



100 Years of Creating Happier Homes.  
ANNUAL REPORT 2010-2011



## 100 Years of Innovation

Happiness begins at home. This belief has shaped a century of innovation, growth and achievement at Whirlpool Corporation, propelling our expansion from modest beginnings to our present-day status as the World's No.1 Home Appliance company.

As we enter 2011, our 100th year in business, we celebrate a century of innovations that have helped create the modern household. For a hundred years, providing products that meet specific consumer needs and doing business with both integrity and character has been our hallmark. Building upon our strong heritage and values is what will foster profitable growth and the creation of long-term value for our shareholders.

Whirlpool of India is well-positioned to take advantage of the ample opportunities that exist as we enter our next century in business. Our vision of 'Every Home, Everywhere' reinforces that every home is our domain, every customer an opportunity. This vision defines our purpose in India, inspiring us to provide innovative solutions that uniquely meet the needs of our consumers. We bring this vision to life through the power of our unique global enterprise and our outstanding people, working together everywhere. Past, present or future, our focus as always, is on improving the lives of people and creating happier homes.





## Chairman's Letter

Arvind Uppal  
Chairman & Managing Director, Whirlpool of India Ltd.  
President South Asia & Asia Pacific, Whirlpool Corporation

Whirlpool of India has established a new record in revenue and profit in 2010-11 and our balance sheet remains strong with zero debt and a healthy cash position. We take pride in the fact that our company is able to adapt to changing market conditions, and it is this ability that has enabled us to post record results in the last year.

We are executing well on our strategy of accelerating profitable growth, led by consumer-focused innovation. Two award-winning launches of the last fiscal stand out for their remarkable success - Protton World Series a 3-Door Frost Free Refrigerator and Ace, a uniquely designed Washing Machine. More such innovative launches are slated for 2011-12. Our strategy of growing our Air Conditioner and Microwave businesses has also been executed well and 2011 will see us expanding our range to include a host of kitchen products such as Hobs, Hoods, Ovens and Dishwashers.

2011 is a very special year for Whirlpool as the Corporation is celebrating its 100th anniversary. Founded on November 11, 1911, Whirlpool Corporation has influenced home and family life during the last century. As we enter the next century of opportunity, Whirlpool of India is committed to fulfilling the vision of 'Every Home, Everywhere' by marketing well-differentiated products of high quality supported by best-in-class service, creating many more happy homes in India.

Sincerely,

Arvind Uppal



# Uignettes from a Century of Innovation

Whirlpool Corporation has always been a pioneer in linking new technology with outstanding design. From Upton's first washing machine to the new-age 360° Bloom Wash, we have set ourselves apart, right through history.

## 1911

Founder Louis Upton acquires the patent for a wringer washer equipped with an electronic motor that results in an entirely new type of washing machine. Setting in motion a chain of innovation that has continually helped make life easier and better for our consumers.



## 1948

The world's first automated washing machine is launched under the Whirlpool brand name, paving the way for a number of mechanised appliances to follow.



## 1957

The Miracle Kitchen, an unprecedented innovation in home-making, is exhibited to 15 million people worldwide in the USA and in Europe. Featuring a phone, audio visual remote controls and a closed circuit television monitor, the Miracle Kitchen establishes Whirlpool's reputation as a leader in product innovation.



## 1960

Whirlpool Corporation wins the NASA contract to develop food and waste management systems for outer space through a concept called 'Space Kitchen.'



## 1967

Demonstrating its commitment to a higher level of service to the public, Whirlpool launches a 24-hour toll-free customer service helpline, the first of its kind.



## 1987

Whirlpool comes to India through a joint venture with Sundaram Clayton, delighting housewives and families alike through its emphasis on customised products and appliances.

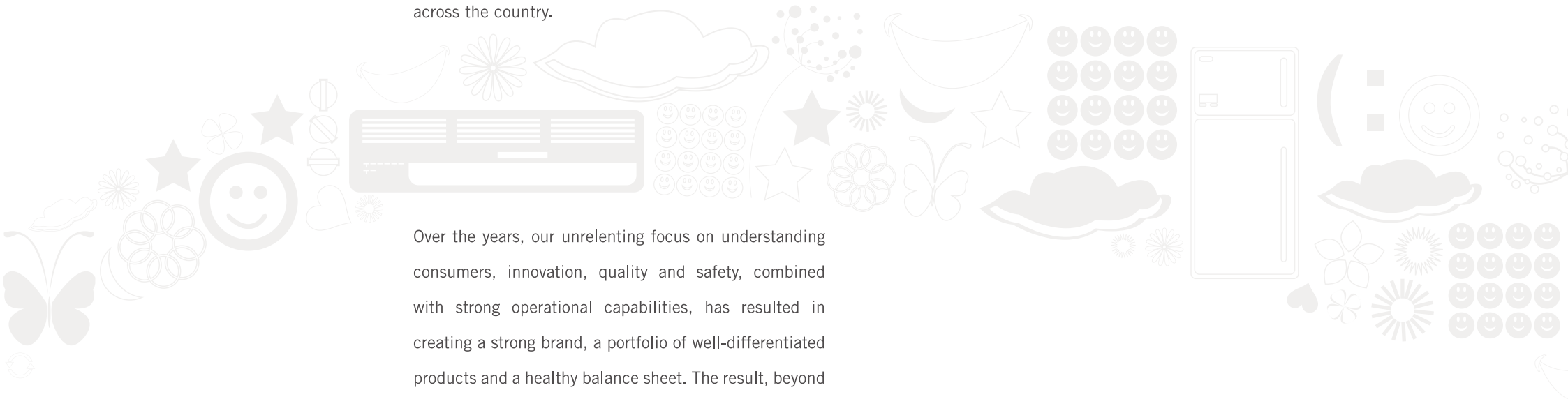


# The World's No.1 Appliance Company Comes to India

Whirlpool came to India in 1987, through a joint venture with Sundaram Clayton Limited.

Since then, the Whirlpool brand has been warmly received by Indian homemakers and its innovative products have found a permanent place in homes across the country.

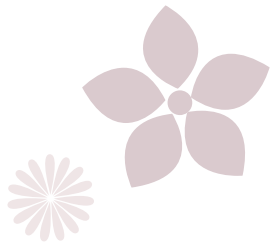
Over the years, our unrelenting focus on understanding consumers, innovation, quality and safety, combined with strong operational capabilities, has resulted in creating a strong brand, a portfolio of well-differentiated products and a healthy balance sheet. The result, beyond greater market share, is an emotional connection with people that will hold us in good stead as we embark on a journey of accelerated, profitable growth.





# Whirlpool Made for India

A host of category firsts affirms our position as the leader in innovation among home appliance companies and underscores our belief that consumer understanding lies at the heart of innovation.



## Utility Drawer in Whirlpool Genius and Fusion Refrigerators

A smartly designed, space-efficient, non-refrigerated compartment at the base of the refrigerator provides extra storage space.



## Fully Automatic Refrigerators from Whirlpool

The 6<sup>th</sup> Sense feature senses the ambient temperature as well as the load in the refrigerator and regulates the cooling automatically.



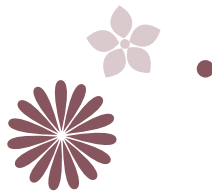
## Electronics in Direct Cool Refrigerators

First introduced by Whirlpool in Fusion, it also has E-Light, a light on the control panel that switches on automatically during power outages.



## Heater in Top-Load Washing Machines

Introduced by Whirlpool in both semi-automatic and fully automatic formats in its White Magic and SuperWash range.

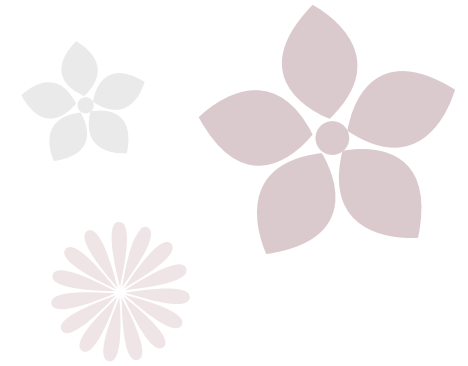






### LED Illumination in Whirlpool Frost Free Refrigerators

LEDs shed light from the top and provide unobstructed illumination inside the refrigerator.



## 6<sup>th</sup> sense fast forward ice

### 6<sup>th</sup> Sense Fast Forward Ice

For Fast Ice Making, 30% faster than the industry's best, a feature in many Whirlpool refrigerator models.



### The "1-2 1-2" Agitator Wash System

Unique to Whirlpool Washing Machines, it virtually replicates a hand-wash motion in the agitator, delivering high wash quality.



### The Micro Tawa in Microwaves

Developed for Indian homes, this is another category first, enabling Indian dishes to be cooked with ease.

### 6<sup>th</sup> Sense Frost Control System

For automatic defrosting of Direct Cool refrigerators, available in the Genius and Fusion Range.





Dun & Bradstreet  
Corporate Award 2010  
for Best Company  
in Consumer Durables



National Award for  
Excellence in  
Cost Management

## 2010: The Highlights

Our mission of providing compelling innovative solutions to uniquely meet the needs of consumers, complemented with outstanding design, was demonstrated in 2010 as well.

### REFRIGERATOR

The 3-Door Protton World Series Refrigerator in 300 & 350 ltr. capacity achieved rapid success, acquiring over 30% of market share.



Reader's Digest  
Award



The W Award  
Whirlpool 2010

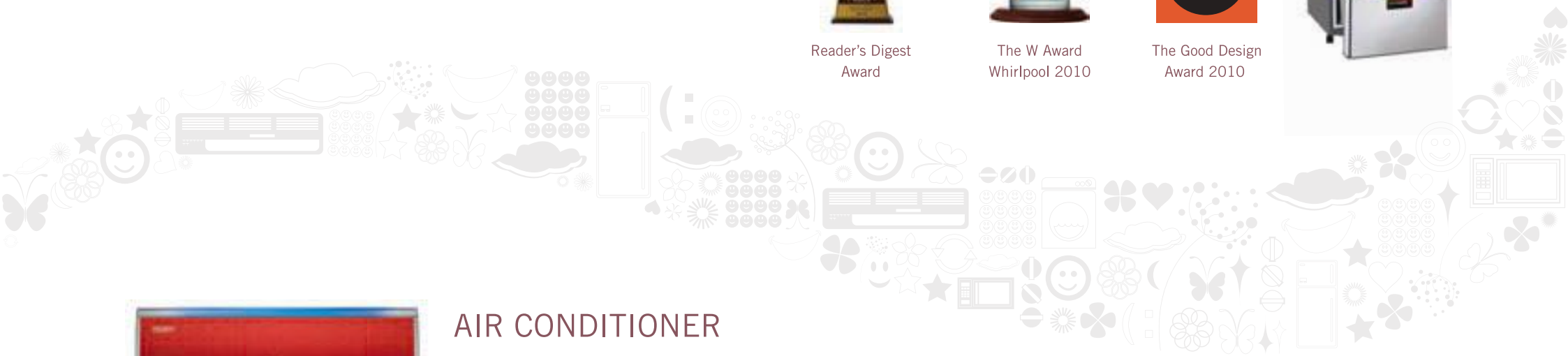


The Good Design  
Award 2010



### AIR CONDITIONER

The introduction of colours and graphics in Air Conditioners saw the category grow by 85%. We aspire to do even better in the year ahead.



## WASHING MACHINE

Washing takes effort and time. This consumer insight inspired Whirlpool to launch the Ace Wash Station in the Washing Machine category. Its pathbreaking design provided the user with a platform for the sorting of clothes, thus raising convenience to a new level by saving time and effort. Within three months of its launch, this novel product became an award-winning category leader in its segment.



Reader's Digest Award



The Good Design Award 2010



## MICROWAVE

Two new models were launched in Microwaves which helped the category grow by 80%. In the pipeline are more innovative products to help make food preparation easier and better for our consumers.

## WATER PURIFIER

Keeping with the promise of 'Water You Can Trust', Whirlpool introduced the Minerala Reverse Osmosis Water Purifier Range. With a unique Mineral Enrichment System that adds essential minerals to purified water and a Ceramic Silver Cartridge that prevents the re-contamination of purified water, this range already accounts for more than 30% of RO Water Purifier sales.



# Channel Expansion

## DISTRIBUTION EXPANSION

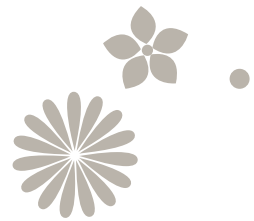
Whirlpool of India continues to expand its distribution footprint by appointing distributors in small towns. We strengthen our relationship with retail partners through two Dealer Contact Programmes every year, bonding with over 10,000 dealers on each occasion. In 2010, 160 Dealer Meets and 5 Mega Distributor Meets were held in different towns across India.

## DEALER MEET, 2010



## EXPANSION OF EXCLUSIVE STORES

2010 witnessed the creation of Whirlpool Brand Shops and 70 such outlets were operational as we exited the year.

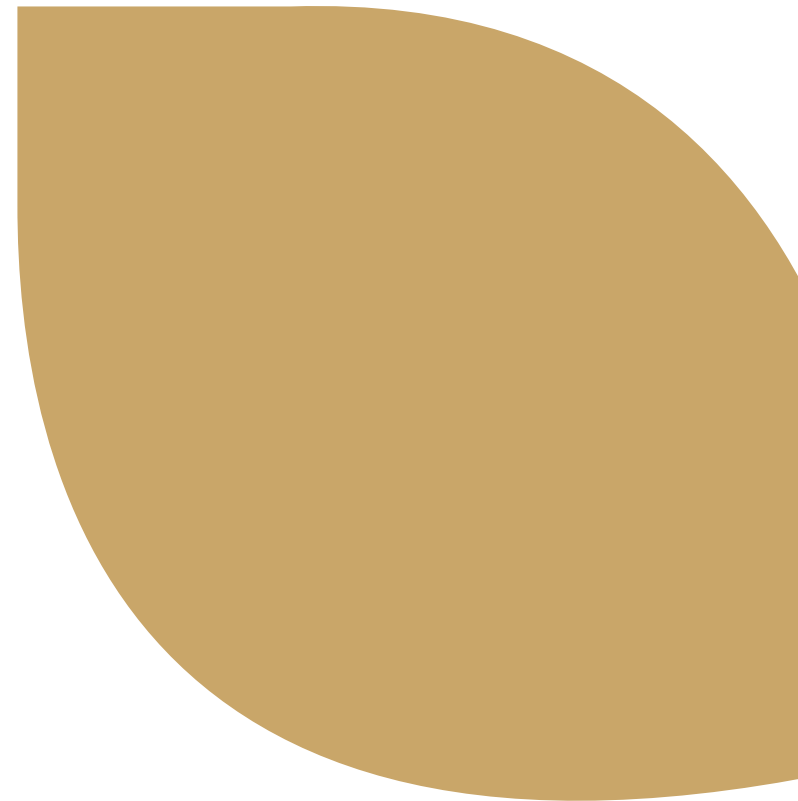
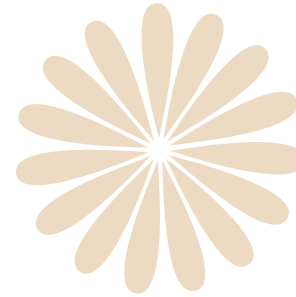


# World-Class Service

Augmenting our innovations is a focused approach to best-in-class service. This is facilitated through a strong network of over 500 Service Partners and close to 4,000 Service Engineers, ensuring that friendly service is at hand, even in the small towns of our country.

We have instituted a process to capture instantaneous feedback on the quality of service by providing a 3-digit code when a service request is registered, which the consumer reveals to the engineer only if satisfied with the service. Satisfaction is measured as a percentage of codes logged.

Our 45 Product Experience Centres enable consumers to see how products work, use and learn more about them and make an informed purchase. Further, our exceptional range of accessories and consumables provide added consumer value, while contributing to the revenue of our company.



# Our People

What makes Whirlpool special? At the core, it's our people—their passion, commitment and integrity. Whirlpool maintains a strong connection to the workplace and a commitment to fostering an atmosphere where everyone can participate fully.

Consistently named one of the most respected US companies, we've received external recognition for being a top company for leaders by Fortune Magazine, one of the best employers in Argentina and one of the best companies to work for in Brazil, India and Mexico. Our objective of being an Employer of Choice lies behind our success in India. Creating a strong value proposition for a compelling, consistent employment experience, shaping employee behaviour in every echelon of the company and inspiring a high performance culture are fundamental elements that define our relationship with employees.

Since its inception, Whirlpool's success has been driven by people who adhere to our strong values of respect, integrity and teamwork. As we enter a new century of opportunity, we are committed to building on this legacy, working globally to accomplish more than we could ever achieve alone.



Best Employer Brand  
Award 2010



Great Place To Work  
Award 2010



# CSR Initiatives: The Joy of Giving



## Ek Jodi Kapda

Happiness begins at home, even for people who cannot afford appliances. Whirlpool of India partnered with Goonj, a leading NGO, to launch 'Ek Jodi Kapda' - an initiative to contribute clothes to the under-privileged. The campaign kicked off at the start of the festive season and was supported extensively across media, with actor and social activist Shabana Azmi as the face of the campaign. More than 180 tons of clothes were collected across the country and distributed to the people who needed them most.



# The Next Century of Innovation

Every Home, Everywhere. For a 100 years, Whirlpool Corporation has achieved great things with character and integrity. As we enter the next century, keeping our core appliance business healthy and growing through innovative offerings in categories like refrigeration and laundry is a fundamental component of our global growth strategy. Our growth in the core will create opportunities in adjacent businesses such as accessories, stabilizers, invertors and consumables and facilitate our entry into new businesses.

Whirlpool of India will be a key driver of the Corporation's global growth strategy, and execution has already begun. Our core is being continuously strengthened; we have a small but profitable and growing business in power accessories and a foothold in water purification. 2011 will see the company expand its cooking business beyond microwaves and the launch of a revolutionary technology in washing machines.

## In the Pipeline for 2011



The 360° Bloom Wash is a smart washing machine for a smarter life. Its unique Variator Plate facilitates an effective yet gentle wash, while the Hot Catalytic Soak and H2Low Shower allow energy savings of up to 50% and water savings of up to 66%. Eco-friendly with an unmatched wash, the new 360° Bloom Wash from Whirlpool is already in stores and in homes.



Whirlpool Kitchen  
Appliances.  
Loved across  
the world.  
Now in India.



# Kitchen Appliances

With sound credentials as the world leader in home appliances, Whirlpool is now all set to give India's kitchens a makeover. From hobs and hoods to built-in microwaves and ovens, these highly innovative, stylish and superbly functional products will find space in every home and every heart.



