company's assets and determine that the carrying value of the assets is less than its realizable value and hence, no provision for any impairment of assets is made in the books of accounts.

(B) Depreciation for the Year is capitalised to construction work in Progress.



6 Trade Payable

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Trade Payable for expenses	143,684	111,580
Total	143,684	111,580

Note:

The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure, if any, relating to amount unpaid as at year end together with interest paid/payable as required under the said Act is not been made. This has been relied upon by the Auditors.

7 Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
(a) Statutory Dues	80,119	37,583
(b) Others Payable	13,055	54,314
Total	93,174	91,897

9: Non Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
(a) Investment in Equity instruments (Quoted) (at Cost)		
8,000 Equity Shares of ₹ 100/- Each of Shah Construction Ltd.	800,000	800,000
73,000 Equity Shares of ₹ 10/- Each of Classic Electricals Limited.	219,000	219,000
49,000 Equity Shares of ₹ 10/- Each of Shikhar Leasing & Trading Ltd.	147,000	147,000
Unquoted, Non Trade (At cost)		
6,10,000 Equity Shares of ₹ 10/- Each of Kalpana Lamps & Components Ltd	610,000	610,000
Investment in Property (at Cost)	23,202,549	23,166,549
Total	24,978,549	24,942,549

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Aggregate amount of quoted investments	1,166,000	1,166,000
Aggregate Market value of quoted investments (#)	N.A.	N.A.
Aggregate amount of unquoted investments	610,000	610,000
(#) Infrequently Traded		

10 Long Term Loans and Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, considered good		
Security Deposits	547,982	648,860
Advances to Suppliers	50,000,000	50,375,109
Balance with Government Authority - Service Tax Credit Receivables	249,262	161,418
Total	50,797,244	51,185,387

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which any Director is a Director or Members	-	-
Total	-	-



11 Project Development A/c.

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Construction Work in Progress-Oshiwara Jogeshwari. (At Cost)		
Opening Balance	290,030,204	285,206,721
Add: Expenses capitalised during the Year		
Building Materials Purchase	8,413,685	23,858
Contractions & Labour charges	614,071	963,789
Administration and Site Expenses	1,887,853	3,522,700
Finance Cost	520,726	313,136
	301,466,539	290,030,204
Total Balance C/F	301,466,539	290,030,204

12 Cash and Cash equivalents

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
a. Cash on hand	84,151	34,336
b. Balances with schedule banks		
- In Current accounts	2,255,754	239,971
- In Fixed Deposit Account	86,000,000	86,000,000
Total	88,339,905	86,274,307

13 Short Term Loans and Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, considered good		
Loans to corporate body	9,837,836	8,937,836
Loans to Employee	-	275,000
Advance payment of taxes (Net of Provisions)	3,120,927	3,096,887
Total	12,958,763	12,309,723

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which any Director is a Director or Members	-	-
Total	-	-

14 Other Current Assets

Particulars	As at 31st March 2014	As at 31st March 2013
	₹	₹
(Unsecured Considered Good)		
Interest Accrued but not Due	120,490	120,490
Unamortised Preliminary Expenses		
Opening Balance	-	4,090
Less : W/ Off During the year	-	4,090
Closing Balance	-	-
Total	120,490	120,490

15 Other Income

Particulars	2013-2014	2012-2013
	₹	₹
Interest on FD with Bank (TDS ₹. 747,040/- Previous Year ₹.8,42,350/-)	7,470,396	8,423,513
Total	7,470,396	8,423,513



16 Employee benefits expenses

Particulars	2013-2014	2012-2013
	₹	₹
Salary Bonus & other allowances	-	24,613
Total	-	24,613

17 Finance Cost

Particulars	2013-2014	2012-2013
	₹	₹
Interest Expenses on borrowings	-	-
Interest Others	-	5,733
Total	-	5,733

18 Other Expenses:

Particulars	2013-2014	2012-2013
	₹	₹
Rates & Taxes	3,491	7,249
Legal & Professional Fees	45,079	57,315
Payment to Auditors:		
- Audit & Tax Audit Fees	86,770	84,770
Listing Fees	45,001	92,154
Printing & stationary Exp.	-	27,541
Fines & Penalty	8,988	-
Miscellaneous Expenses	6,223	7,229
Total	195,552	276,258

