



Celebrating a  
new age of innovation

ANNUAL REPORT 2011-2012



Since its inception, Whirlpool Corporation has dedicated itself to making a difference in people's everyday lives. Our constant endeavour is to innovate in our products and services and provide consumers perfect solutions for their home. It is this forward thinking approach that has helped us achieve the distinction of being the World's No.1 Home Appliance company.

As Whirlpool Corporation celebrated a century of achievement in 2011, it was only appropriate that Whirlpool of India commemorates the year with an unprecedented investment in innovation, culminating in the roll out of a slew of new products from April 2012. The new range is distinctive in its scale - 160 models across 6 categories - and positions Whirlpool® to cater to every segment in the consumer pyramid. Each offering is a result of incisive consumer insights drawn from extensive market research and testing. Combined with Whirlpool's intuitive and intelligent '6<sup>th</sup> Sense™' technology, the new range of products set fresh benchmarks in performance, quality, design and differentiated features, which have been Whirlpool's hallmark of success.

As we enter a new century of opportunity, Whirlpool of India remains steadfastly committed to providing consumers distinguished products that are best-in-class in performance, incorporating novel solutions that they will value, together with the assurance of world-class quality and service. It is our passion for innovation that will set us apart and take us to our inevitable destination of market leadership in home appliances.

**The following pages will reveal a few of our 'ahead of the curve innovations' launched in the last year.**





# icemagic

A technological marvel designed and developed for Indian sensibility, revolutionizes cooling technology in single door refrigerators.

- 40%\* fast ice with 6<sup>th</sup> Sense™ 'Quick Ice Technology'
- Power Cool Zone that remains super chilled even during 12 hr. power cuts\*
- Freedom from manual defrosting with 6<sup>th</sup> Sense™ Automatic Defrost Technology
- 7 day\* freshness retention through 'Advanced Air Flow Technology'

\*Under test conditions. Terms & conditions apply.









# neo<sup>TM</sup> iCHILL

Cooling goes into overdrive with Deep Freeze Technology that gives the Neo iChill sub-zero temperatures at all times.

- 40%\* faster chilling
- 50%\* faster ice making
- Ice cream retention in original form in the unique 'Ice cream Zone'
- 25%\* better cooling retention during power cuts
- 7 day\* garden fresh crisper

\*Under test conditions. Terms & conditions apply.



**360°**  
BLOOM WASH

India's first 360° washing machine, a new way the world is washing.

- Unique 360° wash motion, which ensures every corner of the fabric gets the attention it needs
- Catalytic Soak with an inbuilt heater to maximize efficiency of detergents
- H<sub>2</sub>Low Shower
- Dynamic Lint Trap





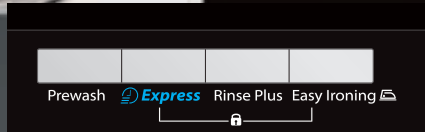




# EXPLORE

The all new range of Front Load Washing Machine which gives the **cleanest wash** in half the time than any other washing machine in the category.

- Express Wash function
- Optiball to ensure optimization of detergent usage
- Eco Wash function





# MagiCook™



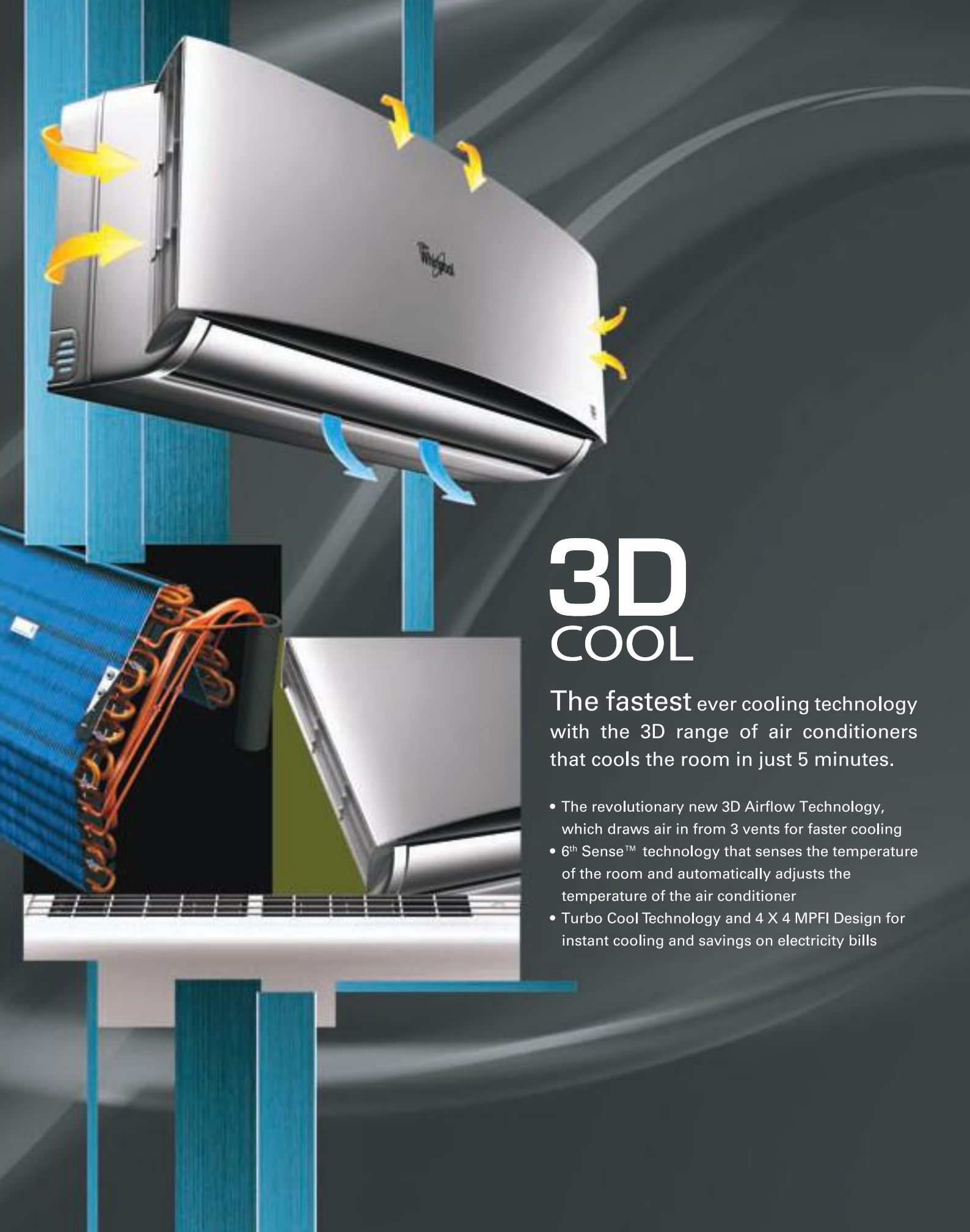
Whirlpool® 1-2-3 Microwave Oven with a simple yet path-breaking 3 step process makes cooking in a microwave oven a hassle-free and enjoyable experience.

- 64 Auto Cook menus
- Unique starter kit that recommends special utensils for specific recipes
- Cleanse, a unique feature that cleans the inside of the microwave oven automatically





Whirlpool



# 3D COOL

The fastest ever cooling technology with the 3D range of air conditioners that cools the room in just 5 minutes.

- The revolutionary new 3D Airflow Technology, which draws air in from 3 vents for faster cooling
- 6<sup>th</sup> Sense™ technology that senses the temperature of the room and automatically adjusts the temperature of the air conditioner
- Turbo Cool Technology and 4 X 4 MPFI Design for instant cooling and savings on electricity bills



## 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 5 Directors including 3 Independent Directors as on 31<sup>st</sup> March 2012. As on 31<sup>st</sup> March 2012, 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 During the financial year Mr. Robert Lawrence Mink resigned from Board effective from 31<sup>st</sup> August 2011 and Mr. Syed Shahzad Akhtar resigned from Board effective from 31<sup>st</sup> March 2012. Mr. Anil Berera joined the Board as Whole Time Director effective from 3<sup>rd</sup> November 2011. Mr. Vikas Singhal joined the Board as Whole Time Director effective from 8<sup>th</sup> May 2012.

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, 2012)		
		Other Directorships#	Committee Memberships	Committee Chairmanship
Arvind Uppal	Chairman Cum Managing Director	2	-	-
Syed Shahzad Akhtar *	Whole Time Director	-	-	-
Robert Lawrence Mink **	Non Executive Director	-	-	-
Sanjiv Verma	Non-Executive & Independent Director	1	-	-
Simon J. Scarff	Non-Executive & Independent Director	1	2	1
Anand Bhatia	Non-Executive & Independent Director	3	4	-
Anil Berera ***	Whole time Director	-	-	-

#### 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 Company.

\* Mr. Syed Shahzad Akhtar resigned from the Board effective from 31<sup>st</sup> March 2012.

\*\* Mr. Robert Lawrence Mink resigned from the Board effective from 31<sup>st</sup> August 2011.

\*\*\* Mr. Anil Berera was appointed on the Board as Whole Time Director effective from 3<sup>rd</sup> November 2011.

\*\*\*\* Mr. Vikas Singhal was appointed on the Board as Whole Time Director effective from 8<sup>th</sup> May 2012.

## 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
Arvind Uppal	Chairman & Managing Director	4	Yes
Syed Shahzad Akhtar *	Whole Time Director	3	No
Robert Lawrence Mink **	Non-Executive Director	-	No
Simon J. Scarff	Non-Executive & Independent Director	3	Yes
Anand Bhatia	Non-Executive & Independent Director	4	Yes
Sanjiv Verma	Non-Executive & Independent Director	4	Yes
Anil Berera ***	Whole Time Director	1	Yes

\* Mr. Syed Shahzad Akhtar resigned from the Board effective from 31<sup>st</sup> March 2012.

\*\* Mr. Robert Lawrence Mink resigned from the Board effective from 31<sup>st</sup> August 2011.

\*\*\* Mr. Anil Berera joined the Board effective from 3<sup>rd</sup> November 2011.

During the year ended March 31, 2012 four meetings of the Board of Directors were held on the following dates:

(i) May 09, 2011 (ii) August 02, 2011 (iii) November 03, 2011 (iv) February 2, 2012

The Annual General Meeting (AGM) was held on July 01, 2011.

### 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 and National Stock Exchange..

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 present at the last Annual General Meeting held on 1<sup>st</sup> July 2011.

The Audit Committee is responsible for:

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

#### Composition and Attendance

Name of the Directors	No. of Meetings Attended
Anand Bhatia, Chairman	4
Simon J. Scarff, Member	3
Robert Lawrence Mink *	NIL
Sanjiv Verma	3
Anil Berera **	1

\* Mr. Robert Lawrence Mink resigned from the Committee effective from 31<sup>st</sup> August 2011.

\*\* Mr. Anil Berera has been appointed as a member of Audit Committee effective from 3<sup>rd</sup> November 2011.

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

During the year ended March 31, 2012, four meetings of the Audit Committee were held on the following dates:

(i) May 09, 2011 (ii) August 02, 2011 (iii) November 03, 2011 (iv) February 2, 2012

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

**Composition and Attendance**

Mr. Anand Bhatia is the Chairman of Remuneration Committee. Other members of the Committee consist of Mr. Simon J. Scarff and Mr. Sanjiv Verma. Mr. Robert Mink has tendered his resignation from the Board of the Company and consequently from the Remuneration Committee with effect from 31<sup>st</sup> August 2011.

During the year two meetings of Remuneration Committee were held on May 9, 2011 and November 3, 2011. Mr. Anand Bhatia and Mr. Sanjiv Verma attended both the meetings and Mr. Simon J Scarff attended one 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	2,57,54,523	1,78,52,862	NIL	9,00,000	5,20,07,385

Service contract renewed for next three years effective from 01<sup>st</sup> April, 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
48,82,920	71,33,068	1,67,411	42,88,047	5,85,948	1,70,57,394

Service contract for three years effective from 17<sup>th</sup> May, 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. Anil Berera, Whole Time Director**

Basic Salary	Allowances	Perquisites	Performance Bonus	Contribution to Provident Fund & Superannuation Fund *	Total
20,00,000	28,22,358	1,17,369	NIL	2,81,667	52,21,394

Service contract for three years effective from 3<sup>rd</sup> November, 2011.

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 and National Stock Exchange and the relevant clauses of the Articles of Association of the Company



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

#### Composition and Attendance

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

During the year ended March 31, 2012, four meetings of the Investors Grievance Committee were held on the following dates:

(i) May 09, 2011 (ii) August 02, 2011(iii) November 03, 2011(iv) February 02, 2012

\* Mr. Syed Shahzad Akhtar resigned from the Committee effective from 31<sup>st</sup> March 2012.

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	4
b.	No. of complaints not resolved to the satisfaction of the shareholders	Nil
c.	No. of pending share transfers as on March 31, 2012.	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 and National Stock Exchange 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 31<sup>st</sup> March 2012, 24 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
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
2011	Friday	July 1, 2011	11.00 A.M	Hotel Yash Inn, Ranjangaon, Shirur, Pune

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

Year	Resolution passed
2009	None
2010	<ol style="list-style-type: none"> <li>Special Resolution passed for appointment of Mr. Syed Shahzad Akhtar as whole time director and approval of his remuneration.</li> <li>Special Resolution passed for reappointment of Mr. Arvind Uppal as Chaiman &amp; Managing Director and approval of his remuneration.</li> </ol>
2011	None

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 general related party transactions are given in the Balance Sheet.

### Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities relating to the above 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](http://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. Arvind Uppal and Mr. Anand Bhatia retire by rotation and being eligible offer themselves for re-appointment.

Mr. Arvind Uppal was appointed as Managing Director of the Company effective from February 16, 2005. Mr. Arvind Uppal is a B.Tech from IIT Delhi and is a post graduate in Management from the Faculty of Management Studies, Delhi. He has over 25 years of experience in Business Development, International Marketing and General Management. Prior to joining Whirlpool he was with Nestle in India and overseas. He was appointed as Chairman of your Company effective from 27th January 2010. He is a director in two other Indian Companies, i.e. Tuscan Ventures Private Limited & Akzo Nobel India Limited. Currently he is Chairman & Managing Director of Whirlpool of India Limited.

Mr. Anand Bhatia, Independent non Executive Director of the Company is an Economics graduate from Cambridge University (U.K). He has over 30 years of working experience at senior level with Unilever plc worldwide. Currently he is a director in (1) EID parry (India) Limited (2) HGS Private Limited (3) Sowar Private Limited. He is on your Board since 2001 and is also the Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievance 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 and National Stock Exchange to enable them to put it on their web-site and is also uploaded on company's website [www.whirlpoolindia.com](http://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) and NSE Electronics Application Processing System.

The Company's website [www.whirlpoolindia.com](http://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 : 6<sup>th</sup> August, 2012  
Time : 11.00 A.M.  
Venue : Plot No. A-4, MIDC, Ranjangaon, Taluka- Shirur,  
Pune - 412220

### (ii) Financial Calendar - Year 2012-2013

Tentative dates for adoption of Quarterly Results for the quarter ending

- June 30, 2012	July, 2012 (4 <sup>th</sup> week)/ August (1 <sup>st</sup> Week)
- September 30, 2012	October, 2012 (4 <sup>th</sup> week)/ November (1 <sup>st</sup> Week)
- December 31, 2012	January, 2013 (3 <sup>rd</sup> / 4 <sup>th</sup> week)
- March 31, 2013	April, 2013 (3 <sup>rd</sup> / 4 <sup>th</sup> week)
	Or
	Audited Annual Results in May, 2013 (3 <sup>rd</sup> / 4 <sup>th</sup> week)

### (iii) Book Closure Date

30<sup>th</sup> July, 2012 to 6<sup>th</sup> August, 2012 (Both days inclusive)

### (iv) Dividend Payment Date

No Dividend on equity shares has been recommended by Board for the year ended 31<sup>st</sup> March 2012 considering the future capital investment plan for expansion.

The Board of Directors redeemed 53,850,000 10% Redeemable Non Convertible Cumulative Preference Shares of Rs.10 each during the financial year ended 31<sup>st</sup> March 2012 and declared an interim dividend on such preference shares @Rs.1 per share amounting to Rs.141.63 Lacs along with final redemption of 53,850,000 preference shares which was paid to the shareholder along with the redemption amount on pro rata basis till the date of redemption i.e. 6<sup>th</sup> July 2011.

### (v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange at Mumbai. The Company confirms that it has paid annual listing fee due to the Bombay Stock Exchange and the National Stock Exchange for the year 2012-2013.

### (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 Private Limited  
A- 40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase- II,  
(Near Batra Banquet Hall), New Delhi -110 028.

## (viii) Stock Price Performance - Whirlpool Vs BSE Sensex, Year 2011-2012

**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)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2011	296.55	264.00	295.80	264.00
May 2011	284.00	227.50	283.30	227.10
June 2011	259.75	228.05	259.90	226.05
July 2011	271.50	220.10	271.90	221.00
August 2011	235.88	192.00	227.25	191.05
September 2011	242.00	208.85	241.75	208.10
October 2011	225.00	211.00	225.00	206.20
November 2011	218.00	178.85	218.00	178.25
December 2011	192.00	148.35	190.95	148.10
January 2012	186.50	141.80	187.40	144.05
February 2012	205.60	172.45	204.80	171.00
March 2012	204.40	176.00	203.50	176.10

## (x) Share Transfer System

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

## (xi) Dematerialization of Shares

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on March 31, 2012 12,45,86,072 equity shares of the Company, forming 98.19% of total shareholding stand dematerialized.