## Hobs

### AKT 935

- Four crown burner: a first in India. Best suited to Indian cooking
- Frontal Knob position: for best burner layout and space management
- Metal Knobs: aesthetics that will go with your dream kitchen
- Dimensions in mm (wxdxh): 860\*510\*49



## Dishwasher

### W74/1

- 12 place setting: washes large loads at a go
- Energy Class A: best-in-class performance on energy efficiency
- Cleaning performance A: best-in-class performance on cleaning results
- In-built Water softener and Rinse Aid indicator



## Hoods

### AKR 904 Platinum

- Suction: 1000 m<sup>3</sup>/hr
- Filter type: metallic baffle
- Colour: stainless steel
- Warranty: lifetime\*
- No. of lamps: 2



## Built-In MWO

### AMW 848

- Convection MWO + Steam + 6<sup>th</sup> Sense
- 6<sup>th</sup> Sense Cooking
- Touch Control Text Assisted Cooking
- Crisp Function: unique function for simultaneous top and bottom cooking
- Jet Defrost: 7 times faster de-frosting than any other microwave oven
- 3D Cooking: best-in-class microwave distribution for superior microwave oven performance



## Built-In Oven

### AKZM 656

- 6<sup>th</sup> Sense Cooking
- Multi-function cooking
- Electronic Temperature control
- Touch Screen Assisted display
- Integrated Handle
- Best in Class energy efficiency
- 67 ltr. capacity



**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE FIFTIETH ANNUAL GENERAL MEETING OF WHIRLPOOL OF INDIA LIMITED** will be held at Yash Inn, P-11, 5 - Star- M.I.D.C, Ranjangaon, Pune - Ahmednagar Express Highway, Taluka- Shirur, District- Pune-419 204 on Friday the 1st day of July 2011 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjiv Verma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Simon James Scarff, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.
5. To declare dividend on 10% redeemable non convertible preference shares.

Place : Gurgaon  
Date : May 9, 2011

By Order of the Board  
Ravi Sabharwal  
Company Secretary

**NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) The instrument appointing proxy to be valid shall be deposited with the Company at its registered office at least 48 hours before the time fixed for the meeting.
- c) Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- d) Register of Members will remain closed from 24<sup>th</sup> June 2011 to 1<sup>st</sup> July 2011 (both days inclusive).
- e) Members holding shares in physical form may appoint a nominee by filing Form 2B with the company in their own interest. Members holding shares in demat form may get their nomination recorded with their respective Depository Participant.
- f) The equity shares of the Company are under compulsory demat trading by all investors. Shares are available for demat with both the depositories in India — National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholder(s) who want to hold shares in demat form should open a demat account with a depository

participant (DP) registered with either NSDL or CDSL, and then surrender their share certificate(s) for dematerialisation to the company through the DP. List of DPs registered with NSDL and CDSL is available on their respective websites.

- g) Documents referred in the proposed resolutions are available for inspection at the registered office of the company during working hours.
- h) Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrars and Share Transfer Agents at the following address:-  
  
Link Intime India Pvt. Ltd.  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase II (Near Batra Banquet Hall)  
New Delhi 110 028  
Tele. No. 91-11-41410- 592, 593, 594  
Fax No. 91-11-41410 591  
Email: delhi@linkintime.co.in
- i) The shareholders requiring information on accounts and operations of the Company or intending to raise any query are requested to forward the same atleast 10 days prior to the date of meeting to the Company Secretary at the corporate office.
- j) Mr. Sanjiv Verma and Simon James Scarff, directors retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.
- k) The Board of Directors declared an interim dividend on 10% Redeemable non convertible Cumulative preference shares of Rs.10 each, for the financial year ended March 31, 2011 @Rs.1 per share on redemption of 9,84,92,500 preference shares which was paid to the shareholder along with the redemption amount aggregating to Rs. 457.43 Lacs. The Board has recommended a final dividend on balance 5,38,50,000 10% Redeemable non convertible Cumulative preference shares of Rs.10 each for the financial year ended March 31, 2011 @Rs.1 per share aggregating to Rs. 538.50 Lacs.

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Company's Registrars & Share Transfer Agents, Link Intime India Pvt. Ltd. at the address given above at note (h)

## CORPORATE GOVERNANCE

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

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

*Jeff M. Fetting*

*Chairman, Whirlpool Corporation*

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental to Whirlpool Group. These Values guide us in all our transactions and relations. That is the Spirit of Whirlpool and we also call it the Spirit of Winning.... On to Leadership.... sustainable and profitable achieved with the mantra of One Team..... One Dream.

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

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

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. The Chairman is an Executive Director. In all there were 6 Directors including 3 Independent Directors during the financial year ended March 31, 2011. As on March 31, 2011, the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49

of the Listing Agreement of the Stock Exchanges.

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

Name of the Directors	Category	No. of Directorships and Committee Memberships/ Chairmanships (As on March 31, 2011)		
		Other Directorships#	Committee Memberships	Committee Chairmanship
Robert Mink #	Non-Executive Director	-	-	-
Arvind Uppal	Chairman Cum Managing Director	1	-	-
Syed Shahzad Akhtar*	Whole time Director	-	-	-
Sanjiv Verma	Non-Executive & Independent Director	2	-	-
Simon J. Scarff	Non-Executive & Independent Director	1	2	1
Anand Bhatia	Non-Executive & Independent Director	3	1	-

#### Note:

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

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

# Other Directorships exclude Directorship in Foreign Companies.

\* Mr. Syed Shahzad Akhtar was appointed on the Board w.e.f. May 17, 2010.

#### Attendance & Meeting

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

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
Robert Mink	Non-Executive Director	-	No
Arvind Uppal	Chairman & Managing Director	4	Yes
Syed Shahzad Akhtar *	Whole Time Director	4	Yes
Simon J. Scarff	Non-Executive & Independent Director	4	Yes
Anand Bhatia	Non-Executive & Independent Director	3	No
Sanjiv Verma	Non-Executive & Independent Director	3	Yes

\* Mr. Syed Shahzad Akhtar was appointed on the Board w.e.f. May 17, 2010.

During the year ended March 31, 2011 four meetings of the Board of Directors were held on the following dates:

(i) May 17, 2010 (ii) July 19, 2010 (iii) October 28, 2010 (iv) February 3, 2011

The Annual General Meeting (AGM) was held on July 19, 2010.

### 3. COMMITTEES OF THE BOARD

#### (i) Audit Committee

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

Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited.

The Company has a multi disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Chairman of the Audit Committee was unable to attend the last Annual General Meeting held on July 19, 2010. However, the other members of

the Audit Committee Mr. Simon J. Scarff and Mr. Sanjiv Verma were present in the last Annual General Meeting to answer shareholders queries.

The Audit Committee is responsible for:

- (i) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- (ii) Evaluating the adequacy of internal controls and its effectiveness.
- (iii) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.
- (iv) Providing an avenue for effective communication between the Internal Audit, the Statutory Auditors and the Board of Directors.

#### Composition and Attendance

Name of the Directors	No. of Meetings Attended
Anand Bhatia, Chairman	3
Simon J. Scarff, Member	4
Mr. Robert Mink	-
Mr. Sanjiv Verma	3

The Chief Financial Officer, the Internal Auditor and the Statutory Auditors are permanent invitees to the audit committee meetings. It has been the practice of the Chairman of the Audit Committee to extend an invitation to the Managing Director and Executive Directors to attend all the meetings and to Cost Auditors whenever required. Mr. Ravi Sabharwal, Company Secretary acts as the Secretary of the Committee.

During the year ended March 31, 2011, four meetings of the Audit Committee were held on the following dates:

- (i) May 17, 2010
- (ii) July 19, 2010
- (iii) October 28, 2010
- (iv) February 3, 2011.

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

#### (ii) Directors Remuneration Committee

Terms of Reference of the Directors Remuneration Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd. and

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

#### Composition and Attendance

Mr. Anand Bhatia is the Chairman of Remuneration Committee. Other members of the Committee consist of Mr. Simon J. Scarff, Mr. Robert Mink and Mr. Sanjiv Verma. Mr. Sanjiv Verma was appointed as member of the Committee w.e.f. February 3, 2011.

During the year one meeting of Remuneration Committee was held on May 17, 2010. Mr. Anand Bhatia and Mr. Simon J. Scarff attended this meeting.

#### Remuneration policy

The terms of reference / role of the Remuneration Committee is to determine the Company's policy on the

remuneration package of its Executive Directors and to determine and approve the terms & conditions and remuneration package of its Executive Directors, including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof. The details of remuneration paid to Executive Directors are given separately in the Report.

The Non-Executive Independent Directors are entitled for sitting fee of Rs. 20,000 for every meeting of the Board or committee thereof. They are also reimbursed all traveling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committees thereof or which they may otherwise incur in the performance of their duties as Directors.

#### Annual Remuneration paid to Mr. Arvind Uppal, Chairman & Managing Director

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund *	Total
75,00,000	2,38,22,756	78,33,571	NIL	9,00,000	4,00,56,327

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

Notice Period – 3 Months

Severance Fees – NIL

Stock Options – NIL

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

#### Annual Remuneration paid to Mr. Syed Shahzad Akhtar, Whole Time Director

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund *	Total
42,84,000	39,87,096	21,48,607	49,33,614	5,14,080	1,58,67,397

Service contract for three years w.e.f. May 17, 2010.

Notice Period – 3 Months

Severance Fees – NIL

Stock Options – NIL

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

#### (iii) Investors Grievance Committee

Terms of Reference of the Investors Grievance Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the relevant clauses

of the Articles of Association of the Company that inter alia include looking into the Investors complaints on transfer of shares, non receipt of Annual Accounts, non receipt of dividends declared and interest on debentures etc. and the redressal thereof.

**Composition and Attendance**

Name of the Directors	No. of Meetings Attended
Anand Bhatia, Chairman	3
Arvind Uppal	4
Syed Shahzad Akhtar	4

During the year ended March 31, 2011, four meetings of the Investors Grievance Committee were held on the following dates:

(i) May 17, 2010 (ii) July 19, 2010 (iii) October 28, 2010 and (iv) February 3, 2011.

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

a.	No. of shareholders complaints received during the year	17
b.	No. of complaints not resolved to the satisfaction of the shareholders	Nil
c.	No. of pending share transfers as on March 31, 2011.	Nil

Ravi Sabharwal, Company Secretary is the Compliance Officer of the Company.

**(iv) Share Transfer Committee**

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

**Composition and Attendance**

Name of the Member	No. of Meetings Attended
Ravi Sabharwal, Chairman	24
Anil Berera	-
Anish Duggal	24
Vinay Kumar	24

The Committee holds its meeting every fortnight, if required to consider all matters concerning transfer and

transmission of shares. During the year ended March 31, 2011, twenty four meetings of the Share Transfer Committee were held.

**4. GENERAL BODY MEETINGS**

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

Year	Day	Date	Timing	Place
2008	Thursday	September 18, 2008	11.30 A.M.	Hotel Yash Inn, Ranjangaon, Shirur, Pune
2009	Thursday	September 24, 2009	11.30 A.M.	Hotel Yash Inn, Ranjangaon, Shirur, Pune
2010	Monday	July 19, 2010	10:30 A.M.	Hotel Yash Inn, Ranjangaon, Shirur, Pune

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

Year	Resolution passed
2008	<ol style="list-style-type: none"> <li>1. Special Resolution passed for payment of enhanced remuneration to Mr. Mahesh Krishna as a Whole time director of our company.</li> <li>2. Special Resolution passed for appointment of Mr. Vikas Singhal as a Whole time director and approval of his remuneration.</li> <li>3. Special Resolution passed for reappointment of Mr. Arvind Uppal as Managing Director and approval of his remuneration.</li> </ol>
2009	None
2010	<ol style="list-style-type: none"> <li>1. Special Resolution passed for appointment of Mr. Syed Shahzad Akhtar as whole time director and approval of his remuneration.</li> <li>2. Special Resolution passed for reappointment of Mr. Arvind Uppal as Chairman &amp; Managing Director and approval of his remuneration.</li> </ol>

During the year, no special resolution was passed through Postal Ballot.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution through postal ballot.

**5. DISCLOSURES**
**Related Party Transactions**

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

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

**Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities relating to the above during the financial year. The Company has complied with all Accounting Standards issued by the Institute of Chartered Accountants of India.

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

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

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

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

**Whistle Blower Policy**

The Company has a robust Whistle Blower Policy that

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

#### Retiring Directors

In accordance with the provisions of the Companies Act, 1956 and the Article 115 of the Articles of Association of the Company Mr. Sanjiv Verma and Mr. Simon J. Scarff retire by rotation and being eligible offer themselves for re-appointment.

Mr. Sanjiv Verma is an Engineering Graduate from Indian Institute of Technology (IIT). He has over 27 years of experience working in various leadership positions. His last assignment was as General Manager India and SEA & Managing Director, Baxter India. Currently he is a Director of J. V. D. Health Pvt. Ltd. and Devita Renal Care India Private Limited. He is Founder Trustee of Chronic Health Care Foundation of India. He is on your Board since 2009 and is also a member of the Audit Committee.

Mr. Simon J. Scarff, Independent Non-Executive Director of the company is the Non-Executive Director and Chairman of GlaxoSmithKline Consumer Healthcare Ltd. He worked for over 23 years with Smithkline with specific reference to Marketing. In 1999 he was awarded the prestigious honour of the Officer of the Order of the British Empire by Her Majesty, The Queen of England. He is on the Board of your Company since 2001 and is also a member of the Audit Committee and Remuneration Committee.

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

## 6. MEANS OF COMMUNICATION

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

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

The Company is timely submitting the required information, statements and reports on Corporate Filing & Dissemination System ( CFDS ).

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

## 7. SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Date : 1st July, 2011  
Time : 11.00 A.M.  
Venue : Yash Inn.

P-11, 5 - Star- M.I.D.C, Ranjangaon,  
Pune - Ahmednagar Express Highway,  
Taluka - Shirur, District - Pune – 419 204.

### (ii) Financial Calendar - Year 2011-12

Tentative dates for adoption of Quarterly Results for the quarter ending

- June 30, 2011	July, 2011 (4th week)/ August (1st Week)
- September 30, 2011	October, 2011 (3rd / 4th week)
- December 31, 2011	January, 2012 (3rd / 4th week)
- March 31, 2012	April, 2012 (3rd / 4th week)
	Or
	Audited Annual Results in
	May, 2012 (3rd / 4th week)

### (iii) Book Closure Date

24th June, 2011 to 1st July, 2011(both days inclusive)

### (iv) Dividend Payment Date

No Dividend on equity shares has been recommended by Board for the year ended March 31, 2011 as your management had to first redeem 15,23,42,500 10% Redeemable non convertible Cumulative preference shares of Rs.10 each with call and put option for redemption.

The Board of Directors declared an interim dividend on 10% Redeemable non convertible Cumulative preference shares of Rs.10 each, for the financial year ended March 31, 2011 @Rs.1 per share on redemption of 9,84,92,500 preference shares which was paid to the shareholder along with the redemption amount. The Board has also recommended a final dividend on balance 5,38,50,000 10% Redeemable non convertible Cumulative preference shares of Rs.10 each for the financial year ended March 31, 2011 @Rs.1 per share.

### (v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. at Mumbai. The Company confirms that it has paid annual listing fee due to the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. for the year 2010-2011.

### (vi) Stock Code

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

National Stock Exchange of India Ltd. **WHIRLPOOL**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

### (vii) Registrar & Transfer Agents

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

**(viii) Stock Price Performance - Whirlpool Vs BSE Sensex, Year 2010-11****Note:**

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

**(ix) Market Price Data**

Months	Bombay Stock Exchange (BSE)	
	High (Rs.)	Low (Rs.)
April 2010	194.00	162.00
May 2010	283.00	180.00
June 2010	271.35	227.50
July 2010	304.00	260.00
August 2010	329.00	268.60
September 2010	338.50	283.25
October 2010	337.00	291.00
November 2010	329.15	276.00
December 2010	305.75	247.00
January 2011	298.90	230.00
February 2011	244.65	200.00
March 2011	273.70	221.05

Months	National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)
April 2010	193.00	189.00
May 2010	261.40	251.60
June 2010	266.00	256.25
July 2010	280.80	271.00
August 2010	294.90	277.95
September 2010	293.70	285.55
October 2010	305.50	289.05
November 2010	287.40	278.00
December 2010	291.00	280.00
January 2011	242.00	230.00
February 2011	234.40	217.10
March 2011	274.00	264.90

**(x) Share Transfer System**

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

**(xi) Dematerialization of Shares**

The Company's shares are available for trading in both depository systems - National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on March 31, 2011 2,93,14,963 equity shares of the Company, forming 92.42% of Non-Promoter shareholding stand dematerialized.

International Securities Identification Number: INE716A01013

**(xii) Liquidity of Shares**

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

**(xiii) Shareholding Pattern as on March 31, 2011**

Category	No. of Shares	%
Promoters	95153872	75.00
Mutual Funds	8392883	6.61
Non Resident Indians	280756	0.22
Banks, Financial Institutions & Insurance Companies	9458	0.01
Foreign Institutional Investors/ Foreign Financial Institutions	3802951	3.00
Corporate Bodies	4828992	3.81
Central Government/ State Government	733	0.00
Public	14402185	11.35
<b>Total</b>	<b>126871830</b>	<b>100.00</b>

**(xiv) Distribution of Shareholding as on March 31, 2011**

No. of Equity Shares		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	500	38647	91.165	3968668	3.128
501	1000	2052	4.84	1580385	1.246
1001	2000	786	1.854	1203044	0.948
2001	3000	275	0.649	706533	0.557
3001	4000	131	0.309	477613	0.376
4001	5000	116	0.274	546523	0.431
5001	10000	167	0.394	1256548	0.99
10000	And above	218	0.514	117132516	92.324
<b>Total</b>		<b>42392</b>	<b>100.00</b>	<b>126871830</b>	<b>100.00</b>

**(xv) Outstanding Stock Option**

There are no outstanding warrants or any convertible instruments as on March 31, 2011

**(xvi) Plant Locations of the Company**

- 28 N.I.T., Faridabad (Haryana)
- A-4 MIDC Rajangaon, Taluka-Shirur, District-Pune – 419 204
- Village Thirubhuvanai, Pondicherry – 605 001

**(xvii) Address for Correspondence**

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

**Registered Office**

Whirlpool of India Limited  
Plot No. A-4 MIDC  
Ranjangaon, Taluka- Shirur  
Distt.- Pune, Maharashtra – 419 204  
Telephone No. 02138 - 660100  
Fax No. 02138-232376  
Email: ravi\_kumar\_sabharwal@whirlpool.com

**Corporate Office**

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



**DECLARATION FOR CODE OF CONDUCT**

As provided under clause 49 of the Listing agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2011.

For Whirlpool of India Limited

Gurgaon  
Date: May 9, 2011

Arvind Uppal  
[Chairman & Managing Director]  
DIN No. 00104992

**AUDITORS' CERTIFICATE****To the Members of  
Whirlpool of India Limited**

We have examined the compliance of conditions of corporate governance by Whirlpool of India Limited, for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Gurgaon  
Date: May 9, 2011

**For S. R. Batliboi & Co.**  
**Firm Registration No. 30100E**  
**Chartered Accountants**  
**Per Tridibes Basu**  
**Partner**  
**Membership No.: 17401**

## DIRECTORS' REPORT

The Directors' are pleased to present their 50<sup>th</sup> Annual Report and Audited Accounts for the year ended March 31, 2011.

