

HAWKINS COOKERS LIMITED

GROUP DYNAMICS
SELECTION & TRAINING
STRATEGY WORKSHOPS
MANAGEMENT
DEVELOPMENT
TASK COMPETENCE
MOTIVATION & MORALE
CORPORATE
GOVERNANCE

ANNUAL REPORT 1997-98



Dr. Kalyan Sundar Basu

1915 - 1998



Hawkins Cookers Limited

Regd. Office : Maker Tower F 101, Cuffe Parade, Mumbai 400 005.

July 10, 1998

Dear Shareholder,

Sub: To specify bank account particulars in the Dividend Warrant(s)

Last year, we sent our circular alongwith the Annual Report for March 31, 1997, drawing your attention to instances of postal articles like dividend warrants/ refund orders etc. being intercepted in post and being fraudulently encashed.

To ensure the dividend warrants reach you safely and promptly, we once again request you to kindly furnish the information in the form given below and confirm that it would be in order to add the bank account particulars in your warrants. This is in line with recent SEBI Guidelines. Please be assured that you will have the right to change your bank account as often as you desire. Also the information will be kept confidential and will be used only in connection with warrants.

In case you do not provide us particulars of your bank account we will not be in a position to issue a duplicate warrant in the event of loss, until the full bank reconciliation is completed and it is ensured that the original warrant has not been encashed. This process may take upto 1 year because warrants are valid for 6 months and large number of branches all over India are required to send statements of cashed warrants to the controlling office of the bank.

Kindly return the form duly filled and signed as per proforma given below immediately to the company. This will enable the Company to post your final dividend warrant with bank account number after shareholders approval at the Annual General Meeting scheduled on August 14, 1998.

Please ignore this letter if you have already provided the bank details.

Thanking you,

Yours faithfully,

For HAWKINS COOKERS LIMITED

A. S. Jaganaathan

Company Secretary

Encl: Proforma for bank particulars.

(To detach and send)

To

The Secretarial Department
Hawkins Cookers Limited
Maker Tower F 101, Post Box No. 16083
Cuffe Parade, Mumbai 400 005.

Sr. No. :

Date :

Folio No. :

Dear Sir,

With reference to your circular letter dated July 10, 1998 you may write the following bank particulars on the warrant :

Name of the first Shareholder :

Bank Account No. :

Name of the Bank :

Name of the Branch :

Address of the Bank :

Yours faithfully,

(Signature of first named Shareholder)





Hawkins Cookers Limited

Registered Office: Maker Tower F 101, Cuffe Parade, Mumbai 400 005

Notice

NOTICE is hereby given that the 38th Annual General Meeting of the shareholders of the Company will be held on Friday, the 14th day of August, 1998 at Jai Hind College Hall, 'A' Road, Churchgate, Mumbai 400 020 at 4.00 pm to transact the following business:

Mr B M Rai and placed before this meeting and initialled by the Chairman for the purpose of identification".

BY ORDER OF THE BOARD

Ordinary Business

1. To receive and adopt the audited Profit and Loss Account for the year ended March 31, 1998 and the Balance Sheet as at March 31, 1998 and Directors' and Auditors' Reports thereon.
2. To declare a final dividend.
3. To appoint a Director in the place of Mr J M Mukhi who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr Shishir K Diwanji 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 an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the reappointment of and remuneration payable to Mr B M Rai as Managing Director for a period of 3 years with effect from November 12, 1998 on the terms and conditions set out in the draft Agreement between the Company and

Mumbai: June 6, 1998

Brahm Vasudeva
Chairman & Chief Executive Officer

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 14, 1998.
- (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 August 7, 1998 to August 14, 1998, both days inclusive.
3. Final dividend, if approved at the meeting, will be made payable to those Members whose names appear on the Company's Register of Members on August 14, 1998 and the warrants are likely to be posted on or before September 20, 1998.
4. With a view to provide protection against fraudulent encashment of dividend warrants, Members were requested by the Company through its circulars dated July 28, 1994, July 25, 1995, July 15, 1996 and

July 15, 1997 to provide the names, addresses and account numbers of their bank accounts for incorporation in the dividend warrants. Those Members who have not yet responded are once again requested to provide these bank details in the enclosed proforma quoting their folio number to the Company by August 14, 1998 for incorporation in the dividend warrant(s) for the final dividend. The Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.