International Securities Identification Number: INE716A01013



**(xii) Liquidity of Shares**

The Equity Shares of the Company are traded at the Mumbai Stock Exchange and the National Stock Exchange.

**(xiii) Shareholding Pattern as on March 31, 2012**

Category	No. of Shares	%
Promoters	9,51,53,872	75.00
Mutual Funds	62,65,062	4.94
Non Resident Indians	3,54,044	0.28
Banks, Financial Institutions & Insurance Companies	9,486	0.01
Foreign Institutional Investors/ Foreign Financial Institutions	76,41,664	6.02
Corporate Bodies	41,64,970	3.28
Central Government/ State Government	633	0.00
Public	1,32,82,099	10.47
<b>Total</b>	<b>12,68,71,830</b>	<b>100.00</b>

**(xiv) Distribution of Shareholding as on March 31, 2012**

No. of Equity Shares		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	2500	34,448	82.03	24,09,884	1.90
2501	5000	3,969	9.45	15,19,522	1.20
5001	10000	1,899	4.52	14,64,544	1.15
10001	20000	763	1.82	11,67,405	0.92
20001	30000	282	0.67	7,26,245	0.57
30001	40000	129	0.31	4,72,994	0.37
40001	50000	111	0.26	5,22,449	0.41
50001	100000	170	0.41	12,64,394	1.00
100001	Above	222	0.53	11,73,24,393	92.48
Total		41993	100.00	12,68,71,830	100.00

**(xv) Outstanding Stock Option**

There are no outstanding warrants or any convertible instruments as on March 31, 2012

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

1	28 N.I.T., Faridabad (Haryana) - 121 001
2	A-4 MIDC Rajangaon, Taluka – Shirur, District, Pune - 412 220
3	Village Thirubhuvanai, Puducherry - 605 001

**(xvii) Address for Correspondence**

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

<p><b>Registered Office</b>  Whirlpool of India Limited  Plot No. A-4 MIDC  Ranjangaon, Taluka- Shirur  Distt.- Pune, Maharashtra - 412 220  Telephone No. 02138-660100  Fax No. 02138-232376  Email: ravi_kumar_sabharwal@whirlpool.com</p>	<p><b>Corporate Office</b>  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</p>
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***DECLARATION FOR CODE OF CONDUCT***

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As provided under clause 49 of the Listing agreement with the Bombay Stock Exchange and National Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2012.

For Whirlpool of India Limited

Place : Gurgaon  
Date: May 8, 2012

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

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***AUDITORS' CERTIFICATE***

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**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, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

Place: Gurgaon  
Date: May 8, 2012

For S. R. BATLIBOI & COMPANY  
Firm Registration Number : 301003E  
Chartered Accountants  
Per Tridibes Basu  
Partner  
Membership No.: 17401



## DIRECTORS' REPORT

The Directors' are pleased to present their 51<sup>st</sup> Annual Report and Audited Accounts for the year ended March 31, 2012.

### Financial Results

(Rs. in lacs)

Particulars	For the year ended	
	March 31, 2012	March 31, 2011
Sales/ Income from operations (including excise duty)	285,047	289,912
Other Income	1,230	2,580
Profit/ (Loss) before Interest, Depreciation, Extraordinary items & Tax	23,539	28,940
Finance Cost	(438)	(565)
Depreciation	(4,970)	(4,451)
<b>Profit before Tax</b>	18,131	23,924
Provision for Tax (including deferred tax)	(5,758)	(7,321)
<b>Net Profit/ (Loss) for the year</b>	12,373	16,603
Credit/ (Debit) Balance B/F from previous year	11,575	5,969
<b>Profit available for appropriation</b>	23,948	22,572
Interim Dividend on Preference Shares	(142)	(457)
Proposed Dividend on Preference Shares	—	(539)
Tax on Dividend	(26)	(152)
Transfer to Capital Redemption Reserve	(5,385)	(9,849)
<b>Surplus/ (Deficit) carried to Balance Sheet</b>	18,396	11,575

### Performance of the Company

During the year ended March 31, 2012 the sales of the Company, was Rs.285,047 Lacs as compared to last year's sales of 289,912 Lacs down by 1.7%. Profit before tax was Rs.18,131 Lacs as compared to corresponding profit of Rs.23,924 Lacs in the previous year. The marginal decline in turnover was due to flat to negative industry growth.

### Dividend

No Dividend on equity shares has been recommended by Board for the year ended 31<sup>st</sup> March 2012 considering the future capital investment plans of the Company.

The Company declared an interim dividend on preference shares @Rs.1 per share amounting to Rs.141.63 Lacs along with final redemption of 53,850,000 preference shares which was paid to the shareholder along with the redemption amount on pro rata basis till the date of redemption. The shareholders may declare the interim dividend as final dividend.

### 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 already redeemed 9,84,92,500 Preference Shares on request of the shareholder using the put option up to the financial year ended 31<sup>st</sup> March 2011.

During the financial year ended 31<sup>st</sup> March 2012, your Board of Directors in its meeting held on 09<sup>th</sup> May 2011 approved the redemption of 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. The Preference shares were fully redeemed and payment was made on 6<sup>th</sup> July 2011 to the shareholder along with pro rata dividend.

### 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 2011- 2012 was a challenging year for the consumer durable industry, arising from a host of macro-economic factors. The economy witnessed a slowdown in GDP growth, compounded by rising interest rates necessitated to control inflation, which put pressure on household disposable income. Further, unabated commodity inflation necessitated frequent price increases adversely

impacting demand. As a result, the home appliance industry experienced negative growth rates of 5% and 17% in the second and third quarter of 2011 respectively and the market remained flat to negative for the financial year.

During this period, your Company focused relentlessly on cost, productivity and sales mix to protect short term profitability while continuing to make appropriate investment for new product launches and innovations to drive long term share and profitability. Over the recent past, your Company invested over Rs.100 crore in platform upgrades to produce better energy efficient and superior performing appliances. This investment will enable your Company to revamp almost 70% of its portfolio which would be Best-in-Class with respect to meeting consumers' needs in terms of core performance, style, and energy/resource efficiency.

During the year, your Company launched the following products:-

- A 8 kg high-performance top load washing machine with 360<sup>o</sup> variator plate technology (VARI) to provide a wash performance better than a front load-machine while offering the convenience of a top load machine. The product met with instant success and has become a leader in its segment.
- A 3-Door 440 L Frost Free Refrigerator under the "Protton World Series" range.
- The ACE Wash Station range was expanded to include capacities of 6.8 Kg & 7.0 Kg and were well appreciated by trade and consumers. The product helped in creating a wider distribution footprint for the Company's washing machines in smaller towns.
- "Built-in Kitchen Appliances" targeted towards the mass and premium segments. These high end appliances will improve the imagery of the brand. The products will be distributed through Kitchen Manufacturers in selected cities.

In March 2012, your Company announced the launch of 160 SKU's in 6 categories which would enter stores in a phased manner in the next 3-6 months. As a part of this range two new Refrigerator models in 190 L & 215 L capacities in 48 SKUs was launched in March 2012 and will be the key driver to grow market share in the fastest growing segment of Direct Cool Refrigerators. The initial response has been very positive.

Expansion of distribution is fundamental in a developing country like India. The products launched in March 2012 were unveiled across 120 locations through Dealer Meets, which act as a forum for sub-dealers to see the new products and interact with Company officials. This event since 2009, has been a regular feature of Whirlpool's strategy of partnering with trade - not only strengthens the bond with our existing customers but helps enlisting new dealers.

Home Shopping has become a significant channel in our country. Your Company was among the first in home appliances to enter this channel. A significant part of our Microwave volume comes from this channel.

## **Exports**

During the year under review, the export business of your Company achieved a turnover of Rs.188 Crores which represents 11% growth over last year. Given the difficult demand conditions and volatile currency situation in international markets, this achievement is commendable.

The neighboring markets in SAARC region performed excellently and delivered a sales growth of over 50%. This is the second consecutive year of exponential growth resulting in doubling of business in 3 years. A special mention should be made of Sri Lanka and Nepal markets which have shown exceptional growth. In Sri Lanka expansion of distribution and aggressive promotional activity resulted in high growth while structural network changes in Nepal combined with consumer relevant products have delivered growth. During the year Whirlpool brand shops were also inaugurated in prime locations of Kathmandu city. In Bangladesh, Whirlpool Microwaves gained consumer acceptance and are becoming increasingly popular.

In line with our government's focus on diversifying our export markets, your Company has made an aggressive foray into South America. Today your Company's products are available in Peru, Bolivia, Argentina, Chile, and Caribbean Islands. Your Company is also striving to tap unexplored potential in many Middle East and African markets which are relatively under penetrated.

Apart from the above, our traditional focus on key markets like Australia continues to remain strong. During the last Financial Year your Company has developed highly advanced products for the Australian market, both in terms of product design and energy efficiency. Several innovative features specifically for Australian consumers have been built into these products This is expected to pay rich dividends in the coming year.

Another new development is the export of Air Conditioner, which has made a modest beginning in the last financial year. Air Conditioners is the fastest growing category in many emerging markets and has the potential to become a significant export business over the next few years.

Going forward, your Company remains very optimistic about the new range of Refrigerators being rolled out in India in 2012, which is in line with latest international trends in aesthetics, features and energy efficiency. This is expected to spur a higher growth in our international business during Financial Year 2012-13 and beyond.

## **Consumer Services**

Your company has continued to focus on providing the best in class service. Uncompromising Customer Care (UCC), launched in 2009-10 has now been expanded to major cities across the country. The current coverage is 85% of registered calls. There has



been a significant improvement in the UCC scores across the country. This process is a unique innovation and a critical brand differentiator, widely accepted by trade partners and valued by consumers.

During the last financial year, several Best-in-Class service projects were initiated. One such is the establishment of a Training Academy to cater to the training needs of Service Engineers focusing both on technical and soft skills training. The number of man days on training has gone up significantly and there is a positive change in the quality of service rendered, validated by the improvement in trade satisfaction survey carried out in every region.

The Service business continues to generate revenue and profits for your Company. Innovation played a huge role in the business contribution of 2011-12 with products like batteries, liquid detergents etc. delivering the units revenue goals. The innovation pipeline is healthy and new products should help the function deliver breakthrough results in the 2012-13 period.

### **Human Resources**

The year 2011-12 saw your Company improve its reputation further as an 'Employer of Choice'. Whirlpool was not only ranked as one of the 'Best Employers in India 2011', but also - for the first time - we got recognized beyond national boundaries to be ranked as one of the 'Best Employers in Asia Pacific 2011' by the AON Hewitt Best Employers study. The Employee Engagement Score (EES) of 82% for Whirlpool of India Limited continued to be one of the highest in the Whirlpool world. The high level of workforce engagement helped drive critical business levers.

Given the dynamic business environment, the Human Resource team focused on creatively managing talent retention, capability development, culture and communication. The endeavor was to boost employee morale so as to sustain the Spirit of Winning.

We strengthened the embedment of 'Extraordinary Performance and Results' by taking it online and continued to provide our key players and critical position holders with differentiated compensation and growth opportunities. Nearly 35% more role changes and growth opportunities were provided to employees to deliver on our value proposition of 'Early Differentiated Roles'.

Managerial Effectiveness was identified as a key focus area to drive higher productivity and engagement levels. As the first step, over 100 people managers were provided specific feedback on their managerial ability through a managerial skill survey. Furthermore, every people manager in the organization will be taken through a 'Leading People @ Whirlpool' program. Nearly 40 employees have already participated in this program. Apart from this, almost 180 people managers were trained in the 'Art of Dialoguing' workshops to enable them to conduct career and performance conversations.

To sustain 'connect' with employees across levels, the Employee Engagement initiatives acquired a greater sense of purpose. Focus group discussions were conducted across the country and employee centric action plans were drawn out and are currently under implementation. The HR team organized several employee connect initiatives through quarterly 'Everyone Connect' calls and skip meetings. The reward & recognition program was renewed to empower senior managers and enable them to recognize and celebrate success. The interactive employee intranet site 'W connect' was continuously leveraged to give each employee a forum 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) were successfully concluded to gear up the organization for a high growth agenda. We also continued the Project Management and Change Management programs to enhance execution capability. All managers were covered in the 'Foundations of Whirlpool' online courses. These courses enable employees to understand your Company's values and objectives, as well as fundamental operational capabilities. Apart from this, we continuously encourage managers to leverage Whirlpool University for virtual learning and self development.

Apart from HR initiatives, the team also partnered in the business agenda by conducting a cutting edge international workshop on 'Innovation' where relevant members were trained on tools & techniques for practicing innovation. Finally, a key initiative called 'Customer First' was launched to sensitize employees and build a culture of customer centricity.

### **Finance and Accounts**

The 2011-12 fiscal was a tough year for the consumer durables industry. During the last year and till date, we witnessed low demand because of slow down in GDP growth, supply constrained inflation, high interest rates and mounting fiscal deficit. In addition, sharp devaluation of the rupee and unabated commodity inflation spiked up input costs that necessitated frequent pricing actions, further softening demand. As a result, the consumer durables industry declined.

Against this background, your Company's net sales were marginally lower by 1.68% versus the previous year and profit from operations was down by 24%. Under the extremely challenging business environment described earlier, this is a very creditable performance with overall profitability and fiscal management still being the best in the industry.

In view of demand being low, your Company focused on Cost and Cash. Several actions were taken to improve volume and category mix, augment export revenue, and revise pricing to offset rising input costs. Relentless pressure was applied on controlling discretionary expenditure and working capital management. Cash generation from operations remained strong even in this volatile environment, enabling your Company to finance planned investments internally without recourse to external debts. Indeed, your Company has invested over Rs. 100 Crores in platform upgrades to produce more energy efficient and superior performing appliances.

## 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. Arvind Uppal and Mr. Anand Bhatia retire by rotation and being eligible offer themselves for reappointment.

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

Mr. Arvind Uppal was appointed as Managing Director of the Company effective from February 16, 2005. Mr. Arvind Uppal is a B.Tech from IIT Delhi and is a post graduate in Management from the Faculty of Management Studies, Delhi. He has over 25 years of experience in Business Development, International Marketing and General Management. Prior to joining Whirlpool he was with Nestle in India and overseas. He was appointed as Chairman of your Company effective from 27th January 2010. He is a Director in two other Indian Companies, i.e. Tuscan Ventures Private Limited & Akzo Nobel India Limited. Currently he is Chairman & Managing Director of Whirlpool of India Limited.

During the year Mr. Robert Lawrence Mink resigned from Board effective from 31<sup>st</sup> August 2011 and Mr. Syed Shahzad Akhtar resigned from Board effective from 31<sup>st</sup> March 2012.

Mr. Anil Berera, aged 52 years is Bachelor in commerce and Chartered Accountant with over 30 years of rich working experience in finance, accounts, treasury, taxation and general management. He joined the Company in March 2007 as Chief Financial Officer for India Operations and was promoted as Chief Financial Officer & Vice President (Asia South). He has held several key positions in finance and accounts in many organizations including Price Water House Coopers, Gillette and Becton Dickinson. He is not a Director in any other Company.

Mr. Vikas Singhal has been appointed as Whole Time Director of the Company effective 8<sup>th</sup> May, 2012. Mr. Vikas Singhal aged 45 years has over 23 years of rich and diverse experience, working with top notch global organizations. He began his carrier as a graduate trainee with Carrier Aircon, the global leader in Refrigeration & Air Conditioning. Subsequently he was with Delphi Automotives, Owens Brockway and Piramal Enterprises in various leadership positions. Previous to joining Whirlpool, he served as V.P. Manufacturing and Technology - Piramal Enterprises- Glass Division. Ranging from Manufacturing Operations to Supply Chain, Project Management, New Business Development, Vikas has dealt with a broad continuum of business facets. He holds a B.Tech degree in Industrial Engineering from IIT Roorkee and a PGDBM from XLRI Jamshedpur. He has been in Whirlpool for 7 years. He was also a Director of the Company from July 2008 to March 2010. He is not a Director in any other Company.

Mr. Anil Berera and Mr. Vikas Singhal vacate the office of Director at this Annual General Meeting. The Board considers that it would be in the interest of the Company to appoint Mr. Anil Berera and Mr. Vikas Singhal as a Whole Time Director of the Company. Shareholders' approval is sought as a special resolution for the appointment and approval of remuneration for Mr. Anil Berera and Mr. Vikas Singhal.

## Auditors

Members are requested to appoint Auditors for the current year on a remuneration to be fixed by the Board as per Item No. 5 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 reappointment as Auditors for the Financial Year 2012-13.

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 31<sup>st</sup> March 2012, no Fixed Deposits was held by the Company.

## Listing of Shares

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

## 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. Anil Berera, Member	-	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 , Executive 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, allied and other risk.