### Financial Results

Particulars	(Rs. in lacs)	
	For the year ended	
	March 31, 2011	March 31, 2010
Sales/ Income from operations (including excise duty & Discounts)	327,566	268,030
Other Income	2,812	2,338
Profit/ (Loss) before Interest, Depreciation, Extraordinary items & Tax	28,940	26,456
Interest	(565)	(827)
Depreciation	(4,451)	(3,968)
Profit/ (Loss) before Extraordinary Items & Tax	23,924	21,661
Voluntary Retirement Compensation (including amortization of previous year)	—	(940)
<b>Profit/ (Loss) before tax</b>	23,924	20,721
Provision for Tax (including deferred tax and wealth tax)	(7,321)	(6,219)
<b>Net Profit/ (Loss) for the year</b>	16,603	14,502
Credit/ (Debit) Balance B/F from previous year	5,969	(82)
<b>Profit available for appropriation</b>	22,572	14,420
Interim Dividend on Preference Shares	(457)	(4,177)
Proposed Dividend on Preference Shares	(539)	(3,047)
Tax on Dividend	(152)	(1,227)
Transfer to Capital Redemption Reserve	(9,849)	—
<b>Surplus/ (Deficit) carried to Balance Sheet</b>	11,575	5,969

### Performance of the Company

During the year ended March 31, 2011 the sales of the Company, was Rs. 327,566 Lacs, up by 22%. Profit before tax and extra ordinary items was Rs. 23,924 Lacs as compared to corresponding profit of Rs. 21,661 Lacs in the previous year. The performance of the Company during the year surpassed all its previous milestones of turnover, profit, cash generation. This performance has been achieved by focusing on new product launches, product mix, management, effective working capital management and cost effective initiatives.

### Dividend

Dividend on equity shares is not recommended for the year ended March 31, 2011 as your management had to first redeem 15,23,42,500 10% Redeemable non convertible Cumulative preference shares of Rs.10 each with call and put option for redemption.

The Board of Directors declared an interim dividend on 10% Redeemable non convertible Cumulative preference shares of Rs. 10 each, for the financial year ended March 31, 2011 @Rs. 1 per share on redemption of 9,84,92,500 preference shares which was paid to the shareholder along with the redemption amount aggregating to Rs. 457.43 Lacs. The Board has recommended a final dividend on balance 5,38,50,000 10% Redeemable non convertible Cumulative preference shares of Rs. 10 each for the financial year ended March 31, 2011 @Rs. 1 per share aggregating to Rs. 538.50 Lacs.

### Preference Shares

The Company had issued 15,23,42,500 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each to Whirlpool Canada Holding Company in the year 2005 redeemable at the end of twenty years with call and put options for redemption to the Company and Shareholder respectively.

The Company had redeemed 9,84,92,500 Preference Shares on request of the shareholder using the put option and payment was made to the preference shareholders along with pro-rata dividend till the date of redemption during the financial year.

Your Board of Directors have passed a resolution in its meeting held on May 09, 2011 to redeem the balance 5,38,50,000 10% Redeemable non convertible Cumulative preference shares of Rs. 10 each along with pro-rata dividend till the date of redemption on or before August 31, 2011.

### Management Discussion and Analysis Report (MD&A)

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

### Sales & Marketing

The year 2010-11 witnessed contrasting market conditions. The first quarter saw robust consumer demand across all categories and revenue grew in strong double digits. However, subsequent quarters saw moderation in growth primarily due to two factors: (1) food inflation which impacted consumer demand and (2) unabated commodity inflation which necessitated frequent price increases, further dampening demand. Your Company adapted itself to the different scenarios, focusing on volume when the conditions were good and profitability as growth moderated. A number of actions were taken to protect margin: better sales mix, controlling discretionary expenditure, and freezing recruitment. Where your company did not compromise was in investment in innovation and expansion of distribution. Keeping with Whirlpool's tradition of bringing out first-to-market products with consumer relevant design and feature innovations, we launched 4 products that quickly achieved marketplace success.

- A **3-Door Frost Free Refrigerator** marketed as *Protton* was launched in 300 & 300 L capacities which attained >30% market share in the very first year. Your Company has firm plans to enlarge this portfolio and broaden the appeal to a larger consumer base.
- **In Air Conditioners**, your Company grew by over 100% on the back of a larger range in Split Air Conditioners in the *Mastermind Aviator* and *Mastermind Chrome* series. The range was further enhanced with the introduction of two new series – *Mastermind Protton* and *Mastermind Elegance in Q4*. Whirlpool now has an enviable range of high performance Air Conditioners with different options in styling, color and graphics, energy ratings and price points for consumers to choose from.
- *ACE Wash Station* – was launched in the semi automatic segment of **Washing Machine**. This highly innovative product, distinguished by its unique design and platform for sorting clothes, became a leader in its segment within 3 months of launch, demonstrating how low cost innovation can create value even in a commoditized market segment.
- 2 new models of **Microwaves** were launched in the year

helping the category grow by > 40%. We continue to have a very robust pipeline of new products which would be launched in ensuing quarters.

Following the 360° brand activation programme of 2009-10 that saw increased visibility of the Whirlpool brand, your Company maintained round the year presence in key media through different campaigns: ACs, followed by 3-door refrigerator campaign in summer, and Ace during the festival season. Use of Outdoor and Out-of-Home channels continued and >6500 screens in the latter run our campaigns throughout the year.

The key emphasis of the brand in 2010-11 went beyond visibility to focus on increasing **brand affinity**, with initiatives to enhance the level of consumer engagement with the brand. Three initiatives taken during the year are described below.

- **Ek Jodi Kapda:** Your Company launched this campaign during Onam in Kerala (August 2010) and its success saw it extend into an all-India campaign during Diwali. Ek Jodi Kapda is a platform created for contributing clothes for the under-privileged sections of our society. The cause, implemented in partnership with a leading NGO *Goonj*, was endorsed by Shabana Azmi and advertised on TV, Radio and Print, supported by huge on-ground activation such as branded vans and opening of collection centres at retail counters. By facilitating a platform where consumers could bring happiness to the less privileged in the festive period, Whirlpool strengthened its credentials as a caring company that believed in creating happiness not only for its customers but for the community at large. The result of this campaign was staggering: 180 tons of clothes were collected across the country with more than 25 lakh consumers directly engaging with the brand during this time.
- **Road Shows:** A massive consumer contact program was done on Refs and Aircon category at the start of the summer season, particularly in towns where Whirlpool presence was weak. This helped in expanding billing points in the smaller towns of the country.
- **Social Media:** Your Company engaged with the consumers directly through Facebook and Twitter and we have more than 1 Lakh fans on our website with whom we have a continuous dialogue every day.

Your Company continues to expand distribution by opening up distributors in smaller towns. The dealer contact programme

initiated a couple of years ago has become a biannual event with the first conducted at the onset of summer and the second prior to the festive season. Over 10,000 dealers across the country are contacted on each occasion during which old relationships are strengthened and new ones started. Your Company also created a new format of exclusive Brand Shops, focusing on large urban centres. Approximately 70 such outlets were operational as we exited the year. There are plans to expand the footprint of Brand Shops in the ensuing quarters.

Finally, your Company restructured the front end of the organization to improve execution and bring focus on emerging businesses. (a) It merged the Sales & Service at the regional level. This change was done to have a single point of ownership in improving the pre and post purchase experience and hasten speed in decision making. (b) To accelerate growth in new businesses it strengthened the regional structure by having dedicated business managers for Air Conditioners & Microwaves, Power Accessories and Water Purifiers.

#### Exports

During the year under review, the Export business of the company achieved a turnover of Rs.169 Crore. This achievement was in the face of appreciating Indian Currency and steep increase in the raw material cost.

Our neighboring markets in the SAARC region performed excellently and delivered a volume growth of over 80%. We expect to maintain the momentum in these markets through range and network expansion in these low penetrated markets.

The new range of Mastermind and Proton World Series Refrigerators were launched in Australia and initial results are encouraging. We achieved breakthrough in select Latin American markets with our No-Frost Range. This has laid the foundation for entering other markets in that region. In Middle East, Europe and Africa, we were able to expand our range and advance into select CIS Markets despite competitive market conditions. Further geographic expansions in African markets were achieved through our range of Semi Automatic Washers. South East Asia continues to deliver steady volumes, particularly Philippines.

Going forward, the acceleration of new product development in India and investment in new platforms will translate to a wider product range for export markets. Your Company's focus on low cost innovation will also benefit the export business for low income economies.

#### Consumer Services

**Uncompromising Customer Care**, launched in 2009-10, where the consumer is the focal point in deciding quality of service rendered, continued in 2010-11 with amazing results. The system has been well received by consumers and it is now an accepted basis for rewarding our Service Partners, with performance parameters being raised periodically. Similar success was achieved on other service measures such as Same Day Completion, Open Calls and Reminder Calls, which directly impact consumer satisfaction.

Expansion of service footprint went hand in hand with expansion of distribution. The Service function continued to contribute to your Company's revenue through the sales of a unique range of accessories and consumables, which registered profitable growth over the previous year.

We are very confident and moving rapidly towards our goal of providing "Best in Class Service".

#### Human Resources

The year 2010-11 saw your Company continue to consolidate its reputation as an 'Employer of Choice' with Whirlpool being voted amongst the "Top 20 Best Companies to work for in 2011" by the Hewitt Best Employers study. The Employee Engagement Score (EES) of 85 for Whirlpool of India Limited was the highest in the Whirlpool world. The high engagement of the workforce helped drive critical business levers.

Given the high growth environment, the team in Human Resource focused on creatively managing Talent Retention, Capability Development, Culture and Communication. The endeavor was to boost morale so as to sustain the Spirit of Winning. We strengthened the embedment of the 5 point "Extraordinary Performance and Results" by taking it online. We continued to provide our key players and critical position holders with differentiated compensation and growth opportunities.

Managerial effectiveness was identified as a key focus area for higher productivity and engagement levels. As a first step towards this, we have covered 100 plus managers through a managerial skill survey which provided them specific feedback on their managerial ability. This will continue to be a focus area going forward as well.

To sustain the connect with employees at all levels the Employee Engagement initiative took off with great spirit and vigor. Focus Group Discussions were conducted across India

and Employee Centric Action plans were drawn out and under implementation. The leadership team took ownership to drive four big leadership actions which impacted employee engagement in the organization. This year the HR team organized several connect initiatives with the employees through quarterly *Everyone Connect* calls, Skip Meetings and celebrating success during Employee Reward and Recognition programs. An interactive employee intranet site "*WConnect*" was launched which gives each employee a means to express their voice.

Key Organizational Capability Building initiatives such as Organization Leadership Development Program (for Directors and Senior Directors), Emerging Leader Development Program (for first time people managers), and Project Breakthrough (for Branch Sales Managers) were successfully concluded to gear up the organization for an exponential growth agenda. We also launched project management and change management programs to enhance execution capability. All managers were covered in the "*Foundations of Whirlpool*" through online courses to understand your Company's values and objectives as well as fundamental operational capabilities. Indeed, we continuously encourage managers to leverage Whirlpool University for virtual learning and self development.

To sustain high growth and profitability, we introduced floating manpower in our manufacturing units which helped us in mitigating challenges of rising costs and manpower shortage while at the same time ensuring production targets were met.

#### Finance and Accounts

During the last fiscal, your Company delivered yet another year of strong business results continuing its journey of sustainable and profitable growth. Top line growth was 22% against a moderate volume growth of 12% and improvements were registered in all operating metrics. The performance is creditable as it was achieved in an extremely challenging business environment characterized by (a) high food inflation that slowed down growth, (b) spike in commodity costs that put margins under pressure, and (c) a fiercely competitive marketplace.

Key enablers of your Company's 2010-11 performance were successful low cost innovations in Refrigerators and Washers, a richer product mix, exponential growth in Air Conditioners and Microwaves, and relentless focus on discretionary spends. Our focus on cost is now well embedded but cost take outs in 2010-11 were unable to fully mitigate the commodity inflation and hence price increases were necessary. These initiatives

helped in protecting margin and we remain one of the most profitable players in the industry. Our cash generation remains strong and we are able to finance our investment from internal accruals.

Overall, your Company's performance during the past fiscal year is a solid reflection of our strong brand, innovation led-growth, good fiscal management, and depth of talent. This strong foundation will stand us in good stead in continuing our journey of sustainable profitable growth.

#### Directors

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

In accordance with the provisions of the Companies Act, 1956 and the Article 115 of the Articles of Association of the Company Mr. Sanjiv Verma and Mr. Simon James Scarff retire by rotation and being eligible offer themselves for re-appointment.

Mr. Sanjiv Verma is an Engineering Graduate from Indian Institute of Technology (IIT). He has over 27 years of experience working in various leadership positions. His last assignment was as General Manager India and SEA & Managing Director, Baxter India. Currently he is a Director of J. V. D. Health Pvt. Ltd. and Devita Renal Care India Private Limited. He is Founder Trustee of Chronic Health Care Foundation of India. He is on your Board since 2009 and is also a member of the Audit Committee.

Mr. S.J.Scarff, Independent Non-Executive Director of the company is the Non-Executive Director and Chairman of GlaxoSmithKline Consumer Healthcare Ltd. He worked for over 23 years with Smithkline with specific reference to Marketing. In 1999 he was awarded the prestigious honour of the Officer of the Order of the British Empire by Her Majesty, The Queen of England. He is on the Board of your Company since 2001 and is also a member of the Audit Committee and Remuneration Committee.

#### Auditors

Members are requested to appoint Auditors for the current year on a remuneration to be fixed by the Board as per Item No. 4 of the Notice for the Annual General Meeting. M/s S. R. Batliboi & Co., the present Auditors of the Company have, under Section 224 (1B) of the Companies Act, 1956 furnished

a certificate of their eligibility for reappointment. The Board recommends their re-appointment as Auditors for the Financial Year 2011-12.

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

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

#### Fixed Deposits

As at March 31, 2011, no Fixed Deposits were held by the Company.

#### Listing of Shares

Company's equity shares are listed at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

#### Audit Committee

The Audit Committee held four (4) meetings during the year. The Members of the Audit Committee are:-

Mr. Anand Bhatia, Chairman - Independent Director

Mr. Simon J. Scarff, Member - Independent Director

Mr. Sanjiv Verma, Member - Independent Director

Mr. Robert L. Mink, Member - Non-Executive Director

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

The Chief Financial Officer, Internal Auditor and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee. It is a practice of the Committee to extend an invitation to the Managing Director and Cost Auditor to attend the meeting as and when required.

Mr. Ravi Sabharwal, Company Secretary, is Secretary of the Audit Committee.

#### Directors' Responsibility Statement

The Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) 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 and of the profit or loss of the company for that period;

- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors have prepared the annual accounts on a going concern basis.

#### Transfer to Investor Education and Protection Fund

In terms of the provisions of Section 205C of the Companies Act, 1956, during the financial year there was no unclaimed amount required to be transferred to the Investor Education and Protection Fund established by Central Government.

#### Corporate Governance

A Certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed as part of Corporate Governance Report.

The Board of Directors support the concept of Corporate Governance and having regard to transparency, accountability and rationale behind the decisions have made proper disclosures separately under the heading "Corporate Governance".

#### Insurance

The Directors confirm that Fixed Assets and Stocks of the Company are adequately insured against fire and allied risk on a replacement cost basis.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto (Annexure B) and form part of this report.

#### Personnel

As required by the provisions of Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure C to this Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary either at the registered office or Corporate Office of the Company.

#### Acknowledgement

The Company's growth has been achieved by continued support from all its stakeholders. The Company's partners-different Stakeholders, Customers, Suppliers, Employees, Investors, Community Members, Banks & Financial Institutions have been instrumental in the Company's success. Your Directors wish to place on record their sincere thanks to these partners. The Directors' would also like to express their appreciation to various agencies of Central & State Government for their continued support.

For and on behalf of the Board of Directors

Place: Gurgaon	Syed Shahzad Akhtar	Arvind Uppal
Dated: May 9, 2011	[Whole Time Director] DIN 03052558	[Chairman & Managing Director] DIN 00104992

## Annexure A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Developments

Despite demand being uneven in the last fiscal, the home appliance Industry saw strong growth. Volumes in the Refrigerator and Washer categories are estimated to have grown by 15 & 11% respectively, while Air Conditioners saw growth exceeding 20%. It is poised to become the largest category within home appliances in next 2 – 3 years. Microwave, even on a small base registered a growth of 20% in the last fiscal. Low household penetration growing disposable income presents strong growth opportunity for the future.

In terms of consumer trends, there are some discernable trends.

- There is distinct preference for high-end products. For example fully automatic washing machines and split air conditioners are growing faster than the category average.
- Lifestyle changes are influencing demand of large capacity products. New formats such as multi-door refrigerators are finding quick acceptance.
- Energy efficiency is a key determinant in selecting a product.
- Styling, Design and Colour that reflect the buyers personality are factors considered in the purchase process. Consumers are willing to pay a premium for good design.
- Heightened awareness on health hazards is fuelling growth of preventive products like Water Purifiers. Health features are increasingly finding their way in Air Conditioners.
- Investment in new kitchens and the presence of a number of international kitchen manufacturers is contributing to the growth of large kitchen appliances such as cook tops, chimneys, dishwashers and ovens.
- Retail environment continues to evolve. Customer experience in the shop is a critical touch point.

#### Outlook and Opportunities

The long term growth of home appliances is secure given India's low ownership of appliances even in urban markets. India's consumer pyramid offers opportunities to ladder products across capacities, formats and prices. Growth of nuclear families and increasing demand the homemaker's time are other factors that will drive demand. Government spending on infrastructure, particularly electricity augurs well for sustained demand from all town classes, particularly non-metro markets.

#### Outlook on Threats, Risks and Concerns

Food inflation and rise in commodity prices have been major concerns for most part of last fiscal and remain a concern as we start the new financial year. New regulations such as e-Waste and new energy standards in Refrigerators, both effective January 2012 are likely to impact product cost, at least for part of the next fiscal. Margins will thus remain under pressure.

India's market opportunity continues to attract investment in manufacturing, technology and brand building from existing players and new entrants.

However, we are optimistic that your Company will be able to strike a right balance between smart growth, pricing/mix actions and control over discretionary expenditure to proactively manage the situation and protect profitability. We will enable these actions via faster pace of low cost innovation, excellence in execution while improving productivity, quality of product and service. Efficient working capital / asset management, cash generation and robust stewardship will continue to be our focus areas as in the past.

#### Segment wise Performance, Internal Controls, and Financial Performance

The company operates in only one segment of White Goods. Domestic sales in value terms grew by 25% and overall sales grew by 22%.

#### Internal Control Systems and Adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure that:

- all assets and resources are acquired economically, used efficiently and are adequately protected;
- significant financial, managerial and operating information is accurate, reliable and is provided timely; and
- all internal policies and statutory guidelines are complied with.

The composition and competencies of the audit team and effectiveness of internal controls is continuously reviewed by the Audit Committee.

The scope of internal audit extends to all functions and locations of the company. The Company has also complied with the clause 49 of the listing agreement.

#### Financial Performance

The financial performance of the Company has been given separately in the Directors' Report.

