

HAWKINS COOKERS LIMITED

ANNUAL REPORT 1996-97

Shareholder's Return on Investment

Issue price of one share in 1978 Rs. 12.50

HAWKINS FIRST AND SO FAR ONLY PUBLIC ISSUE

Through bonus issues, one share becomes 4 shares

BONUS ISSUES IN 1981, 1985, 1991 AND 1993

Share price on March 31, 1997 Rs. 55.50

QUOTED ON THE STOCK EXCHANGE, MUMBAI

Value of 4 shares on March 31, 1997 Rs. 222.00

RESULTING FROM PURCHASE OF ONE SHARE IN 1978

Dividends declared 1978 to 1997 Rs. 112.43

ON ONE SHARE BOUGHT IN 1978 AND ITS BONUS ISSUES

Appreciation in share value plus dividends Rs. 321.93

ON ONE SHARE BOUGHT IN 1978 AND ITS BONUS ISSUES

Compound Annual Return on Investment 19 %

ON ORIGINAL OUTLAY OF RS. 12.50 PER SHARE IN 19 YEARS

Sales and Other Income

(Rupees million)

1007.9

910.2

727.0

623.3

545.0

1992-93 1993-94 1994-95 1995-96 1996-97

Hawkins Cookers Limited 5-year Performance

Profit after Tax

(Rupees million)

47.0

41.9

31.4

20.0

14.1

1992-93 1993-94 1994-95 1995-96 1996-97

Return on Net Worth

36.2 % 38.2 %

34.4 %

26.8 %

22.5 %

1992-93 1993-94 1994-95 1995-96 1996-97

Earnings per Share

(Rupees)

11.11

9.90

7.43

4.43

4.73

1992-93 1993-94 1994-95 1995-96 1996-97

Dividend per Share

(Rupees)

4.00

3.50

3.00

2.25

2.25

1992-93 1993-94 1994-95 1995-96 1996-97

MID	✓				BKC	✓
CS	✓				DPY	✓
RO	✓				DIV	✓
TRA	✓				AC	✓
AGM	✓	✓			SHE	✓
YE	✓	✓	✓			

SHAREHOLDERS STRATEGY

Hawkins Cookers Limited is a company of the shareholders, by the shareholders and for the shareholders.

Hawkins was started in 1959 by the late Mr. H.D. Vasudeva, a professional manager and entrepreneur, with Rs.20,000 as equity capital. In the beginning, there were two shareholders: the founder and his wife. The third shareholder was their son, Brahm Vasudeva, the present Chairman and Chief Executive Officer, who was gifted some shares by his parents while he was still working with Hindustan Lever Limited.

Brahm Vasudeva joined Hawkins in 1968. In 1978, Hawkins first and so far only public issue was combined with an offer of sale by the Vasudeva family as a result of which the shareholding of the Vasudeva family came down to 51%. Today, the Vasudeva family's shareholding is 49%.

The Vasudevas are firm believers in the value of professional management combined with personal and family commitment to the successful running of Hawkins. Because Hawkins is such an important asset for the Vasudeva family, the family is determined to ensure that the managers of the company are placed and promoted only on considerations of merit.

Given the large, continuing promoters stake in the shareholding of Hawkins, the shareholder viewpoint is always kept in mind by management. There is a high degree of identity of interest between the promoters and professional managers on the one hand and shareholders on the other. It is Hawkins aim to maximise the long-term return on investment of shareholders.

HAWKINS COOKERS LIMITED

ANNUAL REPORT 1996-97

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BOARD OF DIRECTORS

Brahm Vasudeva CHAIRMAN & CHIEF EXECUTIVE OFFICER	B M Rai MANAGING DIRECTOR
Dr. K S Basu	Shishir K Diwanji
J M Mukhi	Gerson da Cunha

Company Secretary

A.S. Jaganaathan

Auditors

R D Ailawadi & Co.

Registered Office

Maker Tower F 101, Cuffe Parade
Mumbai 400 005 India

Solicitors

Desai & Diwanji
Crawford Bayley & Co.