### **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 (2A) 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 stakeholders - Partners, 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  
Date: May 8, 2012

Anil Berera  
[Whole Time Director]  
DIN 00306485

Arvind Uppal  
[Chairman & Managing Director]  
DIN 00104992

## Annexure A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Developments

Market growth of the home appliance industry slowed down in the financial year 2011- 2012. The prime reasons for this were rise in consumer price due to escalation of commodity costs, rise in interest rate and reduction in disposable income, leading to deferment of purchases, and a brief and mild summer in many parts of the country, adversely impacting sales of refrigerator and air conditioners. The Refrigerator market is estimated to have declined by 5% while Washing Machine category did not witness any growth. Air Conditioners - for the first time - registered a negative growth of 15% in the last 5 years and Microwaves grew by 10%, much lower than the CAGR registered over the last few years.

Direct Cool (single door) refrigerators and Semi Automatic (twin tub) washing machines continue to be the dominant formats within the refrigerator and washing machine categories. In air conditioners, split air conditioners are growing at a much faster rate and now command higher saliency than window air conditioners. In Microwaves, convection continues to be in the fast lane.

High-end cooking appliances comprising of Built-in Hobs, Hoods, Ovens and Dishwashers - where Whirlpool has recently launched several products - is poised to grow as luxury housing and modular kitchens grow.

While the market declined in the last financial year and the business outlook remains challenging, the long term opportunity for this industry is positive, given the low level of appliance ownership in this country.

As the market evolves, some definitive trends which will shape the market:

- Capacity upgradation by entry level consumers of Direct Cool segment leading to fastest growth in the 190-225 L segment.
- Mid segment consumers of No Frost category are also seeking larger sizes, driven by change in shopping habits, needing larger space for storage of fresh & packaged foods.
- The high end consumers are finding the multi door formats more relevant for Indian needs than the side by side formats. We are seeing these formats being populated by the Japanese brands.
- Finishes and designs are playing an increasingly important role driven by consumers in the less than 30 year age group looking for lifestyle products.
- Washing machine segment is expected to witness robust growth as more women enter the workforce necessitating in aids to reduce their household chores.
- Modern retail is growing but not at the pace at which the consumers are demanding a better shopping environment which is creating opportunities for franchised brand shops of individual brands. This phenomenon is now being seen in small towns also.
- The increasing demand for modern housing with modern modular kitchens is increasing the demand for kitchen appliances like hoods and hobs. At the premium end built-in suits of ovens, microwave & dishwashers present an interesting opportunity.

#### Outlook and Opportunities

The long terms growth of home appliances seems secure given the low penetration of appliances, especially with a huge rural market still to be tapped. Growth will be further fuelled by aggressive pricing and easy finance options which manufacturers routinely offer. Growth opportunities will be at both entry level and high-end segments. Whirlpool of India has made huge investments over the last year and its new launches of consumer relevant innovations across all its categories will drive the Whirlpool brand to market leadership.

#### Outlook on Threats, Risks and Concerns:

Inflation and rise in commodity prices have been major concerns for most part of the last fiscal year and continues to be a concern. Demand is likely to be low for some time and will rise as consumer confidence returns with improvement in the economic scenario. High marketing and infrastructure investment by competition and influx of new multinational brands (Japanese) creates additional pressure on our advertising and promotion budgets. However, we are optimistic that our 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. 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 were marginally low by 2.3% as compared to last year and export sales grew by 11%.



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## 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 31<sup>ST</sup> MARCH 2012.

#### 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 No. 5 (1250 KVA, 1000 KW) resulting in fuel efficiency increasing from 3.2 units/litre to 3.6 units/litre.
- ii. Extruder is modified and now fed by cooling tower water @ 28<sup>o</sup> C instead of chiller water @ 14<sup>o</sup> C, hence saving 40 TR of electric Load for door liner sheet.
- iii. Modification done in Paint shop for fuel saving with conversion of heating mechanism to direct from indirect.
- iv. Air cooled chillers have been modified into water cooled for better efficiencies.
- v. Arresting air leakage in all shops through pressure decay.
- vi. Switching equipment in off condition during idle (lunch & tea) running time through timer.
- vii. Increasing capacity of equipment by reducing its cycle time.

##### Pune Plant

- i. Vacuum pump optimization done on Maytag thermo former. Presently we are using only TWO vacuum pumps in place of THREE.
- ii. Eliminated maytag thermoforming chiller of 33 T capacity.
- iii. Power saver for street lighting installed.
- iv. Compressor cooling pump capacity reduced from 37 KW to 18 KW.
- v. 20 Solar street lights installed
- vi. Energy Management System installed.

##### Puducherry Plant

- i. Periodic air leak check is followed for Line 1 & Line 2.
- ii. Old air conditioners replaced.

- iii. Split air conditioner installed in conference room area.
- iv. Auto cut off introduced at RTC area street lights.
- v. New recirculation tank installed at Lab area.

**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 by exploring low baking powder paint.
- iii. Installation of LED in plant by replacing traditional tube lights
- iv. Running of extruder on cooling tower for production of main liner.
- v. Replacing old reciprocating compressor with slow speed screw compressor for higher efficiencies.
- vi. Usage of energy efficient star rated motors in plant.

**Pune Plant**

- i. Compressed air – Installation of Godrej instrument for constant pressure across the shop.
- ii. Up-gradation of maytag thermoforming hydraulic system for capacity improvement & power savings.
- iii. Thermo former heating system modification through Quartz Heaters.
- iv. OEE improvement projects implementation for thermo former, utility & extrusion machine.
- v. Replacing lamps with energy efficient bulbs for internal usage.

**Puducherry Plant**

- i. Solar street light
- ii. Energy conservation unit introduced at Air line
- iii. Energy conservation unit introduced at Lighting.

**c) Impact of (a) and (b) on the cost of production:**

Faridabad Plant	: Rs. 5.00 per Refrigerator
Pune Plant	: Rs. 7.00 per Refrigerator
Puducherry Plant	: Rs. 0.74 per Washing Machine

**B) TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT**

**a) Specific areas in which R&D is carried out by the company:**

**Faridabad Plant**

- i. New platform introduced for more energy efficient refrigerators in Direct Cool range and launched in market.
- ii. Consumer relevant features like bottle cooling retention, auto defrost & 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 robust design with compressed design cycle time.
- iv. Green Gas/R600a introduced in entry models for energy improvement and usage of energy efficient compressors.
- v. Design and development through CAD & simulation test methods for improvement of experienced quality

**Pune Plant**

- i. New platform introduction for higher energy efficient No Frost Products.
- ii. Launched Protton 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. Tied up with India’s top technical institutes to improve product performance and customer experience in various areas e.g. noise reduction and cooling performance.

- v. 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 6.8 kg plastic body introduced in two variants of wash system.
- ii. 54 cm platform line up refreshed and ready for launch.
- iii. 1-2-3 User Interface enhanced for ease of use “1-2-3 Next” and Iconographic display.
- iv. CFM changes in Fully Automatic Top Load segment
- v. Expansion of horizontal axis segment (ex-China) two variants
- vi. Split-Wash introduced in 8 kg segment

#### **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 & cooling retention
- iii. Perceived and experienced quality improvement.

##### **Pune Plant**

- i. Increased product performance, ease of use.
- ii. Better space management options for the consumer and introduction of multi-utility bin and deep freeze freezer.
- iii. Perceived and experienced quality improvement.
- iv. Wider product ranges with the introduction of Protton Series.
- v. Flexible platform implementation to meet future energy requirements and implementation of 141b and C-Pentane.

##### **Puducherry Plant**

- i. Higher capacity plastic body twin tub with unique styling leveraged to lower capacity
- ii. Platform optimization with 54 cm line up refresh
- iii. 1-2-3 Next user Interface to differentiate simple and advanced functions with iconographic display
- iv. Huge variety of color options of washers for wider consumer choice.
- v. Split Wash enables small / colored / normal wash in one cycle

#### **b) Future plan of action:**

##### **Faridabad & Pune Plant**

- i. Focus on premium product offerings in sub-300 L & 400 L platforms.
- ii. Continued focus to make more energy efficient products and green gas use for environment friendly 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) Capacity expansion on each foot print
- ii) Knob dial controls in top load washers
- iii) Extension of split wash in smaller capacity
- iv) Manual bulk detergent dispensing
- v) Tub light features

<b>Expenditure on R &amp; D</b>	<b>(Rs. in lacs)</b>
a) Capital	72.26
b) Recurring	3,676.19
c) Total	3,748.45
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.
- iii. New product offering for export with consumer relevant innovative features to enhance product experience.

**Puducherry Plant**

- i. Capacity expansion on each foot print.
- ii. Knob dial controls in top load washers.
- iii. Extension of split wash in smaller capacity.
- iv. Manual bulk detergent dispensing.
- v. Tub light feature.

**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. Higher capacity Plastic body Twin tub with unique styling leveraged to lower capacity.
- ii. Platform optimization with 54 cm line up refresh.
- iii. 1-2-3 Next user Interface to differentiate simple and advanced functions with iconographic display.
- iv. Huge variety of color options of washing machines for wider consumer choice.
- v. Split wash enables small / colored / normal wash in one cycle.

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED MARCH 31, 2012**

**(Rs. in lacs)**

Foreign Exchange Earnings:

- |   |        |
|---|--------|
| i) FOB value of sales, service & other income | 25,118 |
|---|--------|

Foreign Exchange Outgo-

- |   |        |
|---|--------|
| (i) CIF value of imports- Raw materials, & Components,<br>spare parts, finished and capital goods | 49,711 |
| (ii) Others   | 5,160  |



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**AUDITORS' REPORT**

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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, 2012 and also the Statement of 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, Statement of 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, Statement of 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
    - b) in the case of the Statement of 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 8, 2012

**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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the 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.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the 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, the provisions of clause 4 (v) (b) of the Order are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (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, cess 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*.
- (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, cess 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 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
Service Tax Rules, 1994	Service Tax on Technical Knowhow, Bill Discounting	133.64	2005-07	CESTAT
	Service Tax on Gtech Exports, & Technical knowhow	77.56	2005-06, 2007-08	CESTAT
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	8.50	1993-94	Sales Tax Officer
	Tax levied on optional service contacts, Tax on exempted turnover	3.32	2006-08	Deputy Commissioner

Name of Statute	Nature of Dues	Amount (Rs. Lacs)	Period	Forum Pending
Bihar Value Added Tax Act, 2005	Disallowance of rebate	0.51	2004-05	Deputy Commissioner
	Rejection of incentive discount & Non submission of forms	30.41	2005-07	Deputy Commissioner
Delhi Sales Tax Act, 1975	Rejection of claim on forms	0.48	2002-03	Sales Tax Officer
	Rejection of claim of OSC charges	2.96	2003-04	Addl. Commissioner
Gujarat Sales Tax Act, 1969	Rejection of sales return, Non submission of forms	7.38	1993-04, 1996-98	Tribunal
Haryana General Sales Tax Act, 1973	Enhancement of turnover, Non submission of forms	23.77	1997-98, 2006-07, 2007-08	Joint Commissioner
J & K GST Act, 1962	Non submission of forms & rejection of claim of HUPS sales	3.76	2007-08 2008-09	Dy. Commissioner
Kerala General Sales Tax Act, 1963	Rejection of claim on credit notes	10.39	1997-98	Sales Tax Officer
	Rejection of sales returns, Rejection of credit notes, forms short deposited, Rejection of claim for concessional sale & penalty	5.87	1999-01	Dy. Commissioner
	Enhancement of turnover & non submission of forms	38.96	2002-03	Sales Tax Officer
Kerala Value Added Tax Act, 2005	Rejection of credit notes on discounts, enhancement of turnover & non submission of forms	331.68	2003-11	Dy. Commissioner
MP Commercial Tax Act, 1944	Rejection of credit notes	13.79	2001-02	High Court
	Rejection of claim on discounts, Rejection of credit notes and Rejection of sales return	31.46	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	24.62	2003-05	Addl. Commissioner
MP Value Added Tax Act, 2005	Rejection of sales return	15.59	2005-06	Addl. Commissioner
Orissa Sales Tax Act, 1947	Non submission of forms, Levy of entry tax, Enhancement of turnover, Dispute in rate of tax	23.48	1992-94, 1996-99, 2002-03	Asst. Commissioner
	Non submission of forms, Enhancement of turnover, Rejection of sales return	32.31	1999-00, 1991-93, 2000-02	Tribunal
	Non submission of forms & Enhancement of turnover	34.11	1991-97 1999-02	STO
Rajasthan Value Added Tax Act, 2005	Rejection of surcharge, Ex-parte order of entry tax	54.42	2000-01 2007-09	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	High Court
	Enhancement of turnover & Entry tax	2.39	1997-98 2001-02	Addl. Commissioner
Tamil Nadu Value Added Tax Act, 2005	Enhancement of turnover & Form short & Rejection of Stock Trf & C-form short	730.17	2007-10	Addl. Commissioner
The Chhattisgarh Value Added Tax Act, 2003	Rejection of Forms	169.96	2002-03	Addl. Commissioner
	Penalty at Check Post	3.01	2002-03	Tribunal
	Levy of entry tax	3.11	2002-03, 2004-07	Commissioner of Sales Tax
UP Entry Tax Act, 2007	Entry tax	0.69	2007-08	High Court
UP Value Added Tax Act, 2008	Penalty at Check Post	0.12	2010-11	Deputy Commissioner
	Rejection of claim of credit notes, forms short, etc.	8.51	2009-10	Addl. Commissioner
	Provisional Assessment	5.87	2010-11	Joint Commissioner

Name of Statute	Nature of Dues	Amount (Rs. Lacs)	Period	Forum Pending
West Bengal Sales Tax Act, 1944	Rejection of claim of credit notes, forms short, etc	336.82	2002-03, 2004-05, 2005-06	Asst. Commissioner
	Rejection of claim of credit notes, forms short, etc	47.17	1998-99, 2004-05 2006-07,	Addl. Commissioner
	Rejection of claim of credit notes, forms short etc, Rejection of claim for concessional sale	158.19	1999-02, 2003-04 2005-06	Tax Board
	Rejection of claim of concessional sale.etc	6.76	2002-03	Special Commissioner
West Bengal Value Added Tax Act, 2005	Rejection of claim of credit notes, forms short etc	9.71	2008-09	Addl. Commissioner
Punjab Value Added Tax Act, 2005	Tax on freight charged on invoices	265.41	2005-07	STO
	Penalty at Check Post	0.99	2006-07	Dy. Commissioner
	Penalty at Check Post	0.64	2010-11	Dy. Commissioner
Maharashtra Value Added Tax Act, 2005	Tax on CQB excess claimed & forms short deposited etc	10.95	2004-05	Dy. Commissioner

According to the information and explanations given to us, there are no dues of income-tax, 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.