## ANNEXURE B

### INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is as under:

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation Measures Taken:

##### Faridabad Plant

- i. Overhauling and Modification in DG resulting in specific fuel consumption increasing from 3.2 units/litre to 3.6 units/litre.
- ii. Increase in the use of daylight through use of transparent roof sheets.
- iii. Redesigning of ovens in paint shop from air heating to direct object heating
- iv. Replacing chiller by water cooling system in foaming, vacuum forming & extrusion area.
- v. Replacing chiller cooling in all hydraulic pack by water cooling tower system.
- vi. Arresting air leakage in all shops through pressure decay.
- vii. Switching equipment in off condition during idle running time through timer.
- viii. Increasing capacity of equipments by reducing its cycle time.
- ix. Use eco-ventilator for exhaust system in plant.

##### Pune Plant

- i. Reduction in Units in thermo forming machine by optimizing vacuum pump.
- ii. Cooling efficiency improvement by hydraulic oil & heating clamp of Line -2 thermo former, barrel cooling at extrusion.
- iii. Improving air compressor load by arresting air leakages and changing nozzles at thermo formers.
- iv. Reduction in electrical load of cooling tower through optimizing pump and motor.
- v. Installation of natural ventilators in the plant for exhaust in balance areas.

##### Puducherry Plant

- i. An isolated air line was designed for the machines, with a separate valve to restrict the usage of compressed air, & all unwanted air lines were removed & periodic leak check is introduced.
- ii. Auto cut-off module introduced for air conditioners to switch off automatically after working hours.
- iii. Auto switch-off of power to Dishing Machine if not in use for more than 5 minutes.
- iv. Auto cut-off of Hydraulic Press for both cabinet lines if not in use for more than 5 minutes.
- v. Auto cut-off of fans and lights in Dining Hall after lunch hours.

#### b) Additional Investments and proposals being implemented for Reduction of Energy Consumption:

##### Faridabad Plant

- i. Optimization of Chilling and Heating Loads.
- ii. Reduction of fuel consumption by operating oven at low temperature.
- iii. Replacement of PHE heating by direct heating in KOD & degreasing tanks in paint shop.

##### Pune Plant

- i. Air compressor transmission / compression efficiency
- ii. Energy efficient FDV systems for Door & Cabinet foaming by reducing electrical load.

- iii. Thermo former heating system modification through Quartz Heaters.
- iv. Reduction in cycle time of thermo former in Line-2.
- v. Replacing lamps with energy efficient bulbs for internal usage.
- vi. Energy efficient motors for more than 30HP.
- vii. Energy management system for Automatic Energy Consumption data acquisition monitoring & control.

#### Puducherry Plant

- i. Energy Saving Unit to be installed
- ii. Solar Lamp at factory street lights

#### c) Impact of (A) and (B) on the cost of production:

Faridabad Plant	: Rs. 5.00 per Refrigerator
Pune Plant	: Rs. 3.50 per Refrigerator
Puducherry Plant	: Rs. 0.69 per Machine

### B) TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

#### a) Specific Areas In Which R&D Is Carried Out By The Company:

##### Faridabad Plant

- i. Range of energy efficient refrigerators enhanced in direct cool products
- ii. Consumer relevant features like glass shelves & new door finishes introduced as part of new model offerings. Innovative fast forward ice feature extended to higher capacity product range.
- iii. State-of-the-art, contemporary CAD and simulation packages used to make a robust design with compressed design cycle time.
- iv. Green Gas/R600a introduced in low end models for energy improvement & usage of energy efficient compressors.
- v. Design and Development through CAD & Simulation test methods for improvement of experienced quality.

##### Pune Plant

- i. Worked on Technical solutions for higher energy efficient No Frost Products.

- ii. Launched Proton Series, 245L and 260L Top Mount Refrigerator with separate vegetable drawer for ease of use, freshness and energy savings.
- iii. State-of-the-art, contemporary CAD and simulation packages used to make robust design with compressed design cycle time.
- iv. Use of Test-to-Fail and Reliability Engineering Techniques during developmental testing for estimating and improving reliability of products (Reliability = Performance over life of product), through state-of-art and internationally accepted laboratory facilities.

#### Puducherry Plant

- i. ACE 8kg plastic body with breakthrough styling in three different colors.
- ii. 360° energy efficient washer introduced in differentiated styling.
- iii. Capacity enhancement in Splash from 5kg to 6kg.
- iv. CFM changes in Fully Automatic Top Load segment with "sports washer" theme.
- v. Expansion of horizontal axis segment (ex-China) with India developed electronics.

#### Benefits/ Achievements derived as a result of the above R&D.

##### Faridabad Plant

- i. Lower running cost to the consumer due to increased energy efficiency.
- ii. Premium value of the product through glass shelves introduction & maintaining cooling.
- iii. Perceived and experienced quality improvement.

##### Pune Plant

- i. Increased product performance, ease of use.
- ii. Better space management options for the consumer.
- iii. Perceived and experienced quality improvement.
- iv. Wider product ranges with the introduction of Proton Series.
- v. Flexible platform implementation to meet future energy requirements.
- vi. Improved component design by replicating field failures in Lab.

#### Puducherry Plant

- i. Higher capacity Plastic body Twin tub with unique styling provides ease of use and volume.
- ii. Resource saving due to 360° washer technology.
- iii. Enhanced 6 kg capacity of Washer at same cost as 5kg.
- iv. Huge variety of color options of Washers for wider consumer choice.

#### b) Future Plan of Action:

##### Faridabad & Pune Plant

- i. Focus on premium product offerings.
- ii. Continued focus to make more energy efficient products.
- iii. Aesthetics refresh and better space management offering.
- iv. Higher focus on export markets.
- v. Continued focus on innovative cooling and storage solutions which are relevant to consumers.
- vi. Continued focus on total cost productivity and process improvements.
- vii. Use of reliability and statistical techniques during development of new products, to ensure reliability of product.

##### Puducherry Plant

- i) Best cost entry level washer under development to address mass market.
- ii) Development of low capacity Twin Tub Plastic Body Ace under progress, based on success of 8.0 kg Ace.
- iii) Continue expanding the Horizontal Axis Washers through different import opportunities.
- iv) Customer friendly UI upgrade in progress.

Expenditure on R & D	(Rs. in lacs)
a) Capital	124.60
b) Recurring	3123.41
c) Total	3248.01
d) Total R & D expenses as % of total turnover	1%

**C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**
**a) Efforts made towards technology absorption, adaptation and innovation are directed towards:**
**Faridabad & Pune Plant**

- i. R-600A introduction in Refrigerator appliances as refrigerant in the cooling system.
- ii. Airflow optimization & adoption of higher energy efficiency compressors in refrigerators for better cooling performance and minimum energy consumption.

**Puducherry Plant**

- i. Mechanical driven pump in Semi Automatic models implemented.
- ii. Usability enhancement through development of accessories like Utility Panel implemented in 1-2-3 range.

- iii. Expansion of usability range - utility panel extension to SATT in progress.
- iv. Water fill-time reduction by alternate in Inlet valve.
- v. Introduction of Multiple Water / Load levels.
- vi. Touch sense controls in glass.

**Benefits Derived as a result of the above efforts:**
**Faridabad & Pune Plant**

- i. Improved energy efficiency, which will save the energy cost for consumer.
- ii. Competitive advantage , through better performance and efficiency.
- iii. Reduction of carbon foot print due to reduced emission of Green House Gas, in line with Kyoto Protocol.

**Puducherry Plant**

- i. Resource optimization through multiple Water / Load level options.

- ii. Time saving through alternate inlet valve.
- iii. Electric energy saving through mechanical driven pump.
- iv. Volume increase by compact and best cost washer.
- v. WOW effect to attract customer by controls on glass.

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED MARCH 31, 2011**

<b>(Rs. in lacs)</b>	
Foreign Exchange Earnings:	
i) FOB value of sales, service & other income	23,215
Foreign Exchange Outgo-	
(i) CIF value of imports- Raw materials, Components, tools, spare parts and capital goods	60,736
(ii) Others	5,169



## Auditors' Report

To  
The Members of Whirlpool of India Limited

1. We have audited the attached Balance Sheet of Whirlpool of India Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For S.R. Batliboi & Co.**  
Firm registration number: 301003E  
Chartered Accountants  
**per Tridibes Basu**  
Partner  
Membership No.: 17401

Place : Gurgaon  
Date : May 9, 2011

### Annexure referred to in paragraph [3] of our report of even date Re: Whirlpool of India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (herein referred to as the Order) are not applicable to the Company and hence not commented upon.
  - (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (v) (b) of the Order are not applicable to the Company and hence not commented upon.
- (vi) In respect of deposits accepted in earlier years, in our opinion and according to the

information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacturing of refrigerators and washing machines and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, customs duty and excise duty on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. Lacs)	Period	Forum Pending
Customs Act, 1962	Custom duty on non fulfillment of project imports	158.28	1993-94	CESTAT
Central Excise Act, 1944	Differential duty demanded by the department on washers	16.58	2000-2003	CESTAT
	Recovery of Cenvat Credit	5.00	1993-94	CESTAT
Income Tax Act, 1961	Penalty on transfer pricing adjustment	638.61	2002-03	Commissioner of Income Tax (Appeals)
Andhra Pradesh General Sales Tax Act, 1957	Tax levied on optional service contacts, Tax on exempted turnover	18.02	2000-01 & 2002-04	Tribunal
	Tax levied on optional service contacts, Tax on exempted turnover	20.95	2001-02 & 1993-94	STO
	Tax levied on optional service contacts, Tax on exempted turnover	3.32	2006-08	Deputy Commissioner
Bihar Value Added Tax Act, 2005	Rejection of incentive discount & Non submission of forms	50.12	2005-07	Asst. Commissioner
Bombay Sales Tax Act, 1959	Rejection of claim for concessional sale	21.75	1997-99	Tribunal
Delhi Sales Tax Act, 1975	Rejection of claim of OSC charges	2.96	2003-04	Adtl. Commissioner
Gujarat Sales Tax Act, 1969	Rejection of sales return, Non submission of forms	7.38	1993-04 & 1996-98	Tribunal

Name of Statute	Nature of Dues	Amount (Rs. Lacs)	Period	Forum Pending
Haryana General Sales Tax Act, 1973	Non submission of forms	21.57	1997-98 & 2006-07	Joint Commissioner
J & K GST Act, 1962	Non submission of forms & rejection of claim on sales	2.11	2003-04 & 2007-08	Dy. Commissioner
Kerela Value Added Tax Act, 2005	Rejection of sales returns, Rejection of credit notes, forms short deposited, Rejection of claim for concessional sale & penalty	231.66	1999-01, 2002-03, 2005-07, 2008-09 & 2010-11	Dy. Commissioner
	Enhancement of turnover	38.96	2002-03	STO
Kerela General Sales Tax Act, 1963	Rejection of claim on credit notes, Rejection of statutory forms	77.84	2003-05	Dy. Commissioner
	Rejection of claim on credit notes	10.39	1997-98	STO
MP Commercial Tax Act, 1944	Rejection of credit notes	13.79	2001-02 & 1998-99	High Court
	Rejection of claim on discounts, Rejection of credit notes and Rejection of sales return	31.32	1998-00, 2002-03	Tribunal
	Rejection of sales return	1.95	2004-05	Tax Board
	Rejection of claim on discounts and Non submission of forms	24.49	2003-05	Adtl. Commissioner
MP Value Added Tax Act, 2005	Rejection of sales return	15.63	2005-06	Adtl. Commissioner
Orissa Sales Tax Act, 1947	Non submission of forms, Levy of entry tax, Enhancement of turnover, Dispute in rate of tax	25.56	1992-94, 1996-99 & 2002-03	Asst. Commissioner
	Non submission of forms, Enhancement of turnover, Rejection of sales return	24.17	1999-00, 1991-93, 2000-02	Tribunal
	Non submission of forms	1.16	1999-00	STO
Rajasthan Value Added Tax Act, 2005	Rejection of surcharge	1.41	2000-01	Dy. Commissioner
Tamil Nadu General Sales Tax Act, 1959	Demand on imported goods taxed at Higher rate	75.32	2002-04	High Court
	Penal interest on late payment	3.07	2002-03	STO
The Chhattisgarh Value Added Tax Act, 2003	Rejection of Forms	169.96	2002-03	Adtl. Commissioner
	Penalty at Check Post	3.01	2002-03	Tribunal
	Levy of entry tax	4.94	2002-03 & 2004-07	Commissioner of Sales Tax
UP Entry Tax Act, 2007	Entry tax	100.17	2007-09	High Court
UP Value Added Tax Act, 2008	Penalty at Check Post	2.80	2008-09	Deputy Commissioner
	Rejection of claim of credit notes, forms short etc	8.51	2009-10	Adtl. Commissioner
West Bengal Sales Tax Act, 1944	Rejection of claim of credit notes, forms short, etc	336.83	2002-03, 2004-05 & 2005-06	Asst. Commissioner
	Rejection of claim of credit notes, forms short, etc	34.43	1998-99 & 2004-05	Adtl. Commissioner
	Rejection of claim of credit notes, forms short etc, Rejection of claim for concessional sale	158.19	1999-02, 2003-04	Tax Board
	Rejection of claim of concessional sale.etc	6.76	2002-03	Special Commissioner

According to the information and explanations given to us, there are no dues of wealth tax, service tax and cess which have not been deposited on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of debentures or financial institution.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Place: Gurgaon  
Date : May 9, 2011

**For S.R. Batliboi & Co.**  
Firm registration number: 301003E  
Chartered Accountants  
**per Tridibes Basu**  
Partner  
Membership No.: 17401

## Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011 (Rs. in lacs)	As at March 31, 2010 (Rs. in lacs)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	18,072.18	27,921.43
Reserves and Surplus	B	24,165.33	8,749.33
		<u>42,237.51</u>	<u>36,670.76</u>
<b>Loan Funds</b>			
Unsecured Loans	C	-	15.27
<b>Deferred Tax Liabilities (Net)</b>	D	2,098.23	-
	<b>Total</b>	<u>44,335.74</u>	<u>36,686.03</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	78,806.12	72,221.47
Less: Accumulated Depreciation/ Amortisation		47,373.83	43,270.86
Net Block		<u>31,432.29</u>	<u>28,950.61</u>
Capital Work in Progress including Capital Advances		1,371.15	1,327.19
		<u>32,803.44</u>	<u>30,277.80</u>
<b>Intangible Assets</b>	F	291.35	33.21
<b>Deferred Tax Assets (Net)</b>	D	-	1,147.57
<b>Current Assets, Loans and Advances</b>			
Inventories	G	66,736.30	46,248.63
Sundry Debtors	H	11,521.83	13,978.69
Cash and Bank Balances	I	5,309.49	6,217.77
Other Current Assets	J	204.75	142.51
Loans and Advances	K	14,504.59	15,771.40
	(i)	<u>98,276.96</u>	<u>82,359.00</u>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	L	77,518.39	65,888.27
Provisions	M	9,517.62	11,243.28
	(ii)	<u>87,036.01</u>	<u>77,131.55</u>
<b>Net Current Assets</b>	(i-ii)	<u>11,240.95</u>	<u>5,227.45</u>
	<b>Total</b>	<u>44,335.74</u>	<u>36,686.03</u>
<b>Notes to Accounts</b>			
	U		

The schedules referred to above and notes to accounts form an interegral part of the Balance Sheet. As per our report of even date

For S.R. Batliboi & Co.  
Firm Registration No. 301003E  
Chartered Accountants

per Tridibes Basu  
Partner  
Membership No.17401

Place : Gurgaon  
Date : May 9, 2011

For and on behalf of the Board of Directors

Anil Berera  
[Chief Financial Officer]

Arvind Uppal  
[Chairman & Managing Director]  
DIN:00104992

Syed Shahzad Akhtar  
[Executive Director]  
DIN:03052558

Ravi Sabharwal  
[Company Secretary]

## Profit and Loss Account for the year ended March 31, 2011

Schedules	For the year ended March 31, 2011 (Rs. in lacs)	For the year ended March 31, 2010 (Rs. in lacs)
<b>INCOME</b>		
Sales : Gross	318,712.47	260,291.03
Less: Trade Discounts and Rebates	37,887.18	32,922.42
Less: Excise duty	19,632.41	13,620.46
Sales (Net)	261,192.88	213,748.15
Income from Services	8,853.97	7,739.43
Other Income	2,812.41	2,337.53
<b>Total</b>	<b>272,859.26</b>	<b>223,825.11</b>
<b>EXPENDITURE</b>		
Purchase of Trading Goods	56,972.54	39,788.08
Raw material and components consumed	130,736.46	107,448.63
Employees' Remuneration & Benefits	19,070.16	15,540.57
Operating and other expenses	54,980.09	45,944.80
(Increase) / Decrease in Inventories	(17,840.05)	(11,353.06)
Depreciation/Amortisation		
Less: Transferred from Revaluation Reserve	4,490.84	4,007.52
Financial Expenses	(39.62)	(39.62)
Miscellaneous expenditure written-off	564.94	826.84
<b>Total</b>	<b>248,935.36</b>	<b>203,104.18</b>
<b>Profit before tax</b>	<b>23,923.90</b>	<b>20,720.93</b>
<b>Provision for Tax</b>		
Current tax (MAT Payable)	4,925.91	3,679.86
(Includes Nil, Previous year Rs.41.23 lacs for earlier years)		
Less: MAT Credit Entitlement	851.92	41.23
Deferred Tax Charge	4,073.99	6,177.71
<b>Total Tax Expense</b>	<b>7,320.63</b>	<b>6,218.94</b>
<b>Profit after tax</b>	<b>16,603.27</b>	<b>14,501.99</b>
Balance brought forward from previous year	5,968.79	(82.05)
<b>Profit available for appropriation</b>	<b>22,572.06</b>	<b>14,419.94</b>
<b>Appropriations:</b>		
Interim dividend on preference shares (Previous Year Rs. 4,176.79 includes dividend for the year 2005-06, 2006-07 and 2007-08)	457.43	4,176.79
Proposed dividend on preference shares (Previous Year Rs. 3,046.86 includes dividend for the year 2008-09 and 2009-10)	538.50	3,046.85
Tax on dividend (Net of reversal of Rs.11.61 lacs, Previous Year Nil for earlier years) (Previous Year Rs.1,227.51 includes tax on dividend for the year 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10)	151.72	1,227.51
Transfer to Capital Redemption Reserve [Refer note no.(C)(2) of Schedule U]	9,849.25	-
<b>Surplus carried to Balance Sheet</b>	<b>11,575.16</b>	<b>5,968.79</b>
<b>Earnings Per Share (Rs.)</b> [Refer note no.(C)(10) of Schedule U]		
Basic and Diluted [Nominal value of Equity Share Rs.10/- (Previous Year Rs.10/-)]	12.18	10.03
<b>Notes to Accounts</b>	<b>U</b>	

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account. As per our report of even date

**For S.R. Batliboi & Co.**  
Firm Registration No. 301003E  
Chartered Accountants

**per Tridibes Basu**  
Partner  
Membership No.17401  
Place : Gurgaon  
Date : May 9, 2011

Anil Berera  
[Chief Financial Officer]

Arvind Uppal  
[Chairman & Managing Director]  
DIN:00104992

Syed Shahzad Akhtar  
[Executive Director]  
DIN:03052558

Ravi Sabharwal  
[Company Secretary]