19 Earning per share as computed in accordance with accounting standard 20:

Particulars	2013-2014	2012-2013
	₹	₹
Net Profit/(Loss) after tax	5,021,844	5,583,978
Weighted average No. of Shares	10,026,000	10,026,000
Nominal value per Share	10	10
Earnings per Share	0.50	0.56
Diluted Earnings per Share	0.50	0.56

20 Provision for accruing of liabilities for gratuity in terms of Accounting Standard 15 [AS-15 (revised 2005)] "Accounting for Employee Benefits" issued by The Institute of Chartered Accounts of India has not been made in the accounts. The figure of which is not ascertainable.

21 In the opinion of the management Loans & Advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the books of accounts.

22 The Company is engaged in single operational Business activity i.e. Real Estate within India, there are no other geographical or Business Segment hence Segment reporting is not applicable to the company.

23 Imports (Valued on the Cost, Insurance and Freight)

Particulars	2013-2014	2012-2013
	₹	₹
CIF value of Imports	Nil	Nil

24 FOB value of goods exported

Particulars	2013-2014	2012-2013
	₹	₹
FOB value of goods exported	Nil	Nil

25 Activity in Foreign Currency

Particulars	2013-2014	2012-2013
	₹	₹
Earnings in Foreign currency	Nil	Nil
Expenditure in Foreign currency	Nil	Nil



26 Remittance in Foreign currency

Particulars	2013-2014	2012-2013
	₹	₹
For payment of Dividend	Nil	Nil

27 Balances in respect of Loans & advances and Liabilities in most of the cases are subject to confirmations, reconciliations and adjustments, if any.

28 Related Party Transactions

Related party disclosure in accordance with the Accounting Standard 18-issued by the Institute of chartered Accountants of India is as under

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

Associated Companies.....NIL	
Key Managerial Personnel & Their Relatives	
Shri Sunil Hirji Shah	Director
Shri Mehul Jadavji Shah	Director
Shri Sanjay A. Desai	Director
Shri Kalpesh R. Shah	Director
Shri Ravindra Kanji Maytra	Director
Bharat Chhotalal Bhayani	Director
Dhanesh Vipin Parikh	Director
Mehul Jadavji Shah	Director
Shri Sunil Hirji Shah	Director
Shri Dinesh K Poddar	Director
Shri Hiten Jayantilal Vakharia	Director

1) During the year there are no any transactions were carried out with Associated companies, KMP or their relatives in the

2) related party relationship is as identified by the company and relied upon by the auditor.

29 The previous year's figures have been regrouped & recast wherever necessary to make them comparable.

As Per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W

ALPESH C.MODI

Proprietor

Membership number: 101342

Place : Mumbai

Dated: 30 MAY 2014



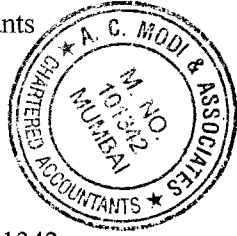
For and on behalf of the Board of Directors

Majumdar K.R. Shel

Directors

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FORM A

1	Name of the company	<p>HINDUSTAN APLIANCES LIMITED</p> <p>(Scrip Code 531918)</p> <p>1301, 13th Floor, Penninsula Business Park Tower B Senapati Bapat Marg. Lower Parel Mumbai 400013</p>
2	Annual Financial Statements for the year ended	: 31st March, 2014
3	Type of audit observation	: Unqualified
4	Frequency of obseravation	: N. A.
5	To be signed by	<p>FOR HINDUSTAN APLIANCES LIMITED <i>K.R. Shah</i></p> <p>AUTHORISED SIGNATORY/DIRECTOR</p>
	For Hindustan Appliances Ltd.	
	Managing Director	For A .C.Modi & Associates Chartered Accountants
	For Hindustan Appliance Ltd.	<p><i>Alpesh Modi</i></p>  <p>Alpesh Modi Membership No. 101342</p>
	N A CFO	For Hindustan Appliances Ltd.
		Audit Committee Chairman