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

Place: Gurgaon  
Date : May 8, 2012



**BALANCE SHEET AS AT 31 MARCH, 2012****(Rs. in laacs)**

Particulars	Notes	31 March, 2012	31 March, 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	12,687.18	18,072.18
(b) Reserves and surplus	3	36,331.62	24,165.33
		<u>49,018.80</u>	<u>42,237.51</u>
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	2,127.49	2,098.23
(b) Other long term liabilities	5	940.26	1,092.75
(c) Long-term provisions	6	4,659.04	5,249.65
		<u>7,726.79</u>	<u>8,440.63</u>
<b>3 Current liabilities</b>			
(a) Trade payables	7	51,318.51	69,670.32
(b) Other current liabilities	7	5,828.28	6,522.13
(c) Short-term provisions	8	4,830.62	4,501.17
		<u>61,977.41</u>	<u>80,693.62</u>
<b>TOTAL</b>		<u><u>118,723.00</u></u>	<u><u>131,371.76</u></u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	33,644.13	31,432.30
(ii) Intangible assets	9	216.19	291.35
(ii) Capital work-in-progress		4,503.44	1,240.62
(b) Long-term loans and advances	10	9,049.67	8,838.39
(c) Other non-current assets	11	1.00	393.12
		<u>47,414.43</u>	<u>42,195.78</u>
<b>2 Current assets</b>			
(a) Inventories	12	43,228.58	66,736.30
(b) Trade receivables	13	13,705.76	11,521.83
(c) Cash and bank balances	14	8,589.64	4,916.37
(d) Short-term loans and advances	15	5,624.96	5,796.73
(e) Other current assets	16	159.63	204.75
		<u>71,308.57</u>	<u>89,175.98</u>
<b>TOTAL</b>		<u><u>118,723.00</u></u>	<u><u>131,371.76</u></u>
Summary of significant accounting policies	1.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

**For S. R. Batliboi & Co.**  
Firm Registration Number: 301003E  
Chartered Accountants

For and on behalf of the Board of Directors  
of **Whirlpool of India Limited**

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

**Arvind Uppal**  
Chairman and  
Managing Director  
DIN:00104992

**Anil Berera**  
Executive Director  
& Chief Financial Officer  
DIN: 00306485

**Ravi Sabharwal**  
Company Secretary

Place: Gurgaon  
Date: May 8, 2012

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2012**

(Rs. in lacs)			
Particulars	Notes	31 March, 2012	31 March, 2011
<b>I Income</b>			
Revenue from operations (Gross)	17	285,047.47	289,912.05
Less: Excise Duty		19,253.94	19,632.41
Revenue from operations (Net)		<u>265,793.53</u>	<u>270,279.64</u>
Other Income	18	1,230.49	2,579.62
<b>Total revenue (I)</b>		<u><u>267,024.02</u></u>	<u><u>272,859.26</u></u>
<b>II Expenses</b>			
Cost of raw materials and components consumed	19	118,794.41	130,736.46
Purchase of traded goods	20	30,359.90	56,972.54
(Increase) / decrease in inventories of finished goods, work in progress and traded goods	20	19,945.58	(17,840.05)
Employee benefit expense	21	21,344.03	21,004.98
Other expenses	22	53,040.88	53,045.27
<b>Total expenses (II)</b>		<u><u>243,484.80</u></u>	<u><u>243,919.20</u></u>
<b>III Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		23,539.22	28,940.06
Depreciation and amortisation expense	23	4,970.48	4,451.22
Finance costs	24	437.75	564.94
<b>IV Profit before tax</b>		18,130.99	23,923.90
<b>V Tax expense</b>	25		
Current tax		5,728.64	4,925.91
Less: MAT credit entitlement		-	(851.92)
Deferred tax		29.26	3,246.64
<b>Total tax expense</b>		<u><u>5,757.90</u></u>	<u><u>7,320.63</u></u>
<b>VI Profit for the year from continuing operations</b>		<u><u>12,373.09</u></u>	<u><u>16,603.27</u></u>
<b>VII Earnings per share [nominal value of shares Rs. 10 (previous year Rs.10)]</b>	26		
Basic and Diluted		9.62	12.18
Summary of significant accounting policies	1.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S. R. Batliboi & Co.**  
Firm Registration Number: 301003E  
Chartered Accountants

For and on behalf of the Board of Directors  
of **Whirlpool of India Limited**

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

**Arvind Uppal**  
Chairman and  
Managing Director  
DIN:00104992

**Anil Berera**  
Executive Director  
& Chief Financial Officer  
DIN: 00306485

**Ravi Sabharwal**  
Company Secretary

Place: Gurgaon  
Date: May 8, 2012



**Cash Flow Statement for the year ended March 31, 2012**

(Rs. in lacs)

	31 March, 2012	31 March, 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	<b>18,130.99</b>	23,923.90
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	4,970.48	4,451.22
Provision no longer required written back	(295.46)	(969.19)
Loss/(profit) on sale/write-off of fixed assets (net)	266.56	(28.22)
Interest Income	(353.03)	(637.53)
Interest and Finance Charges	437.75	564.94
Unrealised foreign exchange loss	58.65	(127.18)
<b>Operating profit before working capital changes:</b>	<b>23,215.94</b>	27,177.94
Movements in working capital:		
Trade receivables	(2,183.93)	3,773.04
Loans and advances and other assets	(383.77)	1,266.81
Inventories	23,507.72	(20,487.65)
Liabilities and provisions	(18,468.53)	14,153.59
<b>Cash Generated from Operations</b>	<b>25,687.43</b>	25,883.73
Direct taxes paid	(4,380.33)	(5,353.80)
<b>Net cash flow from /(used in) operating activities (a)</b>	<b>21,307.10</b>	20,529.93
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including CWIP and capital advances	(11,836.79)	(7,285.98)
Proceeds from sale of fixed assets	37.85	39.57
Interest received	388.78	637.53
Proceeds from Margin Money	17.44	-
Payment from Margin Money	(1.51)	(155.71)
<b>Net Cash flow from /(used in) investing activities (b)</b>	<b>(11,394.23)</b>	(6,764.59)
<b>C CASH FLOWS FORM FINANCING ACTIVITIES</b>		
Redemption of 10% Redeemable Non-Convertible Cumulative Preference Shares	(5,385.00)	(9,849.25)
Interest and Finance Charges	(437.75)	(567.08)
Proceeds from Short term borrowings	14,200.00	29,500.00
Repayment of Short term borrowings	(14,200.00)	(29,500.00)
Repayment of Fixed Deposits	-	(15.27)
Payment of Final Dividend on preference shares	(538.50)	(3,046.85)
Payment of Tax on Final Dividend on preference shares	(87.36)	(506.04)
Payment of Interim dividend on preference shares	(141.63)	(457.43)
Payment of Tax on Interim Dividend on preference shares	(25.55)	(75.97)
<b>Net Cash used in financing activities (c)</b>	<b>(6,615.79)</b>	(14,517.89)

**Cash Flow Statement for the year ended March 31, 2012**

	(Rs. in lacs)	
	31 March, 2012	31 March, 2011
<b>NET (DECREASE)/ INCREASE IN CASH &amp; CASH EQUIVALENTS (a+b+c)</b>	<b>3,297.08</b>	(752.55)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>4,895.40</b>	5,647.95
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>8,192.48</b>	4,895.40
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	4.95	7.04
Balances with Post Office in Savings Bank Account	-	0.03
Balances with Scheduled Banks		
- On Current / Collection Account	3,519.85	3,665.18
- On Cash Credit Accounts	467.68	1,210.02
- On Margin Money Accounts	397.16	20.97
- On Deposit Accounts	4,200.00	4.85
- On Rights Issue Refund Account	-	0.22
- On Interest on Debenture Account	-	8.06
<b>Cash and Cash Balance as per Note 14</b>	<b>8,589.64</b>	4,916.37
Less : Margin Money Accounts*	<b>(397.16)</b>	(20.97)
	<b>8,192.48</b>	4,895.40
<b>Add:- Long term deposit accounts as per Note 11</b>	<b>1.00</b>	393.12
Less : Long term deposit accounts*	<b>(1.00)</b>	(393.12)
<b>Total</b>	<b>8,192.48</b>	4,895.40

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

As per our report of even date

**For S. R. Batliboi & Co.**  
Firm Registration Number: 301003E  
Chartered Accountants

For and on behalf of the Board of Directors  
of **Whirlpool of India Limited**

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

**Arvind Uppal**  
Chairman and  
Managing Director  
DIN:00104992

**Anil Berera**  
Executive Director  
& Chief Financial Officer  
DIN: 00306485

**Ravi Sabharwal**  
Company Secretary

Place: Gurgaon  
Date: May 8, 2012



**1. (a) Corporate information**

Whirlpool of India Limited (the Company) is a public limited company registered in India under Companies Act 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company 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 and procurement services to Whirlpool Corporation, USA and other group companies.

**(b) Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the 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 Land (freehold and leasehold), Building and Plant and Machinery of the Refrigeration division 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, except for the change in accounting policy explained below.

**1.1 Summary of significant accounting policies****a. Change in accounting policy***Presentation and disclosure of financial statements*

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**b. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Uncertainties about these estimates and assumption could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in the future periods.

**c. Tangible fixed assets**

Fixed assets, except land (leasehold and freehold), building and plant & machinery of Faridabad Refrigeration division, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Land (leasehold and freehold), building and plant & machinery of Faridabad Refrigeration division are measured at fair value less accumulated depreciation and impairment losses, if any, recognised after the date of revaluation. In case of revaluation of above assets, any revaluation surplus is credited to revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**d. Depreciation on tangible fixed assets**

Depreciation on fixed assets is provided prorata 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 is charged at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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.

**e. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

*Software*

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f. 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.

**g. Research and development**

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 cost 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.

**h. 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.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. 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 statement of profit and loss on a straight-line basis over the lease term.

**i. Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**j. Inventories**

Inventories are valued as follows:

Raw Materials, Components, Stores and Consumables	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, Components, Stores and Consumables, 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.

**k. 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. The following specific recognition criteria must also be met before revenue is recognized:

*Sale of goods*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising 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 recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**l. Foreign currency transactions****i. 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.

**ii. 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.

**iii. 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.

**iv. Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

**m. 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 statement of profit and loss 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 statement of profit and loss 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 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 statement of profit and loss. 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 a 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. This is unfunded defined benefit scheme.
- ii. The Company has taken life insurance cover from Insurance Companies for its blue collar employees at Faridabad Refrigeration Operations and for all white collar employees of the Company. The premium is charged to the statement of profit and loss 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 Puducherry Washers Operations on the basis of year end actuarial valuation. This is unfunded defined benefit scheme.

e. Compensated absences

Short term compensated absences are provided for based on actuarial valuation. 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.

**n. Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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 reporting date. The Company writes-down the carrying amount of 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 realized. 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the

“MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**o. Segment reporting**

*Identification of segments*

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

*Segment accounting policies*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**p. Earnings Per Share**

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

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.

**q. Customs & 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

**r. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**s. 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.

**t. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**u. Cash and cash equivalents**

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

**v. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. SHARE CAPITAL

(Rs. in lacs)

Particulars	31 March, 2012	31 March, 2011
<b>Authorized Shares</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
<b>Total authorised share capital</b>	<b>30,500.00</b>	<b>30,500.00</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
126,871,830 (previous year 126,871,830) equity shares of Rs. 10 each	12,687.18	12,687.18
Nil (previous year - 53,850,000) 10% redeemable non-convertible cumulative preference shares of Rs.10 each	-	5,385.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>12,687.18</b>	<b>18,072.18</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Rs. in lacs)

Particulars	31 March, 2012		31 March, 2011	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	126,871,830	12,687.18	126,871,830	12,687.18
Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>126,871,830</b>	<b>12,687.18</b>	<b>126,871,830</b>	<b>12,687.18</b>
<b>10% Redeemable Non-Convertible Cumulative Preference Shares</b>				
Shares outstanding at the beginning of the year	53,850,000	5,385.00	152,342,500	15,234.25
Shares Issued during the year	-	-	-	-
Shares redeemed during the year	(53,850,000)	(5,385.00)	(98,492,500)	(9,849.25)
<b>Shares outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>53,850,000</b>	<b>5,385.00</b>

#### (b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Terms/rights of redemption of 10% Redeemable Non-Convertible Cumulative Preference Shares

During the year 2005-06, the Company has issued 1,52,342,500 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs 10 each 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 Preference Shares and August 9, 2005 for 43,492,500 Preference 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.

10% redeemable non convertible cumulative preference share are fully owned by Whirlpool Canada Holding Co and is entitled to vote only on resolutions placed before the Company which directly affects the rights attached to the preference shares as set out in section 87 of the Companies Act, 1956. 10% redeemable non convertible cumulative preference share carry cumulative dividend at the rate of 10% per annum. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

During the year the Company has redeemed 53,850,000 (Previous Year 98,492,500) numbers of Preference Shares at par based on the notice received from the subscriber i.e. Whirlpool Canada Holding Co., giving its intention to have the share redeemed. Such Preference Shares were redeemed by the Company in three tranches, 53,850,000 Preference Shares on July 6, 2011, 55,000,000 Preference Shares on November 2, 2010 and 43,492,500 Preference Shares on July 22, 2010. The total amount of Preference Share Capital redeemed by the Company during the current year aggregates to Rs 5,385 Lacs (Previous Year Rs 9,849.25 Lacs). Consequently thereto, an amount of Rs 5,385 Lacs (Previous Year Rs 9849.25 Lacs) has also been transferred to Capital Redemption Reserve Account.

**(d) Details of shareholders holding more than 5% shares in the Company**

	31 March, 2012		31 March, 2011	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each fully paid up</b>				
Whirlpool Mauritius Ltd	95,153,872	75.00	95,153,872	75.00
<b>10% Redeemable Non-Convertible Cumulative Preference Shares of Rs 10 each</b>				
Whirlpool Canada Holding Limited	-	-	53,850,000	100.00

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(e) Shares held by holding company, ultimate holding company, Subsidiaries of the holding company, associates of the holding company, subsidiaries of the ultimate holding company and/or associates of the ultimate holding company**

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	(Rs. in lacs)	
	31 March, 2012	31 March, 2011
Whirlpool Mauritius Ltd, the Holding Company		
95,153,872 (Previous Year 95,153,872) Equity shares of Rs.10 each	9,515.39	9,515.39
Whirlpool Canada Holding Limited, Subsidiary of Ultimate Holding Company Nil (Previous Year 53,850,000) 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs 10 each	-	5,385.00

**(f) Aggregate number of Preference shares redeemed during the period of five years immediately preceding the reporting date:**

	No. of shares	
	31 March, 2012	31 March, 2011
<b>10% Redeemable Non-Convertible Cumulative Preference Shares of Rs 10 each</b>	<b>152,342,500</b>	98,492,500

**3. RESERVES AND SURPLUS**

Particulars	(Rs. in lacs)	
	31 March, 2012	31 March, 2011
<b>Capital Reserve</b>	<b>45.86</b>	45.86
<b>Capital Subsidy</b>	<b>0.50</b>	0.50
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	9,849.25	-
Add: amount transferred from surplus balance in the statement of profit & loss	5,385.00	9,849.25
<b>Closing Balance</b>	<b>15,234.25</b>	9,849.25
<b>Securities Premium Account</b>	<b>1,268.72</b>	1,268.72

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. RESERVES AND SURPLUS (Contd.)

(Rs. in lacs)

Particulars	31 March, 2012	31 March, 2011
<b>Revaluation Reserve</b>		
Balance as per last financial statements	1,425.84	1,465.46
Less: amount transferred to statement of profit and loss as reduction from depreciation	39.62	39.62
<b>Closing Balance</b>	<u>1,386.22</u>	<u>1,425.84</u>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	11,575.16	5,968.79
Profit for the year	12,373.09	16,603.27
<b>Less: Appropriations</b>		
Interim dividend on preference shares	141.63	457.43
(amount per share Re. 1 (previous year Re.1)		
Proposed dividend on preference shares	-	538.50
(amount per share Re. Nil (previous year Re.1)		
Tax on dividend	25.55	151.72
Transfer to Capital redemption reserve	5,385.00	9,849.25
<b>Net surplus in the statement of profit and loss</b>	<u>18,396.07</u>	<u>11,575.16</u>
<b>Total reserves and surplus</b>	<u>36,331.62</u>	<u>24,165.33</u>

### 4. DEFERRED TAX LIABILITIES (NET)

<b>Deferred Tax Liability</b>		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purpose	3,155.28	3,418.97
<b>Gross deferred tax liability</b>	<u>3,155.28</u>	<u>3,418.97</u>
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit & loss account in current Year/earlier Year but allowable for tax purpose on payment basis.	732.05	1,057.90
Provision for doubtful debts and advances	295.74	262.84
<b>Gross deferred tax assets</b>	<u>1,027.79</u>	<u>1,320.74</u>
<b>Net deferred tax liabilities</b>	<u>2,127.49</u>	<u>2,098.23</u>

### 5. OTHER LONG TERM LIABILITIES

<b>Trade Payables</b>		
Trade payables	502.04	733.40
<b>Other:</b>		
Sundry deposits	438.22	359.35
<b>TOTAL</b>	<u>940.26</u>	<u>1,092.75</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>6. LONG TERM PROVISIONS</b>		<b>(Rs. in lacs)</b>	
<b>Particulars</b>	<b>31 March, 2012</b>	<b>31 March, 2011</b>	
<b>Provision for employee benefits</b>			
Provision for staff benefit schemes	412.42	292.42	
	<u>412.42</u>	<u>292.42</u>	
<b>Other Provision</b>			
Provisions for warranties {Refer Note 8 (a)}	2,349.72	2,342.67	
Provisions for litigations {Refer Note 8 (b)}	1,896.90	2,614.56	
	<u>4,246.62</u>	<u>4,957.23</u>	
<b>TOTAL</b>	<u><u>4,659.04</u></u>	<u><u>5,249.65</u></u>	

**7. OTHER CURRENT LIABILITIES**

<b>Trade Payables:</b>			
Trade payables (Refer note 32 for details of dues to micro and small enterprises)	35,422.47	52,368.58	
Acceptance	15,896.04	17,301.74	
	<u>51,318.51</u>	<u>69,670.32</u>	
<b>Other Liabilities</b>			
Income received in advance	604.46	991.69	
Advance from customers	1,224.14	1,484.94	
Creditors for capital goods	164.64	292.74	
TDS payables	450.90	395.76	
VAT payables	2,789.72	2,658.94	
Other Statutory dues	594.42	698.06	
	<u>5,828.28</u>	<u>6,522.13</u>	
<b>TOTAL</b>	<u><u>57,146.79</u></u>	<u><u>76,192.45</u></u>	

**8. SHORT TERM PROVISIONS**

<b>Provision for employee benefits</b>			
Provision for gratuity (Refer note 36)	701.31	171.16	
Provision for compensated absence	880.21	745.58	
	<u>1,581.52</u>	<u>916.74</u>	
<b>Other provisions</b>			
Provisions for warranties {Refer Note (a) below}	3,249.10	2,958.57	
Proposed Dividend	-	538.50	
Tax on proposed dividend	-	87.36	
	<u>3,249.10</u>	<u>3,584.43</u>	
<b>TOTAL</b>	<u><u>4,830.62</u></u>	<u><u>4,501.17</u></u>	

**Disclosure in respect of movement in provision account as per requirements of Accounting Standard 29****a) Provision for warranties**

At the beginning of the year	5,301.24	4,976.52	
Add: - Arising during the year	1940.15	2,283.79	
Less: - Utilized during the year	1642.57	1,959.07	
<b>At the end of the year</b>	<u><u>5,598.82</u></u>	<u><u>5,301.24</u></u>	
Current portion	3,249.10	2,958.57	
Non-current portion	2,349.72	2,342.67	

Provision is recognized on actuarial basis for expected warranty claims on products sold. It is expected that most of this cost will be paid 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Disclosure in respect of movement in provision account as per requirements of Accounting Standard 29 (Contd.)