For and on behalf of the Board of Directors

## Cash Flow Statement for the year ended March 31, 2011

	For the year ended March 31, 2011 (Rs. in lacs)	For the year ended March 31, 2010 (Rs. in lacs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	23,923.90	20,720.93
Adjustments for:		
Depreciation/amortisation	4,451.22	3,967.90
Miscellaneous Expenditure Written Off	-	940.42
Provision for Doubtful Debts and Advances	-	263.27
Balances Written Back/ Off (Net)	(969.19)	(474.50)
Gain on Fixed Assets Sold (Net)	(28.22)	(6.17)
Interest Income	(637.53)	(488.04)
Interest and Finance Charges	564.94	826.84
Unrealised foreign exchange loss	(127.18)	(6.52)
<b>Operating profit before working capital changes</b>	<b>27,177.94</b>	<b>25,744.13</b>
Movement in working capital:		
(Increase)/ Decrease in Sundry Debtors	5,039.85	(10,098.91)
(Increase)/ Decrease in Inventories	(20,487.65)	(16,261.20)
Increase/ (Decrease) in Sundry Creditors	14,153.59	23,063.21
<b>Cash Generated from Operations</b>	<b>25,883.73</b>	<b>22,447.23</b>
Direct Taxes	(5,353.80)	(3,639.10)
<b>Net Cash Flow generated from Operating Activities (a)</b>	<b>20,529.93</b>	<b>18,808.13</b>
<b>B CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(7,285.98)	(3,689.92)
Proceeds from sale of fixed assets	39.57	9.50
Interest received	637.53	238.04
Proceeds (Payment) from Margin Money	(155.71)	(489.69)
<b>Net Cash Flow used in Investing Activities (b)</b>	<b>(6,764.59)</b>	<b>(3,932.07)</b>

	For the year ended March 31, 2011 (Rs. in lacs)	For the year ended March 31, 2010 (Rs. in lacs)
<b>C CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Redemption of 10% Redeemable Non-Convertible Cumulative Preference Shares	(9,849.25)	-
Interest	(255.31)	(137.56)
Finance Charges	(311.77)	(457.55)
Repayment of Short term Borrowings	-	(5,900.32)
Repayment of Long term Borrowings	-	(5,043.70)
Repayment of Fixed Deposits	(15.27)	-
Payment of Final Dividend on preference shares	(3,046.85)	-
Payment of Tax on Final Dividend on preference shares	(506.04)	-
Payment of Interim dividend on preference shares	(457.43)	(4,176.79)
Payment of Tax on Interim Dividend on preference shares	(75.97)	(709.85)
<b>Net Cash Flow used in Financing Activities (c)</b>	<b>(14,517.89)</b>	<b>(16,425.77)</b>
<b>NET (DECREASE)/ INCREASE IN CASH &amp; CASH EQUIVALENTS (a+b+c)</b>	<b>(752.55)</b>	<b>(1,549.72)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>5,647.95</b>	<b>7,197.66</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>4,895.40</b>	<b>5,647.95</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	7.04	8.26
Balances with Post Office in Savings Bank Account	0.03	0.03
Balances with Scheduled Banks		
- On Current / Collection Account	3,665.18	3,328.88
- On Cash Credit Accounts	1,210.02	690.92
- On Margin Money Accounts	414.09	569.82
(Receipts pledged with Banks and Government Departments)		
- On Deposit Accounts	4.85	1,611.58
- On Rights Issue Refund Account	0.22	0.22
- On Interest on Debenture Account	8.06	8.06
	5,309.49	6,217.77
Less : Margin Money Accounts*	(414.09)	(569.82)
	4,895.40	5,647.95

\*These balances represents deposits pledged with Government Authorities and Banks.

As per our report of even date

For S.R. Batliboi & Co.  
Firm Registration No. 301003E  
Chartered Accountants

per Tridibes Basu  
Partner  
Membership No.17401  
Place : Gurgaon  
Date : May 9, 2011

Anil Berera  
[Chief Financial Officer]

Arvind Uppal  
[Chairman & Managing Director]  
DIN:00104992

Syed Shahzad Akhtar  
[Executive Director]  
DIN:03052558

Ravi Sabharwal  
[Company Secretary]

For and on behalf of the Board of Directors

## Schedules Annexed to and forming part of the Balance Sheet

### SCHEDULE - 'A'

	As at March 31, 2011 (Rs. in lacs)	As at March 31, 2010 (Rs. in lacs)
<b>Share Capital</b>		
<b>Authorised</b>		
150,000,000 (Previous Year 150,000,000) Equity shares of Rs.10 each	15,000.00	15,000.00
155,000,000 (Previous Year 155,000,000) 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs.10 each	15,500.00	15,500.00
	<u>30,500.00</u>	<u>30,500.00</u>
<b>Issued, Subscribed and Paid Up</b>		
<b>Equity Share Capital</b>		
126,871,830 (Previous Year 126,871,830) Equity Shares of Rs. 10 each fully paid up	12,687.18	12,687.18
Out of the above :		
(i) 50,000 (Previous Year 50,000) Equity Shares were allotted pursuant to a contract for supply of machinery in earlier years.		
(ii) 6,601,400 (Previous Year 6,601,400) Equity Shares were allotted as fully paid up Bonus Shares by capitalisation out of General Reserves in earlier years.		
(iii) 4,196,400 (Previous Year 4,196,400) Equity Shares were allotted as fully paid up Bonus Shares by capitalisation out of Securities Premium Account in earlier years.		
(iv) 25,000 (Previous Year 25,000) Shares were allotted to Shareholders of erstwhile Aravali Swachalit Vahan Limited under a Scheme of Amalgamation in earlier years.		
(v) 7,500,000 (Previous Year 7,500,000) Shares were allotted to Shareholders of erstwhile Whirlpool Washing Machines Limited under a Scheme of Amalgamation in earlier years.		
(vi) 24,202,188 (Previous Year 24,202,188) Shares were allotted to a Shareholder of erstwhile Whirlpool Financial India Private Limited under a Scheme of Amalgamation in earlier years.		
<b>Preference Share Capital</b>		
53,850,000 (Previous Year 152,342,500) 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs.10 each, fully paid up	5,385.00	15,234.25
<b>Total</b>	<u>18,072.18</u>	<u>27,921.43</u>

#### Notes:

- 1 95,153,872 (Previous Year 95,153,872) Equity shares are held by Whirlpool Corporation Inc., USA, the Ultimate Holding Company, through its subsidiary Whirlpool Mauritius Limited.
- 2 53,850,000 (Previous Year 152,342,500) 10% Redeemable Non-Convertible Cumulative Preference Shares are held by Whirlpool Canada Holding Company, a subsidiary of Whirlpool Corporation Inc., USA.
- 3 10% Redeemable Non-Convertible Cumulative Preference Shares are redeemable at par at the earliest of the following events:
  - (i) at the end of 20 years from the date of allotment;
  - (ii) at any time after the expiry of 30 days from the date on which the Company gives subscribers a notice of its intention to redeem the shares; or
  - (iii) within 30 days from the date on which the subscriber gives the Company a notice of its intention to have the shares redeemed.

[Also refer note no.(C)(2) of Schedule U]

**Schedules Annexed to and forming part of the Balance Sheet**
**SCHEDULE - 'B'**

		<b>As at March 31, 2011 (Rs. in lacs)</b>		<b>As at March 31, 2010 (Rs. in lacs)</b>
<b>Reserves and Surplus</b>				
Capital Reserve		<b>45.86</b>		45.86
Capital Subsidy		<b>0.50</b>		0.50
Revaluation Reserve				
As per last Balance Sheet	<b>1,465.46</b>		1,505.08	
Less: Transferred to Profit and Loss Account*	<b>39.62</b>	<b>1,425.84</b>	39.62	1,465.46
Securities Premium Account		<b>1,268.72</b>		1,268.72
Capital Redemption Reserve				
As per last Balance Sheet	-		-	
Add: Transferred from Profit and Loss Account	<b>9,849.25</b>	<b>9,849.25</b>	-	-
Hedging Reserve Account				
As per last Balance Sheet	-		(250.92)	
Less: Adjusted during the year	-	-	250.92	-
Profit and Loss Account		<b>11,575.16</b>		5,968.79
<b>Total</b>		<b>24,165.33</b>		8,749.33

\*On account of depreciation of Rs. 39.62 lacs (Previous year Rs. 39.62 lacs) on revalued fixed assets.

**SCHEDULE - 'C'**
**Unsecured Loans**

Fixed Deposits		-		15.27
[Due within one year Nil (Previous year Rs. 13.51 lacs)]				
<b>Total</b>		-		15.27

**SCHEDULE - 'D'**
**Deferred Tax Assets/(Liabilities) (Net)**
**Deferred Tax Assets**

Arising on account of timing differences on:

- Accumulated Unabsorbed Depreciation
- Effect of expenditure debited to Profit and Loss in the current year/earlier years but allowable tax purposes in following years.
- Provision for doubtful debts and advances

**Gross Deferred Tax Assets**

Less:-

**Deferred Tax Liabilities**

Arising on account of timing differences on:

- Difference in depreciation, amortisation and other differences as per tax returns and financial books.

**Gross Deferred Tax Liabilities**
**Net Deferred Tax (Liabilities)/ Assets**

		-		3,154.45
		<b>1,057.90</b>		1,169.16
		<b>262.84</b>		375.62
		<b>1,320.74</b>		4,699.23
		<b>3,418.97</b>		3,551.66
		<b>3,418.97</b>		3,551.66
		<b>(2,098.23)</b>		1,147.57



**Schedules Annexed to and forming part of the Balance Sheet**
**SCHEDULE - 'E'**
**Fixed Assets**

(Rs. in lacs)

	Land Freehold	Land Leasehold	Leasehold Improvements	Buildings	Plant and Machinery	Furniture, Fixtures and Office Equipments	Vehicles	Total	Previous Year
<b>Gross Block</b>									
Opening Block	1,356.52	470.45	888.84	8,599.71	57,991.11	2,781.07	133.77	<b>72,221.47</b>	69,948.49
Additions	-	-	189.46	254.88	5,642.39	823.85	-	<b>6,910.58</b>	2,350.51
Deductions/Adjustments	0.35	-	-	-	55.22	181.26	89.10	<b>325.93</b>	77.53
<b>At March 31, 2011</b>	<b>1,356.17</b>	<b>470.45</b>	<b>1,078.30</b>	<b>8,854.59</b>	<b>63,578.28</b>	<b>3,423.66</b>	<b>44.67</b>	<b>78,806.12</b>	72,221.47
<b>Depreciation/Amortisation</b>									
Opening Block	-	59.81	537.81	3,289.98	37,476.43	1,791.61	115.22	<b>43,270.86</b>	39,363.55
For the year	-	6.21	243.80	269.21	3,501.93	384.37	12.02	<b>4,417.54</b>	3,981.51
Deletions/adjustments	-	-	-	-	52.68	174.03	87.87	<b>314.58</b>	74.20
<b>At March 31, 2011</b>	<b>-</b>	<b>66.02</b>	<b>781.61</b>	<b>3,559.19</b>	<b>40,925.68</b>	<b>2,001.95</b>	<b>39.37</b>	<b>47,373.83</b>	43,270.86
<b>Net Block</b>									
<b>At March 31, 2011</b>	<b>1,356.17</b>	<b>404.43</b>	<b>296.69</b>	<b>5,295.40</b>	<b>22,652.60</b>	<b>1,421.71</b>	<b>5.30</b>	<b>31,432.30</b>	28,950.61
At March 31, 2010	1,356.52	410.64	351.03	5,309.73	20,514.68	989.46	18.55	28,950.61	-

**Notes:**

- 1 Depreciation includes Rs. 39.62 lacs (Previous Year Rs. 39.62 lacs), being depreciation on revalued Fixed Assets, which has been recouped from the Revaluation Reserve.
- 2 The Company originally revalued its Fixed Assets of the Refrigerator Division based on valuation report of the independent valuer during the financial year 1992-93. Net additions to Fixed Assets on account of such revaluation was Rs. 11,362.28 lacs. In the financial year 1995-96, the Company again revalued the fixed assets of the Refrigerator Division and partially reversed the revaluation reserve created in the financial year 1992-93. Net additions to revaluation reserve (over historical cost) effective the financial year 1995-96 were as follows:

**Description**
**F.Y. 1995-96  
(Rs. in lacs)**

Land - Freehold	2,160.40
Land - Leasehold	213.42
Building	1,652.57
Plant and Machinery	3,243.10

- 3 Additions during the year to Gross Block of Building, Plant and Machinery and Furniture, Fixtures and Office Equipments are after deducting grant received amounting to Nil (Previous year Rs. 0.83 lac), Rs. 9.18 lacs (Previous Year Rs. 26.48 lacs) and Rs. 4.95 lacs (Previous Year Rs. 122.06 lacs) respectively.
- 4 Plant & Machinery includes moulds lying with the third parties amounting to Rs. 10,990.47 lacs (Previous Year Rs. 9,683.88 lacs) with a net book value of Rs. 3,140.89 lacs (Previous Year Rs. 2,241.60 lacs).

## Schedules Annexed to and forming part of the Balance Sheet

SCHEDULE - 'F'	(Rs. in lacs)		
	Intangibles (Software Licences)	Total	Previous Year
<b>Intangible Assets</b>			
<b>Gross Block</b>			
At April 1, 2010	130.04	130.04	130.04
Additions	331.44	331.44	-
<b>At March 31, 2011</b>	<b>461.48</b>	<b>461.48</b>	<b>130.04</b>
<b>Amortisation</b>			
At April 1, 2010	96.83	96.83	70.82
For the year	73.30	73.30	26.01
<b>At March 31, 2011</b>	<b>170.13</b>	<b>170.13</b>	<b>96.83</b>
<b>Net Block</b>			
<b>At March 31, 2011</b>	<b>291.35</b>	<b>291.35</b>	<b>33.21</b>
At March 31, 2010	33.21	33.21	-

SCHEDULE - 'G'	As at	As at
	March 31, 2011 (Rs. in lacs)	March 31, 2010 (Rs. in lacs)
<b>Inventories (at lower of cost and net realisable value)</b>		
Raw Materials and Components (including Stock in Transit Rs. 2,983.88 lacs, Previous Year Rs. 3,316.10 lacs)	<b>12,811.48</b>	10,129.17
Stores and Spares	<b>279.33</b>	314.02
Work-in-Progress	<b>492.43</b>	550.20
Finished Goods - Manufactured	<b>23,473.81</b>	17,606.24
Finished Goods - Traded (including Stock in Transit Rs. 4,208.72 lacs, Previous Year Rs. 3,111.83 lacs)	<b>25,276.26</b>	13,103.61
Spares for Finished Goods (including Stock in Transit Rs. 239.90 lacs, Previous Year Rs. 124.59 lacs)	<b>4,402.99</b>	4,545.39
<b>Total</b>	<b>66,736.30</b>	46,248.63

## SCHEDULE - 'H'

	As at	As at
	March 31, 2011 (Rs. in lacs)	March 31, 2010 (Rs. in lacs)
<b>Sundry Debtors</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Unsecured, considered good	<b>303.36</b>	4,742.63
Unsecured, considered doubtful	<b>729.29</b>	1,043.63
<b>Other debts</b>		
Unsecured, considered good	<b>16,086.50</b>	16,556.17
	<b>17,119.15</b>	22,342.43
Less:		
Provision for Discounts and Claims	<b>4,868.03</b>	7,320.11
Provision for Doubtful Debts	<b>729.29</b>	1,043.63
<b>Total</b>	<b>11,521.83</b>	13,978.69
<b>Included in Sundry Debtors are:-</b>		
i) Dues from Companies under the same management		
Comercial Acros Whirlpool, S.A. de C.V.	-	4.04
Guangdong Whirlpool Electrical Appliances Co., Ltd.	<b>16.49</b>	18.57
Whirlpool Electrodomesticos AM S.A.	<b>272.32</b>	-
Whirlpool Polska S.A.	<b>2.82</b>	8.19
Whirlpool S.A.	-	16.38
Bauknecht Hausgeräte GmbH	-	6.21
Whirlpool (China) Investment Co. Ltd.	<b>18.47</b>	17.54
Whirlpool (Australia) Pty. Limited	<b>562.92</b>	7,273.31
Whirlpool Corporation Inc.	<b>304.10</b>	445.23
Whirlpool Corporation South Region	<b>0.05</b>	-
Whirlpool Europe Srl	<b>188.21</b>	213.19
Whirlpool México, S.A. de C.V.	<b>65.00</b>	14.35
Whirlpool Maroc S. ar.l.	-	86.19
Whirlpool India Holdings Limited	<b>0.44</b>	1.57
Whirlpool Peru S.R.L.	<b>41.08</b>	164.91
Whirlpool Product Development (Shenzhen) Company Limited	<b>16.61</b>	2.73
Whirlpool South Africa (Pty) Ltd.	<b>9.54</b>	11.24
Whirlpool Southeast Asia Pte.	<b>197.75</b>	34.09
Whirlpool Greater China Inc.	<b>225.70</b>	107.97
Whirlpool (Hong Kong) Limited	<b>32.93</b>	24.69
Whirlpool Asia Pvt. Ltd.	<b>35.85</b>	-
<b>Total</b>	<b>1,990.28</b>	8,450.40
ii) Dues from a director of the Company (Maximum amount outstanding during the year Rs. Nil (previous year Rs. Nil))	-	-
iii) Dues from an officer of the Company (Maximum amount outstanding during the year Rs. Nil (previous year Rs. Nil))	-	-

## Schedules Annexed to and forming part of the Balance Sheet

## SCHEDULE - 'I'

	As at March 31, 2011 (Rs. in lacs)	As at March 31, 2010 (Rs. in lacs)
<b>Cash and Bank Balances</b>		
Cash on Hand	7.04	8.26
Balances with Post Office in Savings Bank Account	0.03	0.03
Balances with Scheduled Banks:		
- On Current / Collection Account	3,665.18	3,328.88
- On Cash Credit Accounts	1,210.02	690.92
- On Margin Money Accounts (Receipts pledged with Banks and Government Departments)	414.09	569.82
- On Deposit Accounts	4.85	1,611.58
- On Rights Issue Refund Account	0.22	0.22
- Interest on Debenture Account	8.06	8.06
<b>Total</b>	<b>5,309.49</b>	<b>6,217.77</b>

## SCHEDULE - 'J'

<b>Other Current Assets</b>		
Unamortised Premium on Forward Contracts	68.75	6.51
Interest Receivable	136.00	136.00
<b>Total</b>	<b>204.75</b>	<b>142.51</b>

## SCHEDULE - 'K'

## Loans and Advances

<b>Unsecured and considered good</b>		
Amounts Recoverable in Cash or in Kind or for Value to be Received	3,840.79	5,944.86
Balance with Excise and Customs Authorities	1,400.40	1,711.89
Security Deposits	1,791.18	1,119.13
VAT Credit (Input) Receivables	2,136.39	2,716.97
MAT Credit Entitlement [Refer note no.(C) (8) of Schedule U]	5,029.68	4,177.75
Advance Tax (Net)	306.15	100.80
<b>Unsecured and considered doubtful</b>		
Amounts Recoverable in Cash or in Kind or for Value to be Received	35.19	41.99
Security Deposits	45.16	45.16
	<b>14,584.94</b>	<b>15,858.55</b>
Less: Provision for Doubtful Loans and Advances	80.35	87.15
<b>Total</b>	<b>14,504.59</b>	<b>15,771.40</b>