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 holdings 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. 32 for the year ended March 31, 1995 has 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. II 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
33	25.08.95	31.03.95	15.10.98
34	20.04.96	31.03.96	07.06.99
35	23.08.96	31.03.96	10.10.99

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 of the Company, by a resolution passed at its meeting held on June 6, 1998 re-appointed Mr B M Rai as Managing Director for a term of three years with effect from November 12, 1998 under Sections 269 and 309 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the shareholders at the 38th Annual General Meeting to be held on August 14, 1998.

The material provisions of the draft Agreement are as under:

- (1) The appointment of Mr B M Rai as Managing Director is under Article 115 of the Articles of Association of the Company.
- (2) Mr B M Rai shall be Managing Director of the Company for a period of three years commencing from November 12, 1998 or until this Agreement is determined as provided in Clause 5 herein.
- (3) Mr B M Rai shall be stationed at Mumbai or any other place as may be decided by the Board of Directors and shall have substantial powers of management of the day-to-day operations of the company subject to the supervision and control of the Chairman and Chief Executive Officer or the Chairman of the Board of Directors and subject to the overall superintendence and directions of the Board of Directors. Mr B M Rai shall travel within and outside India as he may be called upon to do in connection with his duties at the expense of the Company.
- (4) Mr B M Rai shall devote his whole time and attention to the business of the company and shall use his best endeavours to promote the interests and welfare of the Company.
- (5) This contract may be terminated by either party giving to the other party three months notice in writing.
- (6) Mr B M Rai agrees and undertakes that so long as he functions as the Managing Director of the Company

he shall not become interested or otherwise concerned, directly or indirectly or through his wife and/or minor children in any selling agency of the company without the prior approval of the Central Government.

- (7) Subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956, and Schedule XIII as amended by Notification No. GSR 48(E) dated February 1, 1994, Mr B M Rai shall receive the following remuneration during the term of his appointment as Managing Director:

I SALARY

Monthly salary of Rs. 40,000 (Rupees Forty Thousand only).

II COMMISSION ON NET PROFITS

Commission at the rate of 1.5% (One and a half percent) of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

III PROVIDENT FUND, SUPERANNUATION AND GRATUITY

(a) Provident Fund/Superannuation/Annuity Fund/Pension Fund contributions shall be made by the Company as per rules of the company such that singly or put together the contributions are not taxable under the Income-tax Act, 1961.

(b) Gratuity: As per rules of the Company not exceeding half a month's salary for each completed year of service.

IV PERQUISITES

(a) *Housing I:* The expenditure incurred by the Company on hiring furnished accommodation for Mr B M Rai shall be subject to a ceiling of sixty per cent of the salary over and above ten per cent payable by Mr B M Rai.

Housing II: In case the accommodation is owned by the company, ten per cent of the salary of Mr B M Rai shall be deducted by the company.

Housing III: In case no accommodation is provided by the Company, Mr B M Rai shall be entitled to House Rent Allowance of sixty per cent of the salary.

(b) *Gas, Electricity, Furnishing etc.*

The company shall bear expenditure on Gas, Electricity, Water and provide furniture and furnishings.

(c) *Medical Reimbursement*

Expenses incurred by Mr B M Rai and his family will be borne by the Company as per rules of the Company. 'Family' means spouse and dependent children.

(d) *Leave Travel Concession*

For Mr B M Rai and his family, once in a year incurred in accordance with the rules of the Company.

(e) *Club Fees*

Fees of clubs subject to a maximum of two clubs provided that no life