#### b) Provision for litigations

(Rs. in lacs)

Particulars	31 March, 2012	31 March, 2011
At the beginning of the year	2,614.56	1,780.14
Add: - Arising during the year	378.25	1,010.84
Less: - Utilized during the year	217.28	136.33
Less: - Unused amount reversed during the year	878.63	40.09
<b>At the end of the year</b>	<b>1,896.90</b>	<b>2,614.56</b>
Current portion	-	-
Non-current portion	1,896.90	2,614.56

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

### 9. TANGIBLE ASSETS AND INTANGIBLE ASSETS

Rs in Lacs

Particulars	Tangible Assets									Intangible Assets	
	Freehold land	Leasehold Land	Leasehold Improvements	Building	Plant and Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Total (Tangible Assets)	Software	Total (Intangible Assets)
<b>Cost or valuation</b>											
As at 1 April 2010	1,356.52	470.45	888.84	8,599.71	57,539.42	2,781.07	451.69	133.77	72,221.47	130.04	130.04
Additions	-	-	189.46	254.88	5,598.86	823.85	43.53	-	6,910.58	331.44	331.44
Disposals	0.35	-	-	-	17.34	181.26	37.88	89.10	325.93	-	-
<b>As at 31 March 2011</b>	<b>1,356.17</b>	<b>470.45</b>	<b>1,078.30</b>	<b>8,854.59</b>	<b>63,120.94</b>	<b>3,423.66</b>	<b>457.34</b>	<b>44.67</b>	<b>78,806.12</b>	<b>461.48</b>	<b>461.48</b>
Additions	-	-	299.99	135.88	5,798.31	871.72	78.91	-	7,184.81	-	-
Disposals	-	-	39.30	-	112.72	527.84	4.71	-	684.57	-	-
<b>As at 31 March 2012</b>	<b>1,356.17</b>	<b>470.45</b>	<b>1,338.99</b>	<b>8,990.47</b>	<b>68,806.53</b>	<b>3,767.54</b>	<b>531.54</b>	<b>44.67</b>	<b>85,306.36</b>	<b>461.48</b>	<b>461.48</b>
<b>Depreciation</b>											
As at 1 April 2010	-	59.81	537.81	3,289.98	37,182.01	1,791.61	294.42	115.22	43,270.86	96.83	96.83
Charge for the year	-	6.21	243.80	269.21	3,465.48	384.37	36.45	12.02	4,417.54	73.30	73.30
Disposals	-	-	-	-	14.83	174.03	37.85	87.87	314.58	-	-
<b>As at 31 March 2011</b>	<b>-</b>	<b>66.02</b>	<b>781.61</b>	<b>3,559.19</b>	<b>40,632.66</b>	<b>2,001.95</b>	<b>293.02</b>	<b>39.37</b>	<b>47,373.82</b>	<b>170.13</b>	<b>170.13</b>
Charge for the year	-	4.76	214.54	276.81	3,909.45	497.34	29.56	2.48	4,934.94	75.16	75.16
Disposals	-	-	39.15	-	91.39	512.13	3.87	-	646.54	-	-
<b>As at 31 March 2012</b>	<b>-</b>	<b>70.78</b>	<b>957.00</b>	<b>3,836.00</b>	<b>44,450.72</b>	<b>1,987.16</b>	<b>318.71</b>	<b>41.85</b>	<b>51,662.22</b>	<b>245.29</b>	<b>245.29</b>
<b>Net Block</b>											
As at 31 March 2012	1,356.17	399.67	381.99	5,154.47	24,355.81	1,780.38	212.83	2.82	33,644.13	216.19	216.19
As at 31 March 2011	1,356.17	404.43	296.69	5,295.40	22,488.28	1,421.71	164.32	5.30	31,432.30	291.35	291.35

Notes:-

#### a. Revaluations

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 reversed the revaluation reserve created in the financial year 1992-93. Additions to revaluation reserve (over historical cost) during the financial year 1995-96 were as follows:

#### F.Y. 1995-96 (Rs. in lacs)

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

\*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.

#### b. Grant

Additions to Gross Block of Plant and Machinery are after deducting grant received amounting to Rs. 25.31 lacs (Previous Year Rs. 9.18 lacs)

#### c. Building constructed on leasehold land:

Particulars	31 March 2012	31 March 2011
Gross block	4,596.62	4,510.18
Accumulated depreciation	1,793.39	1,655.52
Depreciation for the year	137.87	74.56
Net book value	2,803.23	2,854.65

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****d. Building given on operating lease:**

Particulars	31 March 2012	31 March 2011
Gross block	58.91	58.91
Accumulated depreciation	34.37	32.40
Depreciation for the year	1.97	1.97
Net book value	24.54	26.51

e. Plant & Machinery includes moulds lying with the third parties amounting to Rs. 6601.47 lacs (Previous Year Rs. 10,990.47 lacs) with a net book value of Rs. 2865.92 lacs. (Previous Year Rs. 3,140.89 lacs).

**10. LONG TERM LOANS AND ADVANCES****(Rs. in lacs)**

Particulars	31 March, 2012	31 March, 2011
<b>Unsecured, considered good unless stated otherwise</b>		
Capital Advances	1,236.60	130.53
Security Deposits:		
Considered Good	1,701.69	1,630.88
Doubtful Balances	123.55	55.60
	1,825.24	1,686.48
Less: Provison for doubtful security deposits	123.55	55.60
	1,701.69	1,630.88
Advances recoverable in cash or kind or for value to be received	-	-
<b>Other loans and advances (Unsecured, considered good unless otherwise stated)</b>		
Advance paid under protest	2,513.63	1,467.14
VAT credit receivable	274.01	274.01
Advance tax, tax deducted and collected at source (Net)	433.48	306.15
MAT credit entitlement	2,890.26	5,029.68
	6,111.38	7,076.98
	9,049.67	8,838.39
<b>Loans to employees include</b>		
Dues from non-executive directors	-	-
Dues from officers	-	-
Dues from non-executive directors and officers jointly with other persons	-	-
<b>Loans and advances to related parties include</b>	-	-
<b>Advances recoverable in cash or kind include</b>		
Dues from the partnership firm (RST) in which the company's non-executive director is a partner	-	-

**11. OTHER NON CURRENT ASSETS****(Rs. in lacs)**

Particulars	31 March, 2012	31 March, 2011
<b>Unsecured, considered good unless otherwise stated</b>		
Balance with Banks:		
Deposits with original maturity of more than 12 months (receipts Pledged with Banks and Government departments)	1.00	393.12
<b>TOTAL</b>	<b>1.00</b>	<b>393.12</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. INVENTORIES

(Rs. in lacs)

(valued at lower of cost and net realisable value)

Particulars	31 March, 2012	31 March, 2011
Raw material and components (includes in transit Rs. 1,575.56 Lacs, previous year Rs. 2,983.88 Lacs)	9,281.34	12,811.48
Work- in- Progress	79.22	492.43
Finished Goods (includes in transit Rs. 579.00 Lacs, previous year Rs. 112.17 Lacs)	19,569.95	23,598.57
Traded Goods (includes in transit Rs. 219.38 Lacs, previous year Rs. 4,208.73 Lacs)	10,387.50	25,151.50
Stores and consumables	247.32	279.33
Spares for finished goods (includes in transit Rs. 150.10 Lacs, previous year Rs. 239.90 Lacs)	3,663.25	4,402.99
<b>TOTAL</b>	<b>43,228.58</b>	<b>66,736.30</b>

### 13. TRADE RECEIVABLES

**Outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good	355.17	229.32
Unsecured, considered doubtful	755.22	729.29
	<u>1,110.39</u>	<u>958.61</u>
Less: Provision for doubtful receivables	755.22	729.29
	<u>355.17</u>	<u>229.32</u>

**Other Receivables**

Unsecured, considered good	17,854.67	16,160.54
	<u>17,854.67</u>	<u>16,160.54</u>
Less: Provision for trade discounts	4,504.08	4,868.03
	<u>13,350.59</u>	<u>11,292.51</u>
<b>TOTAL</b>	<b>13,705.76</b>	<b>11,521.83</b>

### 14. CASH AND BANK BALANCES

**Cash and cash equivalents**

Cash on hand	4.95	7.04
Balances with banks in:		
- On Current / Collection Account	3,519.85	3,665.18
- On Cash Credit Accounts	467.68	1,210.02
- Balances with Post Office in Savings Bank Account	-	0.03
- On Rights Issue Refund Account	-	0.22
- On Unclaimed Debentures/ Interest on Debenture Account	-	8.06
	<u>3,992.48</u>	<u>4,890.55</u>

**Other bank balances**

Margin money (receipts Pledged with Banks and Government departments)	397.16	20.97
Deposits with original maturity period upto 3 months	4,200.00	4.85
	<u>4,597.16</u>	<u>25.82</u>
<b>TOTAL</b>	<b>8,589.64</b>	<b>4,916.37</b>



 **Whirlpool**<sup>®</sup>  
HOME APPLIANCES

| Kitchen





The Indian kitchens will never be the same. Whirlpool® - the world's # 1 cooking appliance brand -launched its suite of products last year. The products are designed in Europe and come with power packed features, making these products "best-in-class" on aesthetics and performance.

As world leaders in this segment, we are proud to bring to India a range of Hobs, Hoods, Microwave Ovens, Built-in Microwave Ovens, Built-in Ovens and a unique Microwave-Hood combination.





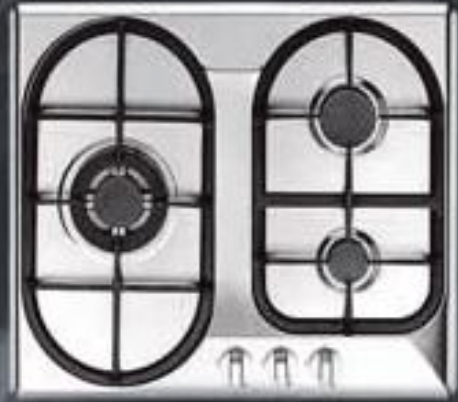
# HOODS

India's first hood with 6<sup>th</sup> Sense™ that senses adapts and controls the right power level to give the cleanest cooking conditions. Its state-of-the-art sensors detect vapours, odors and even pollutants that might be in the air.

- 1200m<sup>3</sup> suction power, highest suction power in the industry in its class
- Baffle and stainless steel filter
- Lowest noise level with super silent motor
- Mood lighting







# HOBS

**iXelium hobs** that are easy to clean and effortless to maintain. These hobs have the cutting-edge style that will always look new with its everlasting shine.

- Crystal Shine Design
- Stain, Scratch and Temperature Resistant
- Flame Failure Device that prevents gas leakage
- 4-crown Burner for cooking more than one dish at a time





# BUILT-IN RANGE

**Modern looks** with state-of-the-art technology. The perfectly matched range of Built-in Ovens, Microwave Ovens and Coffee Makers come together to give kitchens the best of the future, today.

- 6<sup>th</sup> Sense™ cooking senses the type of food and automatically sets time and power
- Anti-fingerprint
- 3D Distribution for best-in-class cooking performance
- Cook 3 function to cook 3 different dishes at once without mixing the aromas
- Unique crisp plate that heats upto 210°C in 2 min



# MICROWAVE HOOD COMBINATION

First of its kind in India, this is a unique product that combines a microwave oven with a hood into one appliance, resulting in more counter space in the kitchen.

- 51 ltrs display microwave oven, with 700m<sup>3</sup>/hr suction hood
- Scrolling text display for superior user experience
- Clean release cavity for trouble free cleaning
- Stoppable turntable
- Stainless steel exterior



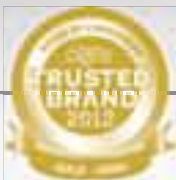




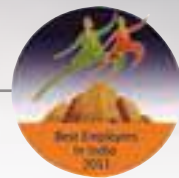
**Export Excellence in EPO Service 2010-11**  
 Whirlpool was recognized for **outstanding export performance during 2010-11** by Engineering Export Promotion Council.

**Aon Hewitt Fortune Asia Pacific Top Companies for Leaders 2011**  
 Whirlpool of India was ranked **9<sup>th</sup> across Asia Pacific** in the 'Top Companies for Leaders 2011' published by Fortune Magazine.

**Economic Times - Frost & Sullivan Manufacturing Excellence Gold Award - Engineering Industries Category**  
 PWO Plant was awarded the prestigious award for Orderliness, Safety and Environment, Layout & Material Handling and Quality Systems.



**Reader's Digest Trusted Brand 2012**  
 "Refrigerator & Washing Machine".



**Aon Hewitt Best Employers in India 2011**  
 Whirlpool of India was ranked #14 in the list of companies in India across industries.

**Aon Hewitt Best Employers in APAC 2011**

Aon Hewitt Best Employers in Asia Pacific 2011  
 Whirlpool was among 6 companies selected in the final Asia Pacific listing of 25 Best Employers in Asia Pacific.

**Top Companies for Leaders 2011**  
**AON** Hewitt  
**FORTUNE**  
 The RBL Group

Edison Award - Silver 'Best new product'  
 'Whirlpool **ACE Washing Machine** received the Silver Medal in the prestigious international Edison Awards for being the best new product in the **Lifestyle and Social Impact** category.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****15. SHORT TERM LOANS AND ADVANCES****(Rs. in lacs)**

Particulars	31 March, 2012	31 March, 2011
<b>Unsecured, considered good unless stated otherwise</b>		
Security Deposits	73.04	149.86
Advances recoverable in cash or kind or for value to be received		
- Considered good	3,161.28	2,267.86
- Considered doubtful	25.16	11.43
	3,186.44	2,279.29
Less: Provision for doubtful advances	25.16	11.43
	3,161.28	2,267.86
<b>Other loans and advances (Unsecured, considered good unless otherwise stated)</b>		
Balances with customs, excise etc.	1,469.16	1,400.41
VAT credit receivable	877.43	1,862.38
	65.45	129.54
Advance to employee	21.40	13.32
Less: Provision for doubtful advances	44.05	116.22
	5,624.96	5,796.73
<b>TOTAL</b>		

**16. OTHER CURRENT ASSETS**

<b>Unsecured, considered good unless otherwise stated</b>		
Assets held for sale	10.00	-
Unamortised premium on forward contract	49.38	68.75
	59.38	68.75
<b>Others</b>		
Interest receivable	100.25	136.00
	100.25	136.00
<b>TOTAL</b>	159.63	204.75

**17. REVENUE FROM OPERATIONS**

<b><u>Revenue from Operations</u></b>		
<b>Sale of products</b>		
Manufactured Goods	245,380.56	247,930.98
Traded Goods	68,138.09	70,781.49
<b>SUB TOTAL</b>	313,518.65	318,712.47
Less: Trade discounts	37,868.59	37,887.18
	275,650.06	280,825.29
<b>Sale of Services</b>	9,056.97	8,829.29
<b>Other Operating Revenue</b>		
- Export incentives	326.01	232.79
-Other	14.43	24.68
<b>Revenue from Operations (Gross)</b>	285,047.47	289,912.05
Less: Excise duty#	19,253.94	19,632.41
<b>Revenue from Operations (Net)</b>	265,793.53	270,279.64

# Excise duty on sales amounting to Rs. 19,253.94 lacs (Previous Year Rs. 19,632.41 lacs) has been reduced from sales in Profit and Loss account and excise duty on reduction in stock amounting to Rs. 604.83 lacs (Previous Year Rs. 948.26 lacs on account of increase in stock) has been considered as expense in note 22 of the financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**17. REVENUE FROM OPERATIONS (Contd.)**
**(Rs. in lacs)**

Particulars	31 March, 2012	31 March, 2011
<b>Detail of Product sold</b>		
<b>Manufactured Goods</b>		
Refrigerators	183,819.41	189,975.76
Washing Machines	60,400.38	54,738.17
Airconditioners	474.87	3,071.03
Other Products	685.90	146.02
	<u>245,380.56</u>	<u>247,930.98</u>
<b>Traded Goods</b>		
Refrigerators	41.20	378.37
Washing Machines	10,036.97	11,177.34
Airconditioners	32,238.64	32,337.78
Microwave Ovens	8,016.39	7,796.24
Spares and Accessories	14,213.03	14,068.15
Other Products	3,591.86	5,023.61
	<u>68,138.09</u>	<u>70,781.49</u>
<b>Detail of Services rendered</b>		
<b>Services rendered</b>		
AMC services	1,226.82	1,317.70
Export services - Product Technology Support	5,844.95	4,871.63
Export services - Others	1,606.24	2,264.59
Royalty Income	378.96	375.37
	<u>9,056.97</u>	<u>8,829.29</u>

**18. OTHER INCOME**

Interest Income on		
- Bank deposits	203.21	270.54
- Others	149.82	366.99
Profit on sale of assets	-	28.22
Provision no longer required written back	295.46	969.19
Bad debts-written off	-	(277.38)
Bad debts-write back	-	314.35
Rebate on bill discounting	243.04	646.01
Miscellaneous income	338.96	261.70
<b>TOTAL</b>	<u>1,230.49</u>	<u>2,579.62</u>