- i) Dues from Companies under the same management - -
- ii) Dues from Directors of the Company - -  
(Maximum amount due during the year Rs.3.09 lacs, Previous Year Rs.22.00 lacs)
- iii) Dues from an officer of the Company - -  
(Maximum amount due during the year Rs.1.43 lacs, Previous Year Rs.Nil)

## SCHEDULE - 'L'

	As at March 31, 2011 (Rs. in lacs)	As at March 31, 2010 (Rs. in lacs)
<b>Current Liabilities</b>		
Acceptances	17,301.74	12,561.55
Sundry Creditors		
(a) Total outstanding dues of Micro and Small Enterprises [Refer note no.(C)(7) of Schedule U]	1,585.87	74.77
(b) Total outstanding dues of Creditors other than Micro and Small Enterprises	52,057.54	47,538.91
Interest Accrued but not due on loans	-	2.14
Advances and Security Deposits from Customers	2,836.00	2,646.91
Other Liabilities	3,737.24	3,063.99
<b>Total</b>	<b>77,518.39</b>	<b>65,888.27</b>
<b>SCHEDULE - 'M'</b>		
<b>Provisions</b>		
Provision for Income Tax (Net of Advance Tax of Nil, Previous year Rs. 3,394.67)	-	222.54
Provision for Wealth Tax	-	0.38
Provision for Gratuity	171.16	-
Provision for Compensated absences	745.58	642.71
Provision for Staff Benefit Schemes	59.22	56.48
Provision for Warranties	5,301.24	4,976.52
Provision for Litigations	2,614.56	1,780.14
Proposed Preference Dividend	538.50	3,046.85
Tax on preference dividend	87.36	517.66
<b>Total</b>	<b>9,517.62</b>	<b>11,243.28</b>

## Schedules Annexed to and forming part of the Profit and Loss Account

	For the year ended March 31, 2011 (Rs. In lacs)	For the year ended March 31, 2010 (Rs. In lacs)
<b>SCHEDULE - 'N'</b>		
<b>Other Income</b>		
Interest (Gross)		
- From Banks (Tax Deducted at Source Rs. 27.37 lacs, Previous Year Rs. 33.78 lacs)	270.54	228.38
- From Others (Tax Deducted at Source Rs. 62.10 lacs, Previous Year Nil)	366.99	259.66
Profit on disposal of fixed assets (Net of loss of Rs. 8.35 lacs, Previous Year Rs. 81.03 lacs)	28.22	6.17
Provision/ balances no longer required written back	969.19	474.50
Provision for Doubtful Debts and Advances written back (Net)		
-Provision written back	314.35	
-Less: Bad Debts written off	277.38	
Duty Drawback	232.79	331.26
Rebate on bill discounting (Net)	646.01	729.93
Miscellaneous Income (Gross) (Tax Deducted at source Rs. 3.01 lacs, Previous Year Rs. 5.84 lacs)	261.70	307.63
<b>Total</b>	<b>2,812.41</b>	<b>2,337.53</b>
<b>SCHEDULE - 'O'</b>		
<b>Raw Materials and Components Consumed</b>		
Inventories as at the beginning of the year	10,129.17	5,290.81
Add: Purchases	136,407.11	116,481.10
Less: Sales of Raw Material	2,988.34	4,194.11
	143,547.94	117,577.80
Less: Inventories as at the end of the year	12,811.48	10,129.17
<b>Total</b>	<b>130,736.46</b>	<b>107,448.63</b>
<b>SCHEDULE - 'P'</b>		
<b>Employees' Remuneration and Benefits</b>		
Salaries, Wages, Bonus and Incentives	16,551.46	13,810.89
Contribution to Provident Fund	706.08	559.33
Gratuity Expenses	360.30	-
Compensated Absences	198.40	72.28
Other Post Employment Funds	128.99	123.50
Workmen and Staff Welfare Expenses	1,124.93	974.57
<b>Total</b>	<b>19,070.16</b>	<b>15,540.57</b>

## Schedules Annexed to and forming part of the Profit and Loss Account

	For the year ended March 31, 2011 (Rs. In lacs)	For the year ended March 31, 2010 (Rs. In lacs)
<b>SCHEDULE - 'Q'</b>		
<b>Operating and Other Expenses</b>		
Consumption of Stores and Spares	360.78	254.54
Processing Charges	265.57	153.22
Power and Fuel	2,004.54	1,614.10
Repairs and Maintenance		
- Plant & Machinery	725.31	990.30
- Buildings	620.87	389.83
- Others	404.22	443.87
Advertisement, Publicity and Sales Promotion	8,935.83	7,437.31
Service Contract and Workshop Expenses	7,611.57	6,523.83
Freight, Cartage and Octroi (Net)	9,914.70	8,393.47
Cash Discount	3,897.61	3,123.62
Provision for Doubtful Debts and Advances	-	263.27
Rent	3,682.55	2,494.36
Rates and Taxes	443.46	1,127.85
Insurance	104.91	99.53
Auditors' Remuneration		
As Auditor		
- Audit Fee	48.00	40.00
- Tax Audit Fee	6.90	4.00
- Limited Review	16.10	12.00
- Fees for Review of Group Reporting	14.00	12.00
- Out of Pocket Expenses	2.00	2.00
In Other manner :		
- Certifications	15.35	12.47
Travelling and Conveyance	2,554.84	2,583.97
Legal and Professional Fees	1,677.23	1,105.91
Foreign Exchange Fluctuation (Net of gain of Rs. 1381.77 lacs, previous year Rs.1,396.11 Lacs)	741.97	68.12
Director's Sitting Fees	5.00	5.62
Royalty	2,431.76	1,980.31
Know-How Fees	1,247.52	1,050.00
Donations	25.42	8.45
Research Expenses	3,123.41	2,310.13
Increase/(Decrease) of Excise Duty on Inventory (Refer Note No (C) (15) of Schedule U)	948.26	638.01
Miscellaneous Expenses	3,150.41	2,802.71
<b>Total</b>	<b>54,980.09</b>	<b>45,944.80</b>

**Schedules Annexed to and forming part of the Profit and Loss Account**

	For the year ended March 31, 2011 (Rs. In lacs)		For the year ended March 31, 2010 (Rs. In lacs)	
<b>SCHEDULE - 'R'</b>				
<b>(Increase)/Decrease in inventories</b>				
<i>Opening Stock:</i>				
Work-in-Progress	550.20		395.09	
Spares for Finished Goods	4,545.39		3,562.66	
Finished Goods	30,709.85	35,805.44	20,494.63	24,452.38
<i>Closing Stock:</i>				
Work-in-Progress	492.43		550.20	
Spares for Finished Goods	4,402.99		4,545.39	
Finished Goods	48,750.07	53,645.49	30,709.85	35,805.44
<b>Total</b>		<b>(17,840.05)</b>		<b>(11,353.06)</b>
<b>SCHEDULE - 'S'</b>				
<b>Financial Expenses</b>				
<i>Interest</i>				
- on Fixed Loans	112.59		58.63	
- on Others	140.58		78.93	
Financial Charges	311.77		689.28	
<b>Total</b>		<b>564.94</b>		<b>826.84</b>
<b>SCHEDULE - 'T'</b>				
<b>Miscellaneous Expenditure</b>				
(To the extent not written off or adjusted)				
<b>Voluntary Retirement Scheme</b>				
Opening Balance	-		940.42	
Less: Written Off during the year	-		(940.42)	
<b>Total</b>		<b>-</b>		<b>-</b>

**Schedule - U: Accounting Policies and Notes to Account**
**A. NATURE OF OPERATIONS**

Whirlpool of India Limited is a leading manufacturer of home appliances. It is primarily engaged in manufacturing and trading of Refrigerators, Washing Machines, Air Conditioners, Microwave Ovens and small appliances and caters to both domestic and international markets. It also provides services in the area of product development, information technology, accounting and procurement services to Whirlpool Corporation, USA and other group companies.

**B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**
**1. Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of fixed assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**3. Fixed Assets**

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**4. Impairment**

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**5. Grant**

Grants are recognized when there is reasonable assurance that the grant will be received and conditions attached to them are complied with.

Grant received against specific asset is shown as a deduction from its gross value. Where the grant received equals the whole, or virtually the whole, of the cost of the asset, the asset is shown at a nominal value.

## 6. Depreciation

Depreciation on fixed assets is provided pro- rata from the date of addition using the Straight Line Method at the rates based upon useful life of assets estimated by management, which are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation rates arrived at after assessing the economic useful life of various categories of assets are as follows:

Type of Asset	Rates (SLM)	Schedule XIV Rates (SLM)
Factory buildings	3.34%	3.34%
Other than factory buildings	1.63%	1.63%
Plant and Machinery	4.75%	4.75%
Moulds and tools (included in Plant and Machinery)	16.21%	16.21%
Office equipments	4.75%	4.75%
Computers	33.33%	16.21%
Furniture and Fittings	6.33%	6.33%
Vehicle	23.75%	9.5%

Premium on Leasehold Land is amortised over the period of the lease and depreciation on leasehold improvement which includes temporary structures is provided over the unexpired period of lease or estimated useful life, whichever is lower.

Extra Shift Depreciation on the qualifying assets is charged at the rates prescribed in Schedule XIV of the Companies Act.

In respect of revalued assets, the difference between the depreciation calculated on the revalued amount and original cost is recouped from the Revaluation Reserve Account.

## 7. Intangible assets

### Software

Cost of software is amortized on straight line basis over its useful life of 60 months starting from the month of project implementation.

## 8. Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding five years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

## 9. Leases

### Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

## 10. Inventories

Inventories are valued as follows:

Raw Materials, Components, Stores and Spares	:	At lower of Cost and Net Realisable Value
Work-in-Progress	:	At lower of Cost and Net Realisable Value
Finished Goods-Manufactured	:	At lower of Cost and Net Realisable Value
Finished Goods-Traded	:	At lower of Cost and Net Realisable Value
Spares for Finished Goods	:	At lower of Cost and Net Realisable Value

“Cost” of Raw Materials and Components, Finished Goods-Traded and Spares for Finished Goods has been arrived at by using the “weighted moving average” cost formula.

“Cost” of Finished Goods-Manufactured and Work-in-Progress includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a “weighted average basis”.

Materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 11. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. It includes excise duty and discounts but excludes value added tax / sales tax and are net of returns. Excise duty shown as deduction from revenue is the amount that is included in the amount of revenue and not the entire amount of liability that arose during the year.

*Income from Services*

Revenue from services provided to various parties in terms of agreements with them is recognised on accrual basis. Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

*Interest Income*

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**12. Deferred Revenue Expenditure**

Expenditure on Voluntary Retirement Scheme is treated as deferred revenue expenditure and amortised over a period of 60 months. However, to comply with the Accounting Standard 15-(Revised) on Employee benefits, the amortisation has been accelerated for all existing voluntary retirement schemes to ensure that no balance is carried forward beyond March 31, 2010.

**13. Foreign Currency Transaction**

## a. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

## b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

## c. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

## d. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

**14. Derivative Instruments**

As per the ICAI Announcement, derivative contracts, other than those covered under Accounting Standard-11, are accounted on the basis of hedging principles to the extent that the same does not conflict with the existing mandatory Accounting Standards, other Authoritative pronouncements and other regulatory requirements. Accordingly, the derivative contracts are marked to market on a portfolio basis and the net gain/loss after considering the offsetting effect on the underlying hedge item is transferred to Hedge Reserve Account.

**15. Retirement and other Employee benefits**

## a. Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

## b. Superannuation Fund

Retirement benefit in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable. The Company has arrangements with an Insurance Company to administer its superannuation scheme.

## c. Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit (PUC) method made at the end of each financial year. The Company has created an approved Gratuity Fund, which has taken a group gratuity cum insurance policy with an Insurance company to cover the gratuity liability of the employees and premium paid to such insurance company is charged to the Profit & Loss account. At the end of each accounting year, difference between obligation as per actuarial valuation and the fair value of plan asset is further provided for and any excess amount in plan assets over obligation is recognised as loans and advances recoverable.

## d. Welfare Schemes

- (i) The Company has provided liability in respect of other Retirement Benefit Schemes offered to the employees of the Faridabad Refrigeration Operations on the basis of year end actuarial valuation on Projected Unit Credit (PUC) method. This is unfunded defined benefit scheme.
- (ii) The Company has taken life insurance cover from Insurance Companies for its blue collar employees at Faridabad and Ranjangaon Refrigeration Operations and for all white collar employees of the Company. The premium is charged to the Profit & Loss Account on accrual basis. This is a defined contribution plan and there is no other obligation other than the contributions payable to Insurance Companies.
- (iii) The Company has provided for liability in respect of its scheme for Long Term Service Award for its employees at the Faridabad Refrigeration Operations and Pondicherry Washers Operations on the basis of year end actuarial valuation on Projected Unit Credit (PUC) method. This is unfunded defined benefit scheme.

## e. Compensated absences

Short term compensated absences are provided for based on actuarial valuation. However these are valued at cost to Company basis without considering any discounting and salary increase. Long term compensated absences are provided for based on actuarial valuation which is done as per Projected Unit Credit method at year end.

- f. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

## 16. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income-tax during the specified period.

## 17. Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## 18. Service under Warranty

### a. Service under Optional Service Contract

Liability under optional service contract in respect of the contracted period is provided on the basis of valuation carried out by an independent actuary as at the year end.

### b. Service under Warranty/ Extended Warranty

Liabilities in respect of warranties including extended warranties are accrued and provided on the basis of valuation carried out by an independent actuary as at year end.

## 19. Customs and Excise Duty

Excise Duty on finished goods stock lying at the factory is accounted at the point of manufacture. Custom Duty on imported material lying in bonded warehouse is accounted for at the time of bonding of materials.

## 20. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 21. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

## 22. Segment Reporting

### a) Identification of Segments

#### i) Primary Segment - Business Segment

The Company's Operations predominantly comprise of only one segment i.e. Home Appliances. In view of the same, separate segmental information is not required to be given as per the requirements of Accounting Standard 17.

#### ii) Secondary Segment - Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and have presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India represents sales made to customers located within India.
- Sales outside India represents sales made to customers located outside India.

Refer note no.C(4) below for details of information pertaining to the Secondary Segment.



**C. Notes to Accounts****1. CONTINGENT LIABILITIES**

Particulars	(Rs. in lacs)	
	As at March 31, 2011	As at March 31, 2010
(a) Claims against the Company not acknowledged as debts	1,247.52	1,487.51
<p>These claims are in respect of various cases filed by the ex-employees and consumers. It has been estimated that the liability arising on the Company should the actions be successful is Rs. 1,247.52 lacs (Previous Year Rs. 1,487.51 lacs). The legal proceedings are going on and therefore it is not practicable to state the timing of any payment. The management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.</p>		
(b) Others:-		
- On account of pending appeals of Excise Duty & Service Tax	3,586.46	1,479.83
- On account of pending appeals of Custom Duty	305.63	256.02
- On account of pending appeals of Sales Tax assessments	1,650.85	1,554.57

These cases as mentioned in point (b) above for which the total estimated liability, should the actions be successful, is Rs. 5,542.94 lacs (Previous year Rs. 3,290.42 lacs). The legal proceedings are going on and therefore it is not practicable to state the timing of any payment.

In view of large number of cases, it is not practicable to disclose individual details of all the cases. On the basis of current status of individual case and as per legal advice obtained by the Company, wherever applicable, the Company is confident of winning the above cases and is of view that no provision is required in respect of these cases.

- (c) During the Income-tax assessments of various years, the Assessing Officers have made certain disallowances of Rs. 9,383.33 lacs (Previous Year Rs. 10,938.47 lacs), other than transfer pricing adjustments over the past few years. The Company's appeals against these orders are pending before the CIT Appeals/Appellate Authorities. The Income-tax department has also appealed against the Company before the Appellate Authorities for certain matters wherein the CIT Appeals have ordered in favour of the Company.

The Income Tax Authorities (Transfer Pricing Officers) have reduced the loss by Rs. 9,734.49 lacs (Previous Year Rs. 9,734.49 lacs) for the Assessment year 2005-06, Rs. 7,967.93 lacs (Previous Year Rs. 7,967.93 lacs) for the Assessment year 2004-05 and Rs. 3,628.14 lacs (Previous Year Rs. 1,699.09 lacs) for the Assessment year 2003-04 on account of transfer pricing adjustments. The Company has gone into appeal with Income Tax Appellate Tribunal against the aforesaid adjustments which have been adjusted against the brought forward losses from earlier years. Depending on the outcome of the afore-mentioned cases,

assessments for the subsequent periods to March 31, 2011 could include demands/settlements on the similar items, amounts whereof could not be ascertained.

During the year the Income Tax Authorities have imposed penalty aggregating to Rs. 638.61 lacs in respect of assessment year 2003-04 for furnishing inaccurate particulars of income. The Company has appealed against the penalty order to CIT(A).

The Company has recognized deferred tax assets considering that there would not be any adjustments to returned losses on account of the above cases. The management, based on expert opinion, believes that the Company has good chances of success.

2. During the year 2005-06, the Company had issued 1,523,42,500 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each, fully paid up, to Whirlpool Canada Holding Co., a subsidiary of Whirlpool Corporation Inc., USA, the ultimate holding company. These Preference Shares were redeemable at par at the earliest of the following events:
- at the end of 20 years from the date of allotment i.e June 20, 2005 for 108,850,000 shares and August 9, 2005 for 43,492,500 shares;
  - at any time after the expiry of 30 days from the date on which the Company gives subscribers a notice of its intention to redeem the shares; or
  - within 30 days from the date on which the subscriber gives the Company a notice of its intention to have the shares redeemed.

During the current year the Company has redeemed 98,492,500 (Previous Year Nil) Preference Shares at par based on a notice received from the subscriber i.e. Whirlpool Canada Holding Co, giving its intention to have the shares redeemed. Such Preference Shares were redeemed by the Company in two tranches, 43,492,500 Preference Shares on July 22, 2010 and 55,000,000 Preference Shares on November 2, 2010. The total amount of Preference Share Capital redeemed by the Company during the current year aggregates to Rs. 9,849.25 lacs (Previous Year Nil). Consequently thereto, an amount of Rs. 9,849.25 lacs has also been transferred to Capital Redemption Reserve Account.

3. Capital work contracted but still under execution (net of advances) is estimated at Rs. 1,108.82 lacs (Previous Year Rs. 1,064.67 lacs).

**4. Segment Reporting**

Information pertaining to Secondary Segment

**Gross Revenue as per Geographical Locations**

Particulars	Rs. in lacs	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Within India	301,811.17	241,237.35
Outside India	16,901.30	19,053.68
<b>Total</b>	<b>318,712.47</b>	<b>260,291.03</b>

**Debtors as per Geographical Locations**

Particulars	Rs. in lacs	
	As at March 31, 2011	As at March 31, 2010
Within India	8,468.95	4,277.90
Outside India	3,052.88	9,700.79
<b>Total</b>	<b>11,521.83</b>	<b>13,978.69</b>

### Fixed Assets as per Geographical Locations

The Company has common fixed assets, other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.