Registrar and Share Transfer Agent

Consolidated Share Services Pvt. Ltd.
Shanti Nagar Cross Road
A, Near M.I.D.C. Bus Depot
M.I.D.C., Andheri (E), Mumbai 400 093

Bankers

Dena Bank
Punjab National Bank
The Hongkong and Shanghai Banking Corporation Limited
The Saraswat Co-operative Bank Limited



Hawkins Cookers Limited

Registered Office : Maker Tower F 101, Cuffe Parade, Mumbai 400005

Notice

NOTICE is hereby given that the 37th Annual General Meeting of the shareholders of the Company will be held on Friday, the 29th day of August, 1997 at Jai Hind College Hall, 'A' Road, Churchgate, Mumbai 400 020 at 4.00 pm to transact the following business :

Ordinary Business

1. To receive and adopt the audited Profit and Loss Account for the year ended March 31, 1997 and the Balance Sheet as at March 31, 1997 and Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr Gerson da Cunha who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Dr. K S Basu who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Special Business

6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to Section 314 (1B) and other applicable provisions of the Companies Act, 1956, if any, the company hereby approves the appointment of Mr. Neil Vasudeva, son of Mr. Brahm Vasudeva, Chairman and Chief Executive Officer of the company, in the Management Cadre of the company, subject to his total remuneration not exceeding Rs. 7 lakhs per annum as the Board of Directors may determine and subject to the approval of the Central Government."

"RESOLVED FURTHER that the company authorises the Board of Directors to appoint Mr. Neil Vasudeva in a suitable management grade

and to promote him to higher grades, as deemed fit, from time to time and to pay remuneration as per the applicable grades not exceeding Rs. 7 lakhs per annum."

"RESOLVED FURTHER that the Board of Directors of the Company be and they are hereby authorised to make such modifications in the terms and conditions of the appointment of Mr. Neil Vasudeva as may be imposed by the Central Government while granting their approval to the appointment of Mr. Neil Vasudeva".

BY ORDER OF THE BOARD

Brahm Vasudeva

Chairman & Chief Executive Officer

Mumbai: June 7, 1997

Notes

1. (a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies, in order to be valid, must be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
- (b) Joint shareholders desiring to attend the meeting are requested to furnish their folio No. and obtain additional attendance slips from the Company before August 27, 1997.
- (c) Members/Joint shareholder(s)/Proxies are requested to bring the attendance slips duly completed and signed for the meeting.
2. The Register of Members and Transfer Books will remain closed from September 8, 1997 to September 12, 1997, both days inclusive.
3. Dividend, if approved at the meeting, will be made payable to those Members whose names appear on the Company's Register of Members on September 12, 1997 and the warrants are likely to be posted on or before September 30, 1997.

4. With a view to provide protection against fraudulent encashment of dividend warrants, Members were requested by the Company by its circulars dated July 28, 1994, July 25, 1995 and July 15, 1996 to provide their bank account numbers, names and addresses of the bank branches for incorporation in the dividend warrants. Those Members who have not yet responded are once again requested to provide these bank details in the proforma enclosed quoting their folio number to the Company by August 29, 1997 for incorporation in the dividend warrant(s) as the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrant(s).

5. Members are requested to

- a) bring their copy of the Annual Report with them to the Annual General Meeting.
- b) notify immediately the change of address/change in bank details if any, to the Company's Registrar and Share Transfer Agent quoting their folio number.
- c) write to the Company's Share Department enclosing their share certificates to consolidate their holding in one folio if they are holding shares in identical order of names in more than one folio number.

6. The amount of unclaimed dividend upto the interim dividend No. 30 for the year ended March 31, 1994 have already been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in Form No. 11 to the Registrar of Companies, Fancy Corporation Limited, Hakoba Compound, Second Floor, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033, quoting the Company's Registration No. as 11304.

7. The unpaid dividends that are due for transfer to the Central Government are :

Dividend No.	Date of Declaration	For the Financial Year	Due for Transfer On
31	26.08.94	31.03.94	14.10.97
32	24.04.95	31.03.95	11.06.98
33	25.08.95	31.03.95	15.10.98

Members who have not encashed their dividend warrants may approach the Company's Share Department at the Registered office of the Company for revalidating the warrants or for obtaining duplicate warrants.

8. An Explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of item No. 6 above is given below.

Explanatory Statement in respect of the Special Business pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6 of the Notice

The Board of Directors at their meeting held on June 7, 1997 decided that the appointment of Mr. Neil Vasudeva, son of Mr. Brahm Vasudeva, Chairman and Chief Executive Officer of the Company, be finalised in the management cadre of the company after obtaining prior consent of the members of the company and subject to approval of the Central Government. The approval of the members of the company is sought under Section 314 (IB) of the Companies Act, 1956, to appoint Mr. Neil Vasudeva in the Management Cadre of the company with authority delegated to the Board to appoint him in a suitable cadre, to promote him to higher grades, as they deem fit, from time to time and to pay remuneration to him as per applicable grades subject to a ceiling of Rs. 7 lakhs per annum and further subject to approval of the Central Government.