**19. COST OF RAW MATERIAL AND COMPONENT CONSUMED**

Inventory at the beginning of the year	12,811.48	10,129.17
Add: Purchases	116,695.40	136,407.11
Less: Sale of raw material	1,431.12	2,988.34
Less: Inventory at the end of the year	9,281.35	12,811.48
<b>Cost of raw materials and components Consumed</b>	<u>118,794.41</u>	<u>130,736.46</u>
<b>Details of raw materials and components consumed</b>		
Steel sheet	12,670.23	12,333.40
Compressors	23,534.63	25,968.98
Other intermediaries & components	82,589.55	92,434.08
<b>TOTAL</b>	<u>118,794.41</u>	<u>130,736.46</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****19. COST OF RAW MATERIAL AND COMPONENT CONSUMED (Contd.)****(Rs. in lacs)**

<b>Particulars</b>	<b>31 March, 2012</b>	<b>31 March, 2011</b>
<b>Details of inventory of raw materials and components</b>		
Steel sheet	1,893.82	1,965.04
Compressors	2,224.16	4,514.21
Other intermediaries & components	5,163.37	6,332.23
<b>TOTAL</b>	<b>9,281.35</b>	<b>12,811.48</b>

**20. (INCREASE) / DECREASE IN INVENTORIES**

<b>Inventory at the beginning of the year</b>		
Work-in-Progress (a)	492.43	550.20
Spares for Finished Goods (b)	4,402.99	4,545.39
Finished Goods- Manufactured (c)	23,598.57	18,174.99
Finished Goods- Traded (d)	25,151.50	12,534.86
	<b>53,645.49</b>	<b>35,805.44</b>
<b>Inventory at the end of the year</b>		
Work-in-Progress (e)	79.22	492.43
Spares for Finished Goods (f)	3,663.24	4,402.99
Finished Goods- Manufactured (g)	19,569.95	23,598.57
Finished Goods- Traded (h)	10,387.50	25,151.50
	<b>33,699.91</b>	<b>53,645.49</b>
<b>(Increase)/Decrease in Inventories</b>		
Work-in-Progress (a-e)	413.21	57.77
Spares for Finished Goods (b-f)	739.75	142.40
Finished Goods- Manufactured (c-g)	4,028.62	(5,423.58)
Finished Goods- Traded (d-h)	14,764.00	(12,616.64)
<b>TOTAL</b>	<b>19,945.58</b>	<b>(17,840.05)</b>
<b>Details of Purchase of Traded Goods</b>		
Refrigerators	6.47	269.59
Washing Machines	7,262.82	7,239.31
Airconditioners	6,477.57	31,575.26
Microwave Ovens	4,985.26	5,359.50
Spares for Finished Goods	7,880.76	8,636.16
Other Products	3,747.02	3,892.72
<b>TOTAL</b>	<b>30,359.90</b>	<b>56,972.54</b>
<b>Details of Inventory</b>		
<b>Traded Goods</b>		
Refrigerators	14.27	34.62
Washing Machines	1,507.26	641.74
Airconditioners	6,433.40	21,469.18
Microwave Ovens	1,659.61	1,541.28
Other Products	772.96	1,464.68
<b>TOTAL</b>	<b>10,387.50</b>	<b>25,151.50</b>
<b>Spares for Finished Goods</b>		
<b>TOTAL</b>	<b>3,663.24</b>	<b>4,402.99</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**20. (INCREASE) / DECREASE IN INVENTORIES (Contd.)**
**(Rs. in lacs)**

Particulars	31 March, 2012	31 March, 2011
<b>Details of Inventory</b>		
<b>Work in Progress</b>		
Refrigerators	23.01	439.05
Washing Machines	56.21	53.38
<b>TOTAL</b>	<u>79.22</u>	<u>492.43</u>
<b>Manufactured Goods</b>		
Refrigerators	16,525.01	19,731.34
Washing Machines	2,780.32	3,280.00
Airconditioners	255.17	572.74
Other Products	9.45	14.50
<b>TOTAL</b>	<u>19,569.95</u>	<u>23,598.58</u>

**21. EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus	18,517.09	18,486.28
Contribution to provident and other funds	784.41	706.08
Other Post Employment benefits	112.35	128.99
Gratuity expenses	626.43	360.30
Leave compensation expenses	289.61	198.40
Workmen and staff welfare expenses	1,014.14	1,124.93
<b>TOTAL</b>	<u>21,344.03</u>	<u>21,004.98</u>

**22. OTHER EXPENSES**

Consumption of Stores and Consumables	314.81	360.78
Processing Charges	241.30	265.57
Power and Fuel	1,967.03	2,004.54
Repairs and Maintenance:		
- Plant & Machinery	834.09	725.31
- Buildings	560.94	620.87
- Others	419.35	404.22
Advertisement, Publicity and Sales Promotion	5,281.85	7,001.01
Service Contract and Workshop Expenses	7,501.26	7,611.57
Freight, Cartage and Octroi (Net)	14,000.09	9,914.70
Cash Discount	3,393.45	3,897.61
Provision for Doubtful Debts and Advances	101.86	-
Recoverable balance written off	136.94	-
Rent	3,959.34	3,682.55
Rates and Taxes	314.20	443.46
Insurance	179.56	104.91
As Auditor		
- Audit Fee	48.00	48.00
- Tax Audit Fee	6.90	6.90
- Limited Review	16.10	16.10
- Fees for Review of Group Reporting	14.00	14.00
Reimbursement of expenses	2.00	2.00
Other Services :		
- Certifications	6.25	15.35
Travelling and Conveyance	2,008.91	2,554.84
Legal and Professional Fees	2,270.91	1,677.23
Foreign Exchange Fluctuation	374.78	741.97
Loss on Disposal/Write-off of Fixed Assets	266.56	-
Director's Sitting Fees	6.20	5.00

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>22. OTHER EXPENSES (Contd.)</b>		<b>(Rs. in lacs)</b>	
<b>Particulars</b>	<b>31 March, 2012</b>	<b>31 March, 2011</b>	
Royalty	2,413.13	2,431.76	
Know-How Fees	1,170.24	1,247.52	
Donations	8.47	25.42	
Research Expenses (Refer note below)	3,676.19	3,123.41	
Increase/(Decrease) of Excise Duty on Inventory	(604.83)	948.26	
Miscellaneous Expenses	2,151.00	3,150.41	
<b>TOTAL</b>	<b>53,040.88</b>	<b>53,045.27</b>	
<b>Note-</b>			
<b>Research Expenses</b>			
Material consumed for research	1,492.22	1,756.23	
Salaries, Wages, Bonus and Incentives	902.34	510.89	
Professional Fees	533.09	197.52	
Travelling and Conveyance	265.85	198.58	
Others	482.69	460.19	
	<b>3,676.19</b>	<b>3,123.41</b>	
<b>23. DEPRECIATION AND AMORTISATION</b>			
Depreciation on tangible assets	4,934.94	4,417.54	
Less: recoupment from revaluation reserve	(39.62)	(39.62)	
	<b>4,895.32</b>	<b>4,377.92</b>	
Amortization of Intangible assets	75.16	73.30	
<b>TOTAL</b>	<b>4,970.48</b>	<b>4,451.22</b>	
<b>24. FINANCE COST</b>			
Interest			
- on banks	40.37	120.14	
- others	131.33	133.03	
Bank charges	266.05	311.77	
<b>TOTAL</b>	<b>437.75</b>	<b>564.94</b>	
<b>25. TAX EXPENSES</b>			
Current tax (Previous Year MAT payable)*	5,728.64	4,925.91	
Less: MAT credit entitlement	-	(851.92)	
Current tax	5,728.64	4,073.99	
Deferred tax (credit)/charge	29.26	3,246.64	
<b>TOTAL</b>	<b>5,757.90</b>	<b>7,320.63</b>	
* Tax provision related to earlier years Rs. 738.87 lacs (previous year Rs. Nil)			
<b>26. EARNING PER SHARE (EPS)</b>			
The following reflects the profit and share data used in the basic and diluted EPS computations:			
Profit/Loss after Tax	12,373.09	16,603.27	
Less:			
Dividend on 10% Non- Convertible Cumulative Preference shares	(141.63)	(995.93)	
Corporate dividend tax	(25.55)	(151.72)	
Net Profit for EPS calculation	<b>12,205.91</b>	<b>15,455.62</b>	
Weighted average number of equity shares outstanding during the year (Nominal value of Rs 10 per share each) in absolute numbers	<b>126,871,830</b>	<b>126,871,830</b>	
Basic and diluted earning per share	<b>9.62</b>	<b>12.18</b>	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

**Particulars** **31 March, 2012** **31 March, 2011**

### 27. CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts: 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. 1,154.12 lacs (Previous Year Rs. 1,247.52 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.	<b>1,154.12</b>	1,247.52
(b) Others:-		
- On account of pending appeals of Excise Duty & Service Tax	<b>2,119.36</b>	3,586.46
- On account of pending appeals of Custom Duty	<b>264.79</b>	305.63
- On account of pending appeals of Sales Tax/ Value Added Tax assessments	<b>3,204.62</b>	1,650.85
(c) Letter of Credits with Bank	<b>4,590.40</b>	4,701.34
(d) Bank Guarantees given to Government Authorities	<b>5,404.42</b>	4,581.08

These cases as mentioned in point (b) above for which the total estimated liability, should the actions be successful, is Rs. 5,588.77 lacs (Previous year Rs. 5,542.94 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.

(e) In the Income-tax assessments for preceding assessment years, the Assessing Officer have made disallowances of various expenses (other than transfer pricing adjustments) amounting to Rs. 8,306.12 lacs (Previous Year Rs. 9,383.33 lacs). The Company's appeals against these orders are pending before the Appellate Authorities. This includes Income-tax department's appeal against the Company before the Appellate Authorities for certain matters wherein the CIT (Appeals) have ordered in favor of the Company.

(f) In the Transfer Pricing Assessment for assessment year(s) 2003-04, 2004-05, 2005-06 and 2008-09, the Income Tax Authorities have made transfer pricing adjustments against the various transactions undertaken by the company. Accordingly, said transfer pricing adjustments have been set off by the Assessing Officer against the accumulated brought forward losses and depreciation allowances of the company by Rs. 19,871.43 lacs (Previous Year Nil) for Assessment Year 2008-09, Rs. 9734.49 lacs (Previous Year 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. 3,628.14 lacs) for the Assessment year 2003-04. The companies appeal for Assessment Year - 2008-09 is pending before the Dispute Resolution Panel (DRP), the appeal(s) for Assessment Year - 2004-05 and 2005-06 are pending before the Commissioner of Income Tax and the appeal for Assessment Year - 2003-04 is pending before the Income Tax Appellate Tribunal. Depending on the outcome of the aforementioned cases, assessments for the subsequent periods upto March 31, 2012 could result into demands/settlements on the similar items, amounts whereof could not be ascertained.

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

### 28. Capital Commitments

Capital work contracted but still under execution (net of advances) is estimated at Rs. 1,905.49 lacs (previous year Rs. 1,108.82 lacs).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012****29. Segment Reporting**

## a) 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.

## b) 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.

**Information pertaining to Secondary Segment:****Gross Revenue as per Geographical Locations**

Particulars	Rs in lacs	
	31 March 2012	31 March 2011
Within India	294,763.57	301,811.17
Outside India	18,755.09	16,901.30
<b>Total</b>	<b>313,518.66</b>	<b>318,712.47</b>

Particulars	Rs in lacs	
	31 March 2012	31 March 2011
Within India	1,605.78	1,693.07
Outside India	7,451.19	7,136.22
<b>Total</b>	<b>9,056.97</b>	<b>8,829.29</b>

Particulars	Rs in lacs	
	31 March 2012	31 March 2011
Within India	9,681.74	8,468.95
Outside India	4,024.02	3,052.88
<b>Total</b>	<b>13,705.76</b>	<b>11,521.83</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.

**30. Leases****Disclosures in respect of operating & finance leases are given as follows:**

S. No.	Particulars	Rs in lacs	
		31 March 2012	31 March 2011
<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	1,321.88	1,223.64
(ii)	Later than one year and not later than five years	2,606.13	953.54
(iii)	Later than five years	918.30	-
B	The total of future minimum sub-lease payments expected to be received under non-cancellable subleases at the balance sheet date	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

Disclosures in respect of operating & finance leases are given as follows: (Contd.)

Rs. in lacs

S. No.	Particulars	31 March 2012	31 March 2011
C	Lease payments recognised in the statement of profit and loss for the Year	1,720.27	1,253.67
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.	2,239.07	2,428.88
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.		

**31. 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. Syed Shazad Akhtar (w.e.f May 17, 2010 till March 31, 2012) Mr. Robert Mink (till 31 <sup>st</sup> Aug 2011) Mr. Anil Berera (w.e.f Nov 3, 2011)
Parties having direct or indirect control over the Company	Whirlpool Corporation Inc., USA (Ultimate Holding Company), Whirlpool Mauritius Limited (Holding Company)
Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year.	Whirlpool (China) Investment Co. Ltd., Whirlpool Greater China Inc., Whirlpool Southeast Asia Pte, Whirlpool Europe S.r.l., Whirlpool India Holdings Limited, Whirlpool Slovakia Spol s.r.o., Whirlpool S.A., Whirlpool (Hong Kong) Limited, 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., Bauknecht Hausgeräte GmbH, Empressa Brasileira, Comercial Acros Whirlpool, S.A. de C.V., Whirlpool Product Development (Shenzhen) Co. Ltd., Whirlpool Asia Pvt Ltd., Whirlpool Peru S.R.L., Whirlpool Poland SA., Whirlpool Chile Ltd.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>(A) Transactions</b>						
<b>(1) Purchase of Raw Materials (exclusive of exchange fluctuation and net of returns)</b>						
- Whirlpool Corporation Inc., USA	3.93	0.49	-	-	-	-
- Whirlpool Empresa Brasileira	-	-	4.10	3,384.18	-	-
- Beijing Embraco Snowflake Compressor Company Ltd	-	-	1,095.08	867.80	-	-
- Others	-	-	47.16	20.28	-	-
<b>Total</b>	<b>3.93</b>	<b>0.49</b>	<b>1,146.34</b>	<b>4,272.26</b>	<b>-</b>	<b>-</b>
<b>(2) Purchase of Trading Goods (exclusive of exchange fluctuation and net of returns)</b>						
- Whirlpool Microwave Product Developments Limited	-	-	2,179.51	2,312.35	-	-
- Others	-	-	373.63	253.15	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,553.14</b>	<b>2,565.50</b>	<b>-</b>	<b>-</b>
<b>(3) Sales of Manufactured Goods (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA	174.67	152.82	-	-	-	-
- Whirlpool (Australia) Pty. Limited	-	-	5,624.55	5,629.69	-	-
- Whirlpool Europe S.r.l.	-	-	1,697.79	1,699.17	-	-
- Whirlpool Maroc S. à r.l.	-	-	-	506.93	-	-
- Others	-	-	1,840.97	1,475.16	-	-
<b>Total</b>	<b>174.67</b>	<b>152.82</b>	<b>9,163.31</b>	<b>9,310.95</b>	<b>-</b>	<b>-</b>
<b>(4) Reimbursement of expenses incurred on behalf of the parties by company (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc.	464.58	229.28	-	-	-	-
- Whirlpool (China) Investment Co. Ltd	-	-	-	205.17	-	-
- Whirlpool Asia Pvt Ltd	-	-	549.53	164.97	-	-
- Whirlpool Greater China Inc.	-	-	140.92	91.95	-	-
- Whirlpool Europe S.r.l.	-	-	-	127.69	-	-
- Whirlpool South Africa (Pty) Limited	-	-	156.72	79.69	-	-
- Others	-	-	381.20	133.84	-	-
<b>Total</b>	<b>464.58</b>	<b>229.28</b>	<b>1,228.37</b>	<b>803.31</b>	<b>-</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>(5) Reimbursement of expenses incurred on behalf of the Company by parties (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA	281.85	177.68	-	-	-	-
- Whirlpool S.A.	-	-	241.86	309.50	-	-
- Whirlpool Microwave Product Development Co. Ltd.	-	-	75.21	72.56	-	-
- Guangdong Whirlpool Electrical Appliances Co.Ltd.	-	-	-	2.23	-	-
- Whirlpool Product Development	-	-	117.23	94.54	-	-
- Whirlpool Asia Pvt Ltd	-	-	669.77	131.27	-	-
- Others	-	-	88.55	169.77	-	-
<b>Total</b>	<b>281.85</b>	<b>177.68</b>	<b>1,192.62</b>	<b>779.87</b>	<b>-</b>	<b>-</b>
<b>(6) Income from Product Technology Services (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	5,029.71	4,214.78	-	-	-	-
- Whirlpool Europe s.r.l.	-	-	494.89	446.24	-	-
- Others	-	-	320.35	340.24	-	-
<b>Total</b>	<b>5,029.71</b>	<b>4,214.78</b>	<b>815.24</b>	<b>786.48</b>	<b>-</b>	<b>-</b>
<b>(7) Income from Others Services (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	519.31	770.82	-	-	-	-
- Whirlpool Greater China Inc.	-	-	1,076.77	1,336.47	-	-
- Others	-	-	10.16	27.68	-	-
<b>Total</b>	<b>519.31</b>	<b>770.82</b>	<b>1,086.93</b>	<b>1,364.15</b>	<b>-</b>	<b>-</b>
<b>(8) Grant Received (exclusive of exchange fluctuation)</b>						
- Whirlpool Corporation Inc., USA.	25.31	14.13	-	-	-	-
<b>Total</b>	<b>25.31</b>	<b>14.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(9) Royalty fee (Brand Assistance)</b>						
- Whirlpool Corporation Inc., USA.	2,413.13	2,431.76	-	-	-	-
<b>Total</b>	<b>2,413.13</b>	<b>2,431.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(10) Technical know-how fee (Brand Assistance)</b>						
- Whirlpool Corporation Inc., USA.	1,170.24	1,247.52	-	-	-	-
<b>Total</b>	<b>1,170.24</b>	<b>1,247.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(11) Directors' Remuneration</b>						
- Mr. Arvind Uppal	-	-	-	-	520.07	400.57
- Mr. Anil Berara	-	-	-	-	52.21	-
- Mr. Syed Shazad Akhtar	-	-	-	-	170.57	158.67