### 5. Leases

Disclosures in respect of operating & finance leases are given as follows:

Rs. in lacs

S. No.	Particulars	2010-11	2009-10
<b>I</b>	<b>Operating Lease</b>		
A	The total of future minimum lease payments under non- cancellable operating leases for each of the following Years:		
(i)	Not later than one year	1,223.64	1,079.08
(ii)	Later than one year and not later than five years	953.54	3,333.29
(iii)	Later than five years	-	774.06
B	The total of future minimum sub-lease payments expected to be received under non-cancellable subleases at the balance sheet date	-	-
C	Lease payments recognised in the statement of profit and loss for the Year	1,253.67	1,046.42
D	Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the Year	-	-
E	A general description of the lessee's significant leasing arrangements:- Lease rent agreement for Computer hardware devices, vehicles, offices, godowns and warehouses. There are no subleases and there are no restrictions imposed by lease arrangements. There is an escalation clause in lease agreements for offices, godowns and warehouses and rent expense under such agreements has been recognised as an expense on a straight line basis. Leases are renewable on mutual consent of both the parties.		
<b>II</b>	<b>Operating Lease (Cancellable)</b>		
A	Lease payments recognised in the statement of profit and loss for the year.	2,428.88	1,447.94
B	A general description of the lessee's significant leasing arrangements:- Lease rent agreement for offices, godowns and residence of employees. There are no subleases and there are no restrictions imposed by lease arrangements. Leases are renewable on mutual consent of both the parties. There is an escalation clause in certain lease agreements.		
<b>III</b>	<b>Finance Lease</b>		
	The Company does not have any finance lease arrangements.		

### 6. Related Party Transactions

Following are the Related Parties and transactions made with them during the year:

Key Management Personnel	Mr. Arvind Uppal, Chairman & Managing Director Mr. Vikas Singhal (w.e.f July 25, 2008 till March 31, 2010) Mr.Syed Shazad Akhtar (w.e.f May 17, 2010)
Parties having direct or indirect control over the Company	Whirlpool Corporation Inc., USA (Holding Company), Whirlpool Mauritius Limited
Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year.	Maytag Sales Inc., Whirlpool (China) Investment Co. Ltd., Whirlpool Greater China Inc., Whirlpool Southeast Asia Pte, Whirlpool Europe S.r.l., Whirlpool (Thailand) Limited, Whirlpool India Holdings Limited, Whirlpool Slovakia Spol s.r.o., Whirlpool Home Appliance (Shanghai) Co., Ltd., Whirlpool S.A., Whirlpool (Hong Kong) Limited, Whirlpool Colombia S.A., Whirlpool (Australia) Pty. Limited, WFC de Mexico S. de R.L. de C.V., Whirlpool Maroc S. à r.l. Whirlpool Argentina S.A, Whirlpool South Africa (Pty) Limited, Guangdong Whirlpool Electrical Appliances Co. Ltd., Whirlpool Microwave Products Development Limited, Beijing Embraco Snowflake Compressor Company Ltd, Whirlpool France S.A.S., Whirlpool Sweden A.B., Whirlpool Canada Holding Co., Whirlpool Polska S.A., Bauknecht Hausgeräte GmbH, Whirlpool d.o.o. Beograd, Empresa Brasileira, Comercial Acros Whirlpool, S.A. de C.V., Whirlpool Product Development (Shenzhen) Co. Ltd., Whirlpool Asia Pvt Ltd., Whirlpool SSC Ltd. and Whirlpool Peru S.R.L.

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>A) Transactions</b>						
<b>(1) Purchase of Raw Materials and Purchase of Trading Goods (exclusive of exchange fluctuation and net of returns )</b>						
- Whirlpool Corporation Inc., USA	0.49	0.08	-	-	-	-
- Whirlpool Microwave Product Developments Limited	-	-	2,312.35	1,350.58	-	-
- Whirlpool Empresa Brasileira	-	-	3,384.18	1,032.96	-	-
- Beijing Embraco Snowflake Compressor Company Ltd.	-	-	867.80	3,080.16	-	-
- Others	-	-	273.43	714.63	-	-
<b>Total</b>	<b>0.49</b>	<b>0.08</b>	<b>6,837.76</b>	<b>6,178.33</b>	-	-
<b>(2) Sales (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA	152.82	106.51	-	-	-	-
- Whirlpool (Australia) Pty. Limited	-	-	5,629.69	9,213.82	-	-
- Whirlpool Europe S.r.l.	-	-	1,699.17	911.23	-	-
- Whirlpool Maroc S. à r.l.	-	-	506.93	1,347.12	-	-
- Others	-	-	1,475.16	1,321.36	-	-
<b>Total</b>	<b>152.82</b>	<b>106.51</b>	<b>9,310.95</b>	<b>12,793.53</b>	-	-
<b>(3) Reimbursement of expenses incurred on behalf of the parties by company (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc.	229.28	436.30	-	-	-	-
- Whirlpool (China) Investment Co. Ltd	-	-	205.17	116.68	-	-
- Whirlpool Asia Pvt Ltd	-	-	164.97	-	-	-
- Whirlpool Greater China Inc.	-	-	91.95	107.42	-	-
- Whirlpool Europe S.r.l.	-	-	127.69	117.38	-	-
- Whirlpool (Australia) Pty Limited	-	-	-	91.81	-	-
- Others	-	-	213.53	143.11	-	-
<b>Total</b>	<b>229.28</b>	<b>436.30</b>	<b>803.31</b>	<b>576.40</b>	-	-

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>(4) Reimbursement of expenses incurred on behalf of the Company by parties (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA	177.68	213.47	-	-	-	-
- Whirlpool S.A.	-	-	309.50	81.49	-	-
- Whirlpool Microwave Product Development Co. Ltd.	-	-	72.56	55.96	-	-
- Guangdong Whirlpool Electrical Appliances Co. Ltd.	-	-	2.23	27.99	-	-
- Whirlpool Product Development	-	-	94.54	20.98	-	-
- Whirlpool Asia Pvt Ltd	-	-	131.27	-	-	-
- Others	-	-	169.77	52.85	-	-
<b>Total</b>	<b>177.68</b>	<b>213.47</b>	<b>779.87</b>	<b>239.27</b>	-	-
<b>(5) Income from Services (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	4,985.59	4,431.77	-	-	-	-
- Whirlpool Greater China Inc.	-	-	1,336.47	1,029.94	-	-
- Whirlpool Europe s.r.l.	-	-	446.24	414.84	-	-
- Others	-	-	367.92	330.10	-	-
<b>Total</b>	<b>4,985.59</b>	<b>4,431.77</b>	<b>2,150.63</b>	<b>1,774.88</b>	-	-
<b>(6) Grant Received (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	14.13	149.37	-	-	-	-
<b>(7) Interest on Loan (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	-	16.19	-	-	-	-
<b>(8) Royalty and know how fee (Brand Assistance)</b>						
- Whirlpool Corporation Inc., USA.	3,679.28	3,030.31	-	-	-	-
<b>(9) Director Remuneration</b>						
- Mr. Arvind Uppal	-	-	-	-	400.57	53.22
- Mr. Vikas Singhal	-	-	-	-	-	39.43
- Mr. Syed Shazad Akhtar	-	-	-	-	158.67	-
<b>Total</b>					<b>559.24</b>	<b>92.65</b>

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>(10) Dividend on 10% Redeemable Non-Convertible Cumulative Preference Shares (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool Canada Holding Co.	-	-	995.93	7,223.64	-	-
<b>(11) Interest Income (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool (Australia) Pty Limited	-	-	364.62	252.88	-	-
<b>(12) Redemption of 10% Redeemable Non-Convertible Cumulative Preference Shares (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool Canada Holding Co.	-	-	9,849.25	-	-	-
<b>B) Balance outstanding at the year end :</b>						
<b>Sundry Debtors</b>						
- Whirlpool Corporation Inc., USA	304.10	445.23	-	-	-	-
- Whirlpool Southeast Asia Pte	-	-	197.75	34.09	-	-
- Whirlpool (Australia) Pty Limited.	-	-	562.92	7,273.31	-	-
- Whirlpool Europe s.r.l.	-	-	188.21	213.19	-	-
- Whirlpool Greater China Inc.	-	-	225.70	107.97	-	-
- Whirlpool S.A.	-	-	272.32	16.38	-	-
- Others	-	-	239.28	360.24	-	-
<b>Total</b>	<b>304.10</b>	<b>445.23</b>	<b>1,686.18</b>	<b>8,005.17</b>	-	-
<b>Sundry Creditors</b>						
- Whirlpool Corporation Inc., USA	1,490.92	1,575.53	-	-	-	-
- Whirlpool Empresa Brasileira	-	-	2,162.45	37.34	-	-
- Beijing Embraco Snowflake Compressor Company Ltd	-	-	263.45	1,430.97	-	-
- Whirlpool (China) Investment Co. Ltd	-	-	23.56	260.08	-	-
- Others	-	-	717.84	290.75	-	-
<b>Total</b>	<b>1,490.92</b>	<b>1,575.53</b>	<b>3,167.31</b>	<b>2,019.14</b>	-	-

The balance written back amounts to Rs. 775.22 lacs (previous year Rs. 33.23 lacs) which comprises of balances of Whirlpool Corporation Inc., USA.

7. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent such parties have been identified from the available documents/ information is as below:-

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	(Rs. in lacs)	
	2010-11	2009-10
The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal Amount	1,493.13	72.95
Interest	2.60	0.12
Interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	1.15	2.78
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	88.32	0.36
Amount of interest accrued and remaining unpaid at the end of each accounting year; and		
F.Y. 2007-08	0.62	0.62
F.Y. 2008-09	0.72	0.72
F.Y. 2009-10	0.48	0.48
F.Y. 2010-11	90.92	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	92.74	1.82

#### 8. Income Tax

The Company has recognized Rs. 5,029.68 lacs as on March 31, 2011 as Minimum Alternate Tax (MAT) credit entitlement (Previous Year Rs. 4,177.75 lacs), which represents that portion of the MAT Liability, the credit of which would be available based on the provisions of Section 115 JAA of the Income Tax Act, 1961. The Management based on the future profitability projections and also profit earned during the year is confident that there would be sufficient taxable profit in future which will enable the Company to utilize the above MAT credit entitlement.

#### 9. Share Based Compensation

##### Disclosures in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India

The Company does not provide any equity-based compensation to its employees. However,

the parent company, Whirlpool Corporation, USA has provided various share-based payment schemes to employees.

**A. Details of these plans are given below:**

**i) Employee Stock Options**

A stock option gives an employee, the right to purchase shares of Whirlpool at a fixed price for a specific period of time. The grant price (or strike price) is fixed at the closing price of Whirlpool common stock on the date of grant. Stock options expire in ten years from the date they are granted and vests in equal annual installments over service periods.

**ii) Performance Cash Units**

A performance cash unit is a unit valued at \$1 (1 performance cash unit = \$1), which employee receive at the end of a specified vesting period. Performance cash units provide cash value at delivery. Performance cash units always have value and are not tied to the price of Whirlpool stock.

**B. Details of stock options granted during the period ended 31 March, 2011 are given below:**

**Options existing during the Year ended March 31, 2011**

Type of arrangement	Date of grant	Options granted (nos.)	Exercise Prices (US \$)	Fair market value on the grant date(US \$)	Vesting conditions	Weighted average remaining contractual life in years
Employee Stock Options	February 18, 2002	2,300	67.29	17.28	1/10 of the shares vest each year over a period of ten years starting from one year after the date of grant.	0.89
Employee Stock Options	February 16, 2004	2,600	72.94	25.07		2.88
Employee Stock Options	February 14, 2005	1,300	63.24	26.38		3.88
Employee Stock Options	February 16, 2005	1,050	63.91	26.72		3.88
Employee Stock Options	February 20, 2006	3,372	89.16	41.18		4.90
Employee Stock Options	February 19, 2007	3,130	94.47	47.64		5.90
Employee Stock Options	January 24, 2008	750	-	42.71		Nil
Employee Stock Options	February 19, 2008	4,801	88.49	48.32		6.90
Employee Stock Options	April 1, 2008	750	-	50.01		Nil
Employee Stock Options	February 16, 2009	18,396	31.82	18.30		7.85
Employee Stock Options	February 14, 2011	2,338	85.45	30.14	1/3 of the shares vest each year over a period of three years starting from one year after the date of grant	9.88

**C. Summary of activity under the plan for the period ended 31 March, 2011 and 31 March, 2010 are given below.**

**Employee Stock Options**

Employee Stock Options	2011			2010		
	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life	Number Of options	Weighted-average exercise price	Weighted-average remaining contractual life
Outstanding at the beginning of the year	29,761	54.39	7.85	31,558	53.99	8.88
Granted during the year	2,338	85.45	9.88	-	-	-
Transfer/ Forfeited during the year	1,136	65.52	7.68	1,617	49.09	9.39
Exercised during the year	949	31.82	-	180	31.82	9.85
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	30,014	55.41	7.17	29,761	54.39	7.85

Weighted average fair value of the options outstanding is \$ 27.74 per option (Previous Year \$ 28.27 per option). The weighted average share price in current year was \$ 85.47 per option.

The estimated fair value of each stock option granted on each date was made using the Black-Scholes option pricing model with the following assumptions:

Grant Date	Closing Share price as at the grant date (US \$)	Expected volatility for stock options	Contractual life in years	Dividend yield	Risk-free interest rate	Exercise price of options (US \$)	Fair Value of options granted
February 18, 2002	67.29	28.1	10	2.00%	6.082	67.29	17.28
February 16, 2004	72.94	28.1	10	2.00%	6.451	72.94	25.07
February 14, 2005	63.24	28.1	10	2.00%	6.734	63.24	26.38
February 16, 2005	63.91	28.1	10	2.00%	6.734	63.91	26.72
February 20, 2006	89.16	28.1	10	2.00%	6.942	89.16	41.18
February 19, 2007	94.47	28.1	10	2.00%	7.188	94.47	47.64
January 24, 2008	78.89	28.1	10	2.00%	7.115	78.89	42.71
February 19, 2008	88.49	28.1	10	2.00%	7.115	88.49	48.32
April 1, 2008	91.28	28.1	10	2.00%	7.115	91.28	50.01
February 16, 2009	31.82	28.1	10	2.00%	7.041	31.82	18.30
February 14, 2011	85.45	44.3	6	2.64%	2.710	85.45	30.14

Risk free interest rates based on long term Government bonds & securities. Expected volatility is measured using annualized standard deviation of stock price movement. Stock price is based on the closing price of the stock, so above mentioned stock prices are taken from US stock exchange where the holding company is listed.

The employees' compensation expense for Stock options during the period ended 31 March, 2011 amounts to Nil (Previous year Nil).

#### 10. Earnings per share (EPS)

Particulars	2010-11	2009-10
Profit after tax as per Profit & Loss Account (Rs in lacs)	16,603.27	14,501.99
Less:		
Dividend on 10% Non – Convertible Cumulative Preference Shares (Rs. in lacs)	(995.93)	(1,523.43)
Corporate Dividend Tax (Rs. in lacs)	(151.72)	(258.91)
Net Profit for EPS Calculation (Rs. in lacs)	15,455.62	12,719.65
Weighted Average Number of Equity Shares outstanding during the year (Nominal value of Rs.10 per share each) (in absolute numbers)	126,871,830	126,871,830
Basic and Diluted Earnings per share (in Rs.)	12.18	10.03

#### 11. Disclosures in respect of movement in provision account as per the requirements of Accounting Standard 29.

Class of Provisions	(Rs. in lacs)				
	Balance as at beginning of the year	Additions during the year	Amounts used during the year	Unused amounts reversed during the year	Balance as at the end of the year
Provision for warranties	4,976.52 (4,176.33)	2,283.79 (3,273.62)	1,959.07 (2,473.43)	- (-)	5,301.24 (4,976.52)
Provision for litigations	1,780.14 (642.88)	1,010.84 (1,249.65)	136.33 (68.20)	40.09 (44.19)	2,614.56 (1,780.14)
<b>Total</b>	<b>6,756.66</b> (4,819.21)	<b>3,294.63</b> (4,523.26)	<b>2,095.40</b> (2,541.63)	<b>40.09</b> (44.19)	<b>7,915.80</b> (6,756.66)

Note:- Previous Year's figures are given in brackets.

##### Provision for Warranty

Provision is recognized on actuarial basis for expected warranty claims on products sold. It is expected that most of this cost will be incurred over the warranty period as per warranty terms. Assumptions used to calculate the provision for warranties were based on current and previous year sales level and the failure trend in respect of defectives.

##### Provision for litigations

In view of large number of cases, it is not practicable to disclose individual details. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of economic benefit outflow will depend upon timing of decision of cases.

#### 12. Hedged and Un-hedged Foreign Currency Exposure

Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Exposure in Foreign currency	Amount in lacs							
	Sundry Creditors				Sundry Debtors			
	2010-11		2009-10		2010-11		2009-10	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
<b>USD</b>	144.23	6,432.56	339.26	15,232.77	64.19	2,862.11	208.34	9,352.40
<b>EURO</b>	2.71	170.97	0.759	45.98	0.63	39.57	0.93	56.27
<b>AUD</b>	0.02	0.75	-	-	0.003	0.14	0.003	0.13
<b>SGD</b>	-	-	-	-	-	-	0.028	0.90
<b>Total</b>		<b>6,604.28</b>		<b>15,278.75</b>		<b>2,901.82</b>		<b>9,409.69</b>

Conversion Rates (rates as applicable on the respective balances) :-

USD - 44.59 / 44.60 (Previous Year 44.890 / 44.900), EURO - 63.058 / 63.127 (Previous Year 60.511 / 60.601)  
AUD - 45.976 / 46.016 (Previous Year 41.077 / 41.136), SGD - 35.314 / 35.346 (Previous Year 32.16/32.20)

Particulars of Hedged Foreign Currency Exposure as at Balance Sheet date held for future payments.

Particulars of Forward Contract		2010-11	2009-10	Purpose
Purchase	USD	415 lacs	41 lacs	Hedging of Sundry Creditors

### 13. Gratuity and other post-employment benefit plans

Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited, to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an Insurance policy, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The Superannuation (pension) plan for the Company is a defined contribution scheme where monthly contribution @ 15% of basic pay for certain employee at manager and above level (at the option of employee) is paid to a Superannuation Trust Fund established to provide pension benefits. The Trust Fund has taken an Insurance policy, whereby these contributions are transferred to the insurer.

The Provident Fund is a defined contribution scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the "Statutory Provident Fund". The benefit vests upon commencement of employment.