Mr. Neil Vasudeva, aged 27 years, is a graduate from St. Stephen's College, Delhi University. He has secured a Post Graduate Diploma in Business Management from Xavier's Labour Relation Institute (XLRI), Jamshedpur. He has worked for 4 years in Sales and Marketing in Reckitt & Colman India Limited.

Mr. Brahm Vasudeva is deemed to be an interested Director in this appointment. No other Director is deemed to be interested or concerned in this matter.

The Board of Directors recommend the Special Resolution at Item No. 6 of the Notice for your approval.

BY ORDER OF THE BOARD



Brahm Vasudeva

Chairman & Chief Executive Officer

Mumbai: June 7, 1997

DIRECTORS' REPORT TO SHAREHOLDERS

We have the honour to present our 37th report and audited statement of accounts for the year ended March 31, 1997.

1996-97 Operations

Total Income crossed the Rs.100 crore mark, being Rs.1008 million, up 11% over previous year. The Net Profit after tax for the year is Rs.47 million, 12% more than the previous year.

Earning per share is Rs.11.11 as against Rs.9.90 in the previous year.

FOB value of exports at Rs.80.2 million (previous year Rs.52.5 million) was 52.6% up over previous year. Foreign exchange used was Rs.13.5 million (previous year: Rs.30.9 million).

During the year the company launched three new pressure cookers: 7 litre (Jumbo) Futura Pressure Cooker, 9 litre Futura Pressure Cooker and 3.5 litre Hawkins Heavybase Pressure Cooker. New models of Satilon (hard anodised) Cookware were also launched: small and large Frying Pans; large Deep Fry Pan and large Cook-n-Serve Bowl. A new type of cookware, Nonstick-on-Satilon, was launched in the Indian market for the first time; the first item in this range is the Tava (Griddle). All the new additions were well received in the market.

The expenditure on Research and Development was 10.5 million, 1.0 % of turnover (previous year: Rs.9.1 million, 1.0%). Required details are given in the Appendix I.

Efforts continued in our three factories to save energy wherever possible.

We appreciate the contribution of all employees and associates to the results of your Company.

Appropriations

Out of the amount available for appropriation of Rs.65,384,069 (previous year: Rs.59,326,311), we propose Rs.16,921,600 as provision for dividend (previous year: Rs.14,806,400); tax on distributed profits on proposed dividend Rs.1,692,160 (previous year: Nil); Rs.26,000,000 to be transferred to General Reserve (previous year: Rs.25,000,000); and Rs.20,770,309 as surplus carried to the Balance Sheet (previous year: Rs.19,519,911).

Dividend

We recommend Rs.4.00 per share as dividend, free of tax, for your approval which is the highest in the history of the Company (previous year; Rs.3.50 per share subject to deduction of tax).

Increase in Authorised Capital

At the last Annual General Meeting, you approved the proposal to increase the authorised capital. Accordingly, the authorised capital of the company has been increased from Rs.50 million to Rs.100 million as from 20th September 1996.

Rights Issue

At the last AGM, you approved the proposal to have a Right Issue of 1,057,600 shares of Rs.10 each at a premium of Rs.25 per share aggregating to Rs.37,016,000 in the ratio of one equity share for every four equity shares held. Accordingly, we have taken appropriate steps to issue such shares in the near future.

Employee Information

Information as per Section 217(2-A) of the Companies Act, 1956, read with Rules thereunder, is given in Appendix II.

Fixed Deposits

Of the fixed deposits maturing for payment prior to March 31, 1997, 140 fixed deposits amounting to Rs.714,225 were neither renewed nor claimed till March 31, 1997, of which 27 fixed deposits for Rs.158,198 have since been renewed or repaid.

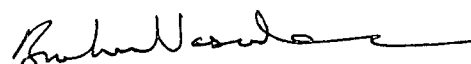
Directors

Dr. K.S. Basu and Mr. Gerson da Cunha retire by rotation and, being eligible, offer themselves for reappointment.

Auditors

Messrs. R.D. Ailawadi & Company retire and, being eligible, offer themselves for reappointment.

ON BEHALF OF THE BOARD OF DIRECTORS



BRAHM VASUDEVA
CHAIRMAN & CHIEF EXECUTIVE OFFICER

Mumbai
June 7, 1997