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(Rs. in lacs)

Particulars	Holding Company		Enterprises under common control		Key Management Personnel	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>(12) Dividend on 10% Redeemable Non-Convertible Cumulative Preference Shares (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool Canada Holding Co.	-	-	141.63	995.93	-	-
<b>(13) Interest Income (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool (Australia) Pty Limited	-	-	1.51	364.62	-	-
<b>(14) Redemption of 10% Redeemable Non-Convertible Cumulative Preference Shares (Exclusive of Exchange Fluctuation)</b>						
- Whirlpool Canada Holding Co.	-	-	5385.00	9,849.25	-	-
<b>B) Balance outstanding at the year end :</b>						
<b>Trade Receivables</b>						
- Whirlpool Corporation Inc., USA	<b>500.70</b>	304.10	-	-	-	-
- Whirlpool Southeast Asia Pte	-	-	71.69	197.75	-	-
- Whirlpool (Australia) Pty Limited.	-	-	1,329.46	562.92	-	-
- Whirlpool Europe s.r.l.	-	-	149.32	188.21	-	-
- Whirlpool Greater China Inc.	-	-	-	225.70	-	-
- Whirlpool S.A.	-	-	381.56	272.32	-	-
- Others	-	-	428.67	239.28	-	-
<b>Total</b>	<b>500.70</b>	<b>304.10</b>	<b>2360.70</b>	<b>1,686.18</b>	-	-
<b>Trade Payables</b>						
- Whirlpool Corporation Inc., USA	<b>815.95</b>	1,490.92	-	-	-	-
- Whirlpool Empresa Brasileria	-	-	1.66	2,162.45	-	-
- Whirlpool S A	-	-	579.02	323.54	-	-
- Whirlpool Microwave Products	-	-	332.26	207.49	-	-
- Beijing Embraco Snowflake Compressor Company Ltd	-	-	295.43	263.45	-	-
- Whirlpool (China) Investment Co. Ltd	-	-	101.19	23.56	-	-
- Others	-	-	329.50	186.81	-	-
<b>Total</b>	<b>815.95</b>	<b>1,490.92</b>	<b>1639.06</b>	<b>3,167.30</b>	-	-

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

32. 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)	
	31 March 2012	31 March 2011
The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal Amount	<b>1,466.04</b>	1,493.13
Interest	<b>209.90</b>	92.74
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
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.	<b>117.16</b>	88.32
Amount of interest accrued and remaining unpaid at the end of each accounting year; and		
F.Y. 2007-08	<b>0.62</b>	0.62
F.Y. 2008-09	<b>0.72</b>	0.72
F.Y. 2009-10	<b>0.48</b>	0.48
F.Y. 2010-11	<b>90.92</b>	90.92
F.Y.2011-12	<b>117.16</b>	-
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	<b>209.90</b>	92.74

### 33. Income Tax

The Company has recognized Rs. 2,890.26 lacs as on 31st March 2012 as Minimum Alternate Tax (MAT) credit entitlement (Previous Year Rs. 5,029.68 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.

### 34. 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 Corporation at a fixed price for a specific period of time. The grant price (or strike price) is fixed at the closing price of Whirlpool Corporation 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 Corporation stock.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012****B. Details of stock options granted during the period ended 31 March, 2012 are given below:****Options existing during the Year ended 31 March, 2012**

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	<b>1/10 of the shares vest each year over a period of ten years starting from one year after the date of grant.</b>	Nil
Employee Stock Options	February 16, 2004	2,600	72.94	25.07		1.88
Employee Stock Options	February 14, 2005	1,300	63.24	26.38		2.88
Employee Stock Options	February 16, 2005	1,050	63.91	26.72		2.88
Employee Stock Options	February 20, 2006	3,372	89.16	41.18		3.89
Employee Stock Options	February 19, 2007	3,130	94.47	47.64		4.89
Employee Stock Options	January 24, 2008	750	-	42.71		Nil
Employee Stock Options	February 19, 2008	4,801	88.49	48.32		5.89
Employee Stock Options	April 1, 2008	750	-	50.01		Nil
Employee Stock Options	February 16, 2009	18,396	31.82	18.30		6.88
Employee Stock Options	February 14, 2011	6,762	85.45	30.14	<b>1/3 of the shares vest each year over a period of three years starting from one year after the date of grant</b>	8.88
Employee Stock Options	April 1, 2011	4,438	86.30	31.00		8.88
Employee Stock Options	February 20, 2012	9,874	71.03	25.26		9.90

**C. Summary of activity under the plan for the period ended 31 March, 2012 and 31 March, 2011 are given below.****Employee Stock Options**

Employee Stock Options	31 March 2012			31 March 2011		
	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	30,014	55.41	7.17	29,761	54.39	7.85
Granted during the year	18,736	77.91	9.01	2,338	85.45	9.88
Transfer/ Forfeited during the year#	2,334	58.75	-	1,136	65.52	7.68
Exercised during the year	2,947	31.82	-	949	31.82	-
Expired during the year	300	67.29	-	-	-	-
Outstanding at the end of the year	43,169	66.56	7.31	30,014	55.41	7.17

# Includes options granted on February 14, 2011.

Weighted average fair value of the options outstanding is \$ 28.59 per option (Previous Year \$ 27.74). The weighted average share price in current year was \$ 78.16 per option (Previous year \$ 85.47).



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 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	6.00	2.64%	2.710	85.45	30.14
April 1, 2011	86.03	44.4	5.94	2.37%	2.570	86.03	31.00
February 20, 2012	71.03	46.49	6.00	2.37%	1.155	71.03	25.26

Risk free interest rates is the interest rate applicable for maturity equal to the expected life of the options based on the interest rates on Treasury Bills (Treasury Yield Curve Rates of US Treasury Bonds). 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, 2012 amounts to Nil (Previous year Nil).

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

Particulars of Un-hedged foreign currency exposure as at the Balance Sheet date

Amount in lacs

Exposure in Foreign currency	Trade Payables				Trade Receivable			
	31 March 2012		31 March 2011		31 March 2012		31 March 2011	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
USD	183.76	9,349.58	144.18	6,430.50	77.28	3,931.08	59.88	2,670.22
EURO	1.70	115.43	2.71	170.97	-	-	-	-
AUD	-	-	0.02	0.75	-	-	-	-
<b>Total</b>		<b>9,465.01</b>		<b>6,602.22</b>		<b>3,931.08</b>		<b>2,670.22</b>

Exposure in Foreign currency	Creditors for capital goods				Advances from Customer			
	31 March 2012		31 March 2011		31 March 2012		31 March 2011	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
USD	0.49	24.75	0.05	2.06	3.96	201.42	0.63	32.24
<b>Total</b>		<b>24.75</b>		<b>2.06</b>		<b>201.42</b>		<b>32.24</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

Amount in lacs

Exposure in Foreign currency	Capital Advance				Advances recoverable in cash or kind			
	31 March 2012		31 March 2011		31 March 2012		31 March 2011	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
USD	15.43	785.14	0.44	22.61	3.57	181.50	3.23	164.55
EURO	4.37	296.95	-	-	0.21	14.26	0.63	42.60
AUD	-	-	-	-	0.08	4.05		
<b>Total</b>		<b>1,082.09</b>		<b>22.61</b>		<b>199.81</b>		<b>207.15</b>

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

USD - 50.88 / 50.87 (Previous Year - 44.59 / 44.60)

EUR - 67.899/67.876 (Previous Year 63.058 / 63.127)

AUD - 52.661/52.605 (Previous Year 45.976 / 46.016)

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

Particulars of Forward Contract		31 March 2012	31 March 2011	Purpose
Purchase	USD	90 lacs	415 lacs	Hedging of trade payable
	INR	4,556.70 lacs	18,923.20 lacs	

**36. 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. This 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	31 March 2012		31 March 2011	
	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit
Current service cost	202.74	-	155.95	-
Interest cost on benefit obligation	187.29	3.62	146.74	3.24
Expected return on plan assets	(135.77)	-	(150.41)	-
Net actuarial (gain) / loss recognised in the year	384.02	(0.92)	208.02	(1.10)
Past service cost	-	-	-	-
Net benefit expense *	638.28	2.70	360.30	2.13
Actual return on plan assets	145.47	-	143.24	-

\* Includes expenses reclassified as research expenses of Rs. 11.85 lacs (previous year Nil).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Balance Sheet

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

(Rs. in lacs)

Particulars	31 March 2012		31 March 2011	
	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit
Present Value Defined benefit obligation	2,870.22	45.30	2,194.52	42.60
Fair value of plan assets	2,168.91	-	2,023.37	-
Less: Un-recognized past service cost	-	-	-	-
Plan asset / (liability)	(701.31)	(45.30)	(171.16)	(42.60)

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

(Rs. in lacs)

Particulars	31 March 2012		31 March 2011	
	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit
Opening defined benefit obligation	2,194.53	42.60	1,761.65	40.46
Interest cost	187.29	3.62	146.73	3.24
Current service cost	202.74	-	155.95	-
Benefits paid	(108.06)	-	(70.66)	-
Actuarial (gains) / losses on obligation	393.72	(0.92)	200.85	(1.10)
Closing defined benefit obligation	2,870.22	45.30	2,194.52	42.60

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

(Rs. in lacs)

Particulars	31 March 2012		31 March 2011	
	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit
Opening fair value of plan assets	2,023.37	-	1,880.21	-
Expected return	135.77	-	150.41	-
Contributions by employer	1.31	-	-	-
Benefits paid	(1.24)	-	(0.08)	-
Actuarial gains / (losses)	9.70	-	(7.17)	-
Closing fair value of plan assets	2,168.91	-	2,023.37	-

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

Particulars	Gratuity 2011-12 (in %)	Gratuity 2010-11 (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	31 March 2012 (in %)	31 March 2011 (in %)
Discount rate	8.75	8.50
Future Salary Increase	6.00	5.00
Remaining working Lives of Employees (Years)	17.05	17.63
Expected Rate of Return on Assets	6.71	8.00
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. 701.31 lacs (previous year 171.16 lacs) to gratuity in the next year.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

Amounts for the current and previous years are as follows:

Rs. in lacs

Particulars	2011-12		2010-11		2009-10		2008-09		2007-08	
	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit	Gratuity	Additional employee benefit
Present value of Defined benefit obligation	2,870.22	45.30	2,194.52	42.60	1,761.65	40.46	1,631.76	38.86	1,347.23	34.78
Plan assets	2,168.91	-	2,023.37	-	1,880.21	-	1,402.07	-	1,357.12	-
Deficit /(Surplus)	701.31	45.30	171.15	42.60	(118.56)	40.46	229.69	38.86	(9.89)	34.78
Experience adjustments on plan liabilities (Loss)/Gain	(231.47)	(9.63)	(251.86)	(0.17)	48.93	(0.52)	(60.25)	0.47	(48.39)	(1.51)
Experience adjustments on plan assets (Loss)/Gain	(16.40)	-	(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 2007-08.

**Contribution to Defined Contribution Plans**

Rs. in lacs

Particulars	2011-12	2010-11
Provident Fund	722.03	652.11
Superannuation Fund	108.52	116.13
Life Insurance Cover	165.46	96.77

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

Description	31 March 2012		31 March 2011	
	% of total	Value (Rs. lacs)	% of total	Value (Rs. lacs)
<b>Raw Materials</b>				
Imported	7.95%	9,440.34	7.22%	9,444.14
Indigenous	13.34%	15,846.85	13.86%	18,119.70
<b>Components</b>				
Imported	19.62%	23,311.80	10.99%	14,360.74
Indigenous	59.09%	70,195.43	67.93%	88,811.88
<b>Total</b>	<b>100.00%</b>	<b>118,794.42</b>	<b>100.00%</b>	<b>130,736.46</b>

**38. Imported & Indigenous Stores & Consumables consumed**

Description	31 March 2012		31 March 2011	
	% of total	Value (Rs. lacs)	% of total	Value (Rs. lacs)
Imported	1.66	5.21	2.60	9.38
Indigenous	98.34	309.59	97.40	351.40
<b>Total</b>	<b>100.00</b>	<b>314.80</b>	<b>100.00</b>	<b>360.78</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

a. Value of Imports calculated on CIF Value basis:

(Rs. in lacs)

Particulars	31 March 2012 (Rs. lacs)	31 March 2011 (Rs. lacs)
Raw Materials and Components	30,714.50	22,261.67
Spare Parts	689.45	1,421.61
Finished Goods	14,375.47	36,169.99
Capital Goods	3,931.45	883.12
<b>Total</b>	<b>49,710.87</b>	<b>60,736.39</b>

**39. Net dividend remitted in foreign exchange:**

Particulars	31 March 2012		31 March 2011		
	April 1, 2010 to March 31, 2011	April 1, 2011 to July 6, 2011	Financial Year 2008-09 & 2009-10	April 1, 2010 to July 21, 2010	April 1, 2010 to November 1, 2010
Number of non-resident shareholders	One		One		
Number of Preference shares held on which dividend was due	53,850,000	53,850,000	152,342,500	108,850,000	53,850,000
Amount remitted (Rs. In lacs)	538.50	141.63	3,046.85	133.46	323.97
Amount remitted (USD in thousands)	1,077	283.26	6,418.47	281.14	729.18

**40. Earnings in Foreign Currency (Accrual basis):**

Particulars	31 March 2012 (Rs. lacs)	31 March 2011 (Rs. lacs)
Export of Goods at FOB value	17,665.26	15,750.70
Service Income	7,451.19	7,136.22
Interest Income	1.51	364.62
<b>Total</b>	<b>25,117.96</b>	<b>23,251.54</b>

**41. Expenditure in Foreign Currency (Gross, on accrual basis):**

Particulars	31 March 2012 (Rs. lacs)	31 March 2011 (Rs. lacs)
Royalty	2,413.12	2,431.76
Know-How Fees	1,170.24	1,247.52
Professional fees	344.92	105.60
Research Expenses	340.27	420.79
Foreign Travel	661.02	649.28
Others	230.36	314.29
<b>Total</b>	<b>5,159.93</b>	<b>5,169.24</b>



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

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42. Subsequent to the year end, on 18 April 2012, there was fire in a distribution warehouse of the Company situated at Zirakhpur, Haryana wherein finished goods, spares and office equipments of Rs.700 lacs has been estimated to be destroyed. The inventory was fully insured and the management expects that the entire loss of inventory is fully recoverable from the insurer and accordingly these financial statements have not been adjusted to give effect to this event.

**43. Previous year figures**

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to confirm to this year's classification.

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

For and on behalf of the Board of Directors of  
**Whirlpool of India Limited**

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

**Arvind Uppal**  
[Chairman &  
Managing Director]  
DIN: 00104992

**Anil Berera**  
[Executive Director]  
Chief Financial Officer  
DIN: 00306485

Place: Gurgaon  
Date: May 8, 2012

**Ravi Sabharwal**  
[Company Secretary]



## COMPANY GENERAL INFORMATION

### DIRECTORS:

Arvind Uppal	(Chairman & Managing Director)
Anil Berera	(Whole Time Director)
Vikas Singhal	(Whole Time Director)
Anand Bhatia	(Independent Director)
Simon J. Scarff	(Independent Director)
Sanjiv Verma	(Independent Director)

### COMPANY SECRETARY:

Ravi Sabharwal

### BANKERS:

Citibank	Nova Scotia Bank
Royal bank of Scotland	HSBC Bank
HDFC Bank	ING Vysya Bank
Bank of America	J. P. Morgan Chase Bank

### 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

### REGISTERED OFFICE:

Plot No. A- 4, MIDC, Ranjangaon, Taluka - Shirur,  
District- Pune, Maharashtra - 412 220.

### CORPORATE OFFICE:

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

### WORKS:

Faridabad (Haryana), Thirubhuvanai (Puducherry)  
Ranjangaon (Maharashtra)

### REGISTRAR & SHARE TRANSFER AGENT:

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

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

### 1. Registration Details

Registration No.	L29191PN1960PLC020063	State Code:	11
Balance Sheet Date:	31.03.12		

### 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	1,18,72,300	Total Assets	1,18,72,300
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#### Sources of Funds (Amount in Rs. Thousand)

Paid -Up Capital	12,68,718	Reserves & Surplus	36,33,162
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liabilities (net)	2,12,749	Net Current Liabilities	61,97,741
Non Current Liabilities	5,59,930		

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

Net Fixed Assets	47,41,443	Investments	NIL
NetCurrentAssets	71,30,857	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)	2,67,02,402	Total Expenditure	2,48,89,303
Profit/ (Loss) Before Tax	18,13,099	Profit (Loss) After Tax	12,37,309
Earning Per Share in Rs.	9.62	Dividend@%	
		(Preference Shares)	10%
		(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

	<b>Arvind Uppal</b> Chairman and Managing Director DIN:00104992	<b>Anil Berera</b> Executive Director & Chief Financial Officer DIN: 00306485	<b>Ravi Sabharwal</b> Company Secretary
Place: Gurgaon			
Date: May 8, 2012			

### TRADEMARKS

Whirlpool, Protton World Series, Ace Wash Station, 360° Bloom Wash, Genius, 6th Sense, Fast forward Ice, Frost Control, MicroTawa, Mineral Enrichment System, Catalytic Soak, H2Low, Crisp, Jet Defrost, 3D cooking, 1-2-3, iXelium, Magiccook, Explore, ice magic, neo ichill, 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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**NOTICE**

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Notice is hereby given that the Fifty First Annual General Meeting of the members of WHIRLPOOL OF INDIA LIMITED will be held at the registered office of the company at Plot No. A-4, MIDC, Ranjangaon, Taluka- Shirur, Pune - 412220 on Monday, the 6<sup>th</sup> day of August 2012 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012, the Profit & Loss account for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anand Bhatia, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Arvind Uppal, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass, with or without modification, as an **Ordinary Resolution**:

**RESOLVED THAT** an interim dividend @ Rs.1 per share declared by the Board of Directors of the Company on 9<sup>th</sup> May 2011 on redemption of 5,38,50,000 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs.10 each which was paid to shareholders on pro rata basis aggregating to Rs.141.63 Lacs along with the redemption amount till the date of redemption be and is hereby confirmed as final dividend for the year ended on 31<sup>st</sup> March 2012 on 5,38,50,000 10% Redeemable Non-Convertible Cumulative Preference Shares of Rs.10 each of the company.

5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this regard to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** the retiring Auditors M/s. S. R. Batliboi & Co., Chartered Accountants, (Registration No. 301003E) be and are hereby re-appointed as Auditors of this company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed in this behalf by the Board of Directors of the company.

**SPECIAL BUSINESS**

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** Mr. Anil Berera, who was appointed as an Additional Director of the Company on 3<sup>rd</sup> November 2011 and whose term expires under section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom, Company has received notice from a member under section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Mr. Anil Berera as the Whole Time Director of the Company for a period of three years with effect from 3<sup>rd</sup> November 2011 upon the terms and conditions as set out in the Explanatory Statement to the notice, is hereby specifically sanctioned with authority to the Board of Directors to alter, vary, modify, change, substitute, consolidate, delete and/ or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in its absolute discretion decide.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolutions.

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** Mr. Vikas Singhal, who was appointed as an Additional Director of the Company on 8<sup>th</sup> May 2012 and whose term expires under section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom, Company has received notice from a member under section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Mr. Vikas Singhal as the Whole Time Director of the Company for a period of three years with effect from 8<sup>th</sup> May 2012 upon

the terms and conditions as set out in the Explanatory Statement to the notice, is hereby specifically sanctioned with authority to the Board of Directors to alter, vary, modify, change, substitute, consolidate, delete and/ or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in its absolute discretion decide.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolutions.

Place: Gurgaon  
Date: May 8, 2012

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 30<sup>th</sup> July 2012 to 6<sup>th</sup> August 2012 (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) Members holding shares in demat form should get their email id's updated with their respective Depository Participant so that they can get the copies of correspondence etc. sent by the Company via email.
- g) 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 Limited (NSDL) and Central Depository Services India Limited (CDSL).
- h) Documents referred in the proposed resolutions are available for inspection at the registered office of the company during working hours.
- i) Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrars and Share Transfer Agents, Link Intime India Pvt. Ltd. at the following address:-  
  
Link Intime India Private Limited  
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
- j) 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 corporate office.
- k) Mr. Anand Bhatia and Mr. Arvind Uppal are the directors retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.
- l) The Board of Directors redeemed 53,850,000 10% Redeemable Non Convertible Cumulative Preference Shares of Rs.10 each during the financial year ended 31<sup>st</sup> March 2012 and declared an interim dividend on such preference shares @Rs.1 per share amounting to Rs.141.63 Lacs along with final redemption of 53,850,000 preference shares which was paid to the shareholder along with the redemption amount on pro rata basis till the date of redemption. The shareholders may declare the interim dividend as final dividend.
- m) No dividend on equity shares have been recommended by Board considering the future investment plans for expansion.
- n) The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of special business are annexed hereto.

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the special business under item number 6, 7, 8 & 9 of the accompanying Notice dated May 08, 2012.

**Item No. 6 & 7**

The Board of Directors appointed Mr. Anil Berera, as an additional director effective from 3<sup>rd</sup> November 2011, pursuant to the provisions of Article 107 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Anil Berera holds office up to the date of the ensuing Annual General Meeting.

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

Mr. Anil Berera was appointed as Whole time Director of the Company effective from 3<sup>rd</sup> November 2011 on terms and remuneration approved by the Board and remuneration committee in its meeting held on 3<sup>rd</sup> November 2011 which was further revised by the Board and remuneration committee in its meeting held on 8<sup>th</sup> May 2012.

Mr. Anil Berera, aged 52 years is Bachelor in commerce and Chartered Accountant with over 30 years of rich working experience in finance, accounts, treasury, taxation and general management. He joined the Company in March 2007 as Chief Financial Officer for India Operations and was promoted as Chief Financial Officer & Vice President (Asia South). He has held several key positions in finance and accounts in many organizations including Price Water House Coopers, Gillette and Becton Dickinson. He is not a Director in any other Company.

The Board considers that it would be in the interest of the Company to appoint Mr. Anil Berera as the Whole time Director of the Company.

The terms of his appointment as approved by the Remuneration Committee and Board of Directors are as under:

**1. Period of Appointment:** 3 years effective from 3<sup>rd</sup> November 2011

**2. Remuneration:**

**I. Salary per month:** Not exceeding Rs. 9,00,000

**II. Perquisites**

- Company maintained Car, and phone at residence, both for official and personal use.
- Membership of one club.
- Reimbursement of Medical Expenses for self and family.
- Life, Accidental and Medical Insurance as per policy of the Company.
- Leave Travel Facility as per company policy.
- Company leased accommodation or House Rent Allowance in lieu thereof restricted to 50% of Basic Salary.
- PMP Bonus as per company policy.

**III. Retiral Benefits**

- a. Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at the rate of half a month's salary for each completed year of service.
- c. Privilege leave as per Company Rules.

**IV. Others**

- a. The Board may at its absolute discretion revise the remuneration every year subject to a maximum increase of 25% of last salary drawn.
- b. Where in any financial year the Company has no profit or its profits are inadequate, the remuneration payable shall be in accordance with the provision of section II of Part II of schedule XIII to the Companies Act, 1956, as amended from time to time.

**3. Other Terms**

- Mr. Anil Berera shall have such powers, duties and responsibilities as may be determined by the Board of Directors of the Company from time to time.
- Mr. Anil Berera shall not at any time either during or after the termination of his employment disclose to any person, whomsoever, any information relating to the Company or its customers or any trade secrets of which he may become possessed of while acting as Whole time Director unless such disclosure is in the interest of the Company.



The remuneration payable to Mr. Anil Berera was discussed and approved by the Remuneration Committee and Board of Directors in its meeting held on 3<sup>rd</sup> November 2011 and further revised and approved on 8<sup>th</sup> May 2012.

No Director other than Mr. Anil Berera is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Anil Berera pursuant to the provisions of section 302 of the Companies Act, 1956.

### **Item No. 8 & 9**

The Board of Directors appointed Mr. Vikas Singhal, as an additional director effective from 8<sup>th</sup> May 2012, pursuant to the provisions of Article 107 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Vikas Singhal holds office up to the date of the ensuing Annual General Meeting.

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

Mr. Vikas Singhal has been appointed as Whole time Director of the Company effective from 8<sup>th</sup> May 2012.

Mr. Vikas Singhal aged 45 years has over 23 years of rich and diverse experience, working with top notch global organizations. He began his carrier as a graduate trainee with Carrier Aircon, the global leader in Refrigeration & Air Conditioning. Subsequently he was with Delphi Automotives, Owens Brockway and Piramal Enterprises in various leadership positions. Previous to joining Whirlpool, he served as V.P. Manufacturing and Technology - Piramal Enterprises- Glass Division. Ranging from Manufacturing Operations to Supply Chain, Project Management, New Business Development, Vikas has dealt with a broad continuum of business facets. He holds a B.Tech degree in Industrial Engineering from IIT Roorkee and a PGDBM from XLRI Jamshedpur. He has been in Whirlpool for 7 years. He was also a Director of the Company from July 2008 to March 2010. He is not a Director in any other Company.

The Board considers that it would be in the interest of the Company to appoint Mr. Vikas Singhal as the Whole time Director of the Company.

The terms of his appointment as approved by the Remuneration Committee and Board of Directors are as under:

**1. Period of Appointment:** 3 years effective from 8<sup>th</sup> May 2012

**2. Remuneration:**

**I. Salary per month:** Not exceeding Rs. 8,00,000

**II. Perquisites**

- Company maintained Car, and phone at residence, both for official and personal use.
- Membership of one club.
- Reimbursement of Medical Expenses for self and family.
- Life, Accidental and Medical Insurance as per policy of the Company.
- Leave Travel Facility as per company policy.
- Company leased accommodation or House Rent Allowance in lieu thereof restricted to 50% of Basic Salary.
- PMP Bonus as per company policy.

**III. Retiral Benefits**

- a. Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at the rate of half a month's salary for each completed year of service.
- c. Privilege leave as per Company Rules.

**IV. Others**

- a. The Board may at its absolute discretion revise the remuneration every year subject to a maximum increase of 25% of last salary drawn
- b. Where in any financial year the Company has no profit or its profits are inadequate, the remuneration payable shall be in accordance with the provision of section II of Part II of schedule XIII to the Companies Act, 1956, as amended from time to time.

**3. Other Terms**

- Mr. Vikas Singhal shall have such powers, duties and responsibilities as may be determined by the Board of Directors of the Company from time to time.

- Mr. Vikas Singhal shall not at any time either during or after the termination of his employment disclose to any person, whomsoever, any information relating to the Company or its customers or any trade secrets of which he may become possessed of while acting as Whole time Director unless such disclosure is in the interest of the Company.
- Mr. Vikas Singhal shall not at any time within two years after the termination of his employment either directly or indirectly carry on or be engaged, concerned or interested in the manufacture of White Goods except with the consent in writing of the Board of Directors of the Company.

The remuneration payable to Mr. Vikas Singhal was discussed and approved by the Remuneration Committee and Board of Directors in its meeting held on 8<sup>th</sup> May 2012.

No Director other than Mr. Vikas Singhal is in any way concerned or interested in the proposed Resolution.

The Directors recommend this resolution for the approval of shareholders.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Mr. Vikas Singhal pursuant to the provisions of section 302 of the Companies Act, 1956.

## **ANNEXURE FORMING PART TO THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION II (B) OF PART II OF SCHEDULE XIII**

### **I. GENERAL INFORMATION: (As required under Section II (B) of part II of Schedule XIII in respect of – Mr. Anil Berera and Mr. Vikas Singhal)**

1. Nature of Industry
  - Manufacturing of Consumer Durables – Refrigerator, Washing Machine, Air Conditioner and Microwave oven
2. Date of Commencement of Commercial Production
  - 1964
3. In case of new Company, expected date of commencement of activity as per project approved by the financial institutions appearing in the prospectus
  - Not applicable
4. Financial performance based on given indicators :
  - Refer Annual Report for the year ended March 31, 2012.
5. Export Performance and net foreign exchange earnings
  - Refer Annual Report for the year ended March 31, 2012.
6. Foreign Investment or collaborators, if any
  - Whirlpool Mauritius Limited is holding 75% equity shares in the Company.

### **II. INFORMATION ABOUT THE APPOINTEE**

#### **Mr. Anil Berera, Whole time Director**

1. Background Details
  - As given in the Explanatory Statement under Item No.6 & 7.
2. Past Remuneration
  - Same as proposed as a Whole time director and given in the Explanatory statement under Item no. 6 & 7.
3. Recognition and awards
  - Nil
4. Job Profile and his suitability
  - As given in the Explanatory Statement under Item No. 6 & 7.
5. Remuneration proposed
  - Refer notice dated May 08, 2012 calling Fifty First AGM of the Company
6. Comparative remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin):
  - The remuneration proposed is comparable with respect to the industry and profile of the position.
7. Pecuniary relationship, directly or indirectly with the Company, or relationship with the managerial personnel, if any
  - Mr. Anil Berera is not related to any Director or any employee of the Company.

### **Mr. Vikas Singhal, Whole Time Director**

1. Background Details
  - As given in the Explanatory Statement under Item No. 8 & 9.
2. Past Remuneration
  - Same as proposed as a Whole time director and given in the Explanatory statement under Item No. 8 & 9.
3. Recognition and awards
  - Nil
4. Job Profile and his suitability
  - As given in the Explanatory Statement under Item No. 8 & 9.
5. Remuneration proposed
  - Refer notice dated May 08, 2012 calling Fifty First AGM of the Company
6. Comparative remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin):
  - The remuneration proposed is comparable with respect to the industry and profile of the position.
7. Pecuniary relationship, directly or indirectly with the Company, or relationship with the managerial personnel, if any
  - Mr. Vikas Singhal is not related to any Director or any employee of the Company.

### **III OTHER INFORMATION**

1. Reason for loss or inadequate profits
  - Not Applicable, as the Company is in profit.
2. Steps taken or proposed to be taken for improvement
  - The Company has put in place a new management team. Further the company has introduced P3B & P4B initiatives for cost savings.
3. Expected increase in productivity and profits in measurable terms
  - The new strategy will improve the productivity and also reduce the cost of production thereby increasing the profitability of the Company.

### **IV DISCLOSURES**

1. The shareholders of the Company shall be informed of the remuneration package of the managerial person
  - Refer notice dated May 08, 2012 calling Fifty First AGM of the Company
2. The following disclosures shall be mentioned in the Board of Directors' report under the heading 'corporate governance' if any, attached to the Annual Report.
  - (i) all elements of remuneration package such as salary, benefits, bonuses, stock options etc. of all directors
  - (ii) Details of fixed component and performance linked incentives along with performance criteria
  - (iii) Service contracts, notice period, severance fees
  - (iv) Stock options details, if any, and whether the same has been issued at a discount as well as the period which accrued and over which exercisable
    - These have been fully covered under the Corporate Governance Report.

### **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.

# Whirlpool of India Limited

Regd. Office: Plot No. A-4, MIDC, Ranjangaon, Taluka Shirur, District Pune, Maharashtra – 412 220

## 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 Plot No. A-4, MIDC, Ranjangaon, Pune-Ahmednagar Express Highway, Taluka- Shirur, District- Pune- 412 220 on Monday the 6th day of August, 2012 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 – 412 220

## PROXY FORM

DP. Id. \_\_\_\_\_

Folio No. \_\_\_\_\_

Client Id. \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

I/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 Monday, the 6th day of August, 2012, at Plot No. A-4, MIDC, Ranjangaon, Pune-Ahmednagar Express Highway, Taluka- Shirur, District- Pune - 412 220 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.





# MANAGEMENT SPEAK



Our 2011-12 performance was good given the significant headwinds that confronted our industry. Record high commodity prices, high consumer inflation, slowing demand and a weak summer all had an adverse impact on our industry. At Whirlpool, we have learnt to adapt to different situations but have never compromised on funding innovation and controlling cost, irrespective of the business environment. Indeed, these were the levers that were driven relentlessly over the last year. Our investment in Innovation actually went up and culminated in the launch of an unprecedented range of new products in April 2012, with more to follow in the course of the year. We are confident that our innovations and cost focus will enable us to strengthen our market and financial position, even if the business environment remains unchanged.

**Arvind Uppal**

Chairman and Managing Director, Whirlpool of India Limited  
President South Asia and Asia Pacific, Whirlpool Corporation

A glance at our Balance Sheet will reveal the enormity of our achievements in the last financial year. We generated ₹210 Cr of cash from the business, reduced our working capital by ₹30 Cr, and remained debt-free for the second consecutive year, after funding close to 100 Cr in capital for Innovation. Our control over Receivables is exemplary : at 16 days it is perhaps best in the industry. Inventory was brought down in line with declining demand, releasing ₹235 Cr. Our discretionary spends were managed well. Overall, the fiscal rigour demonstrated in all areas of the business contributed to our performance, and this discipline will hold us in good stead in the uncertain times that confront us.



**Anil Berera**

Vice President and Chief Financial Officer  
Whirlpool of India Limited



WHIRLPOOL OF INDIA LIMITED

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