The Company has also agreed to provide certain additional retirement benefits to the employees of the Faridabad Refrigeration Operations where Rs.20,000 is paid to employee on his retirement. Additional retirement benefit is unfunded defined benefit scheme. The Company makes provision of such liability on the basis of actuarial valuation carried out by an independent actuary.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

#### Profit and Loss account

Net employee benefit expense (recognised in Employee Cost) (Rs. in lacs)

Particulars	2010-11		2009-10	
	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit
Current service cost	155.95	-	128.40	-
Interest cost on benefit obligation	146.74	3.24	132.89	3.01
Expected return on plan assets	(150.41)	-	(128.73)	-
Net actuarial (gain) / loss recognised in the year	208.02	(1.10)	(214.00)	(1.41)
Past service cost	-	-	-	-
Net benefit expense	360.30	2.13	(81.43)	1.60
Actual return on plan assets	143.24	-	253.22	-

#### Balance Sheet

Details of Plan Asset/(Liability) for Gratuity and Additional Retirement Benefit

(Rs.in lacs)

Particulars	2010-11		2009-10	
	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit
Defined benefit obligation	2,194.52	42.60	1,761.65	40.46
Fair value of plan assets	2,023.37	-	1,880.21	-
Less: Un-recognized past service cost	-	-	-	-
Plan asset / (liability)	(171.16)	(42.60)	118.56	(40.46)

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in lacs)

Particulars	2010-11		2009-10	
	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit
Opening defined benefit obligation	1,761.65	40.46	1,631.76	38.86
Interest cost	146.73	3.24	132.89	3.01
Current service cost	155.95	-	128.40	-
Benefits paid	(70.66)	-	(41.88)	-
Actuarial (gains) / losses on obligation	200.85	(1.10)	(89.52)	(1.41)
Closing defined benefit obligation	2,194.52	42.60	1,761.65	40.46

Changes in the fair value of plan assets are as follows:

(Rs. in lacs)

Particulars	2010-11		2009-10	
	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit
Opening fair value of plan assets	1,880.21	-	1,402.07	-
Expected return	150.41	-	128.73	-
Contributions by employer	-	-	224.92	-
Benefits paid	(0.08)	-	-	-
Actuarial gains / (losses)	(7.17)	-	124.48	-
Closing fair value of plan assets	2,023.37	-	1,880.21	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity 2010-11 (in %)	Gratuity 2009-10 (in %)
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2010-11 (in %)	2009-10 (in %)
Discount rate	8.50	8.25
Future Salary Increase	5.00	5.00
Expected Rate of Return on Assets	8.00	8.50
Employee turnover	10.00	10.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The Company expects to contribute Rs. 200 lacs to gratuity in the next year.

Amounts for the current and previous years are as follows: **(Rs. in lacs)**

Particulars	2010-11		2009-10		2008-09		2007-08	
	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit	Gratuity	Additional retirement benefit
Defined benefit obligation	2,194.52	42.60	1,761.65	40.46	1,631.76	38.86	1,347.23	34.78
Plan assets	2,023.37	-	1,880.21	-	1,402.07	-	1,357.12	-
Deficit/(Surplus)	171.15	42.60	(118.56)	40.46	229.69	38.86	(9.89)	34.78
Experience adjustments on plan liabilities (Loss)/Gain	(251.86)	(0.17)	48.93	(0.52)	(60.25)	0.47	(48.39)	(1.51)
Experience adjustments on plan assets (Loss)/Gain	(16.58)	-	198.80	-	(50.81)	-	(7.02)	-

Disclosure of the amount required by paragraph 120(n) of AS-15 need not be given as the Company has adopted the standard from financial year 2006-07.

Contribution to Defined Contribution Plans **(Rs. in lacs)**

Particulars	2010-11	2009-10
Provident Fund	652.11	570.60
Superannuation Fund	116.13	141.02
Life Insurance Cover	96.77	82.53

14. Excise duty on sales amounting to Rs. 19,632.41 lacs (Previous Year Rs. 13,620.46 lacs) has been reduced from sales in Profit and Loss account and excise duty on increase in stock amounting to Rs. 948.26 lacs (Previous Year Rs. 638.01 lacs) has been considered as expense in Schedule Q of the financial statements.
15. Additional Information pursuant to provisions of paragraph 3,4,4C and 4D of part II of Schedule VI of the Companies Act, 1956.

**(A) Directors' Remuneration**

**(Rs. in lacs)**

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Salaries	167.18	54.40
Allowances	288.96	17.65
Perquisites	88.96	5.91
Contribution to Superannuation fund	-	8.16
Contribution to Provident fund	14.14	6.53
<b>Total</b>	<b>559.24</b>	<b>92.65</b>

**Notes:**

- a) As the future liability for the gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors are not included above.
- b) Value of perquisites has been taken as per the Income Tax Act, 1961.
- c) 'Employees' Remuneration and Benefits' under Schedule P of the financial statements includes Rs. 559.24 lacs (Previous Year Rs. 92.65 Lacs) towards director's remuneration.



**Schedules Annexed to and forming part of the Balance Sheet**
**(B) Goods manufactured, purchased, sold and stock held**

Class of Goods	Opening Stock		Production	Purchase		Issued for own use/ dismantled shortages	Closing Stock		Sales (Net of returns)	
	Number of Units	Amount (Rs. Lacs)	Number of Units	Number of Units	Amount (Rs. Lacs)	Number of Units	Number of Units	Amount (Rs. Lacs)	Number of Units	Amount (Rs. Lacs)
<b>Home Appliance</b>										
Refrigerators	227,247 (176,659)	15,106.62 (11,722.19)	1,883,409 (1,737,150)	4,864 (17,524)	269.59 (1,014.89)	4,080 (3,141)	272,633 (227,247)	19,765.96 (15,106.62)	1,838,807 (1,700,945)	190,547.15 (169,075.00)
Washing Machines	65,842 (38,870)	3,727.56 (2,347.91)	561,945 (483,801)	177,678 (142,762)	7,239.31 (5,586.51)	2,816 (1,103)	60,677 (65,842)	3,921.73 (3,727.56)	741,972 (598,488)	65,924.02 (51,358.08)
Air Conditioners	83,836 (39,444)	10,482.43 (4,587.17)	18,563 (2,250)	251,688 (148,571)	31,575.26 (19,314.18)	535 (331)	178,047 (83,836)	22,042.48 (10,482.43)	175,505 (106,098)	35,408.05 (19,084.28)
Microwave Ovens	30,647 (19,836)	843.34 (761.80)	- (-)	156,885 (134,931)	5,359.50 (3,279.47)	2,431 (1,190)	36,534 (30,647)	1,541.28 (843.34)	148,567 (122,930)	7,796.24 (4,426.17)
Other Products	9,086 (12,556)	462.14 (779.06)		32,894 (20,848)	1,871.72 (970.37)	183 (8)	14,232 (9,086)	796.60 (462.14)	27,565 (27,148)	2,248.23 (1,496.81)
Semi-finished goods	- (-)	- (-)	18,891 (36,345)	- (-)	- (-)	- (-)	- (-)	- (-)	18,891 (36,345)	713.44 (1,638.09)
Spares & Accessories*	- (-)	- (-)	- (-)	- (-)	8,636.16 (9,013.06)	- (-)	- (-)	- (-)	- (-)	14,090.95 (11,780.00)
Miscellaneous	- (-)	87.76 (296.50)	- (-)	- (-)	2,021.00 (609.54)	- (-)	- (-)	682.03 (87.77)	- (-)	1,984.39 (1,432.60)
<b>Total</b>	<b>416,658</b> (287,365)	<b>30,709.86</b> (20,494.63)	<b>2,482,808</b> (2,262,384)	<b>624,009</b> (464,636)	<b>56,972.54</b> (39,788.08)	<b>10,045</b> (5,773)	<b>562,123</b> (416,658)	<b>48,750.07</b> (30,709.85)	<b>2,951,307</b> (2,591,954)	<b>318,712.47</b> (260,291.03)

\*Individual item of spares & accessories being less than 10% in value. Therefore the same is not furnished.

Note:- Previous Year's figures are given in brackets.

**(C) Statement showing licensed capacity, installed capacity (as per engineering estimates and certified by the management)**

Class of Goods	Licensed capacity per annum (Nos.)	Installed capacity per annum (Nos.)	
		2010-11	2009-10
Refrigerator Direct Cool	NA	1,974,000	1,800,000
Refrigerator No Frost	NA	811,200	811,200
Washing Machine	NA	1,043,000	650,000
Blade Coffee Grinder	NA	200,000	200,000
Air Conditioners	NA	93,600	93,600
Portable Oven & Small Appliances	NA	1,200,000	1,200,000

**(D) Consumption of Raw Materials and Components**
**a. Item wise Consumption**

Description	Unit	2010-11		2009-10	
		Quantity	Amount (Rs. lacs)	Quantity	Amount (Rs. lacs)
Steel Sheet	Kg.	21,327,749	12,333.40	20,228,756	12,280.80
Compressors*	Nos.	1,892,284	25,968.98	1,733,555	21,999.80
Other Intermediaries & Components**			92,434.08		73,168.03
<b>Total</b>			<b>130,736.46</b>		<b>107,448.63</b>

\* Consumption of Compressor is adjusted for rejections, shortage/ excess and compressors used for testing.

\*\* Consumption of other individual raw material items being less than 10% in value of the material cost therefore the same is not furnished.

**b. Imported & Indigenous Raw Materials & Components consumed**

Description	2010-11		2009-10	
	% of total	Value (Rs. lacs)	% of total	Value (Rs. lacs)
<b>Raw Materials</b>				
Imported	34.26%	9,444.14	35.80%	8,819.85
Indigenous	65.74%	18,119.70	64.20%	15,817.70
<b>Total</b>	<b>100.00%</b>	<b>27,563.84</b>	<b>100.00%</b>	<b>24,637.55</b>
<b>Components</b>				
Imported	13.92%	14,360.74	20.11%	16,651.03
Indigenous	86.08%	88,811.88	79.89%	66,160.05
<b>Total</b>	<b>100.00%</b>	<b>103,172.62</b>	<b>100.00%</b>	<b>82,811.08</b>

**c. Imported & Indigenous Stores & Spares consumed**

Description	2010-11		2009-10	
	% of total	Value (Rs. lacs)	% of total	Value (Rs. lacs)
Imported	2.60%	9.38	4.41%	11.22
Indigenous	97.40%	351.40	95.59%	243.32
<b>Total</b>	<b>100.00%</b>	<b>360.78</b>	<b>100.00%</b>	<b>254.54</b>

**d. Value of Imports calculated on CIF Value basis**

Particulars	For the year ending March 31, 2011 (Rs. lacs)	For the year ending March 31, 2010 (Rs. lacs)
Raw Materials and Components	22,261.67	26,622.09
Spare Parts	1,421.61	1,877.90
Finished Goods	36,169.99	15,806.23
Capital Goods	883.12	1,350.20
<b>Total</b>	<b>60,736.39</b>	<b>45,656.42</b>

**e. Net dividend remitted in foreign exchange**

Particulars	2010-11			2009-10	
	Financial Year 2008-09 & 2009-10	April 1, 2010 to July 21, 2010	April 1, 2010 to Nov 1, 2010	Financial Year 2005-06, 2006-07 & 2007-08	
Period to which it relates					
Number of non-resident shareholders	1	1	1	1	
Number of Preference shares held on which dividend was due	152,342,500	108,850,000	53,850,000	152,342,500	
Amount remitted (Rs. In lacs)	3,046.85	133.46	323.97	4,176.79	
Amount remitted (USD in thousands)	6,418.47	281.14	729.18	8,907.94	

**(E) Earnings in Foreign Currency (Accrual basis)**

Particulars	For the year ending March 31, 2011 (Rs. lacs)	For the year ending March 31, 2010 (Rs. lacs)
Export of Goods at FOB value	15,750.70	18,226.74
Service Income	7,136.22	6,206.67
Interest Income	364.62	252.88
<b>Total</b>	<b>23,251.54</b>	<b>24,686.29</b>

**(F) Expenditure in Foreign Currency (Gross, on accrual basis)**

Particulars	For the year ending March 31, 2011 (Rs. lacs)	For the year ending March 31, 2010 (Rs. lacs)
Royalty	2,431.76	1,980.31
Know-How Fees	1,247.52	1,050.00
Professional fees	105.60	140.10
Research Expenses	420.79	391.32
Interest	-	16.19
Foreign Travel	649.28	489.52
Others	314.29	620.50
<b>Total</b>	<b>5,169.24</b>	<b>4,687.94</b>

16. Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date  
For S.R. Batliboi & Co.

For and on behalf of the Board of Directors

Firm Registration No. 301003E  
Chartered Accountant

per **Tridibes Basu**  
Partner  
Membership No.17401

Anil Berera  
[Chief Financial Officer]

Arvind Uppal  
[Chairman & Managing Director]  
DIN:00104992

Syed Shahzad Akhtar  
[Executive Director]  
DIN:03052558

Place: Gurgaon  
Date : May 9, 2011

Ravi Sabharwal  
[Company Secretary]

**BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE**
**1. Registration Details**

Registration No.	L29191PN1960PLC020063	State Code:	11
Balance Sheet Date:	31.03.11		

**2. Capital Raised during the year (Amount In Rs. Thousand)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**3. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)**

Total Liabilities	1,31,37,175	Total Assels	1,31,37,175
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**Sources of Funds (Amount In Rs. Thousand)**

Paid-Up Capital	18,07,218	Reserves & Surplus	24,16,533
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liabilities (net)	2,09,823		

**Application of Funds (Amount in Rs. Thousand)**

Net Fixed Assets	33,09,479	Investments	NIL
Net Current Assels	11,24,095	Miscellaneous Expenditure	NIL
Deferred Tax Assets (net)	NIL	Profit & Loss A/c	NIL

**4. Performance of Company (Amount In Rs. Thousand)**

Turnover (including other income)	2,72,85,926	Total Expenditure	2,48,93,536
Profit/ (Loss) Before Tax	23,92,390	Profit/ (Loss) After Tax	16,60,327
Earning Per Share in Rs.	12.18	Dividend@%	10%
		(Preference Shares)	
		(Equity Shares)	NIL

**5. Generic Names of three Principal Products/Services of Company (As per monetary terms)**

a. Item Code. No. (ITC Code): 8418	Product Description: Refrigerator
b. Item Code No. (ITC Code): 8450	Product Description: Washing Machine
c. Item Code. No. (ITC Code): 8415	Product Description: Air Conditioner

Anil Berera (Chief Financial Director)	Arvind Uppal (Chairman & Managing Director)	Syed Shahzad Akhta (Executive Director)
	DIN-00104992	DIN-03052558

Place: Gurgaon  
Date: May 9, 2011

Ravi Sabharwal  
(Company Secretary)

**COMPANY GENERAL INFORMATION**
**DIRECTORS:**

Arvind Uppal	(Chairman & Managing Director)
Syed Shahzad Akhtar	(Whole Time Director)
Robert Lawrence Mink	(Non Executive Director)
Anand Bhatia	(Independent Director)
Simon J. Scarff	(Independent Director)
Sanjiv Verma	(Independent Director)

**COMPANY SECRETARY:**

Ravi Sabharwal

**BANKERS:**

Citibank  
Standard Chartered Bank  
ABN Amro Bank  
HDFC Bank  
Bank of America  
Punjab National Bank  
Nova Scotia Bank  
HSBC Bank

**REGISTERED OFFICE:**

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

**WORKS:**

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

**AUDITORS:**

S. R. Batliboi & Co., Chartered Accountants

**COST AUDITOR:**

R. J. Goel & Co., Cost Accountants

**STOCK EXCHANGE WHERE SHARES LISTED:**

Bombay Stock Exchange  
National Stock Exchange

**CORPORATE OFFICE:**

Plot No. 40, Sector- 44,  
Gurgaon, Haryana- 122 002

**REGISTRAR & SHARE TRANSFER AGENT:**

Link Intime India Ltd.  
A-40, 2nd Floor, Naraina Industrial Area,  
Phase-II, New Delhi - 110 028

**TRADEMARKS**

Whirlpool, Protton World Series, Ace Wash Station, 360, Genius, E- light, 6th Sense, Fast forward Ice, Frost Control, MicroTawa, Hand-wash, The W award, Mineral Enrichment System, Ek jodi Kapda, Catalytic Soak, H2Low, Crisp, Jet Defrost, 3D cooking, 1-2-3, Happiness begins at home, Every Home Everywhere are trademarks of Whirlpool Corporation, Whirlpool India and/or its wholly or majority-owned affiliates.

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## Whirlpool of India Limited

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

### ATTENDANCE SLIP

DP. Id. \_\_\_\_\_ Folio No. \_\_\_\_\_  
Client Id. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of The Company to be Held At Yash Inn, P-11, 5-Star-MIDC, Ranjangaon, Pune-Ahmednagar Express Highway, Taluka- Shirur, District- Pune- 419 204 on Friday the July 1, 2011 at 11.00 A.M.

#### All Particulars Should Tally With The Company's Records

Member's Name (Sole Applicant) .....  
(1st Joint Holder).....  
(2nd Joint Holder) .....

Father's Name .....

Complete Address .....

Proxy's Name .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

- Notes:**
1. Attendance slip which is not complete in all respects shall not be accepted.
  2. Attendance slip shall be produced at the registration counter for verification.
  3. Verified attendance slip should be retained throughout the meeting

.....  
Member's / Proxy's Signature



## Whirlpool of India Limited

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

### PROXY FORM

DP. Id. \_\_\_\_\_ Folio No. \_\_\_\_\_  
Client Id. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

We.....  
S/o/W/o/D/o.....resident of.....

being a Member/ Members of The Above Named Company Hereby Appoint  
Mr./Ms.....

Resident of.....or Failing Him/Her

Mr./Ms .....

resident of..... As my/our Proxy to Vote for me/us on my/our Behalf

at the Annual General Meeting of the Company to be held on Friday, the July 1, 2011, at Yash Inn, P-11,

5-Star-MIDC, Ranjangaon, Pune-Ahmednagar Express Highway, Taluka- Shirur, District- Pune- 419204

At 11.00 A.M. and at any adjournment thereof.

Signed This ..... Day of .....

Revenue  
stamp

#### Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. The proxy form duly signed across Revenue Stamp should reach Company's Registered office at least 48 hours before the time of the meeting.
4. Attendance slip should be sent to the proxy appointed by you and not to the company and shall be signed by the proxy.

# Leadership Speak



"2010-11 saw yet another year of exceptional performance by Whirlpool of India, achieved under very challenging business conditions. We delivered a record EPS of Rs 12.20, up 21% over the previous year, and generated cash from operations equivalent to 10.1% of revenue. Despite inflationary pressures, the Company recorded an EBIDTA margin of 10.7% and Profit After Tax of 6.1%. Our Balance Sheet continues to remain strong with a second consecutive year of debt-free performance. Today, Whirlpool of India is one of the most profitable companies in the home appliance sector and is well positioned in our journey of sustainable and profitable growth."

Anil Berera,  
Vice President & Chief Financial Officer  
Whirlpool of India Limited



"We launched several differentiated products that enabled us to grow profitably in a year where demand softened due to high food inflation. With the successful expansion of our Air Conditioning and Microwave businesses, and plans to expand into a range of kitchen appliances in 2011, our goal to build a pre-eminent position as a specialist home appliance brand remains well on track. Our distribution and service footprint was enlarged and several exclusive Brand Stores were inaugurated. Employee engagement is at an all-time high. As we look ahead to another successful year, the key drivers of our strategy remain unchanged: to be the best in Cost, Quality, Innovation, Distribution and Brand Building."

Shahzad Akhtar,  
Vice President & General Manager Operations  
Whirlpool of India Limited

1911 **100** 2011  
**100 Years of Creating Happier Homes**



Whirlpool of India Ltd., Whirlpool House,  
Plot No. 40, Sector 44, Gurgaon – 122002, Haryana  
Tel. : 91-124-4591300  
Fax : 91-124-4591301  
Visit us: [www.whirlpoolindia.com](http://www.whirlpoolindia.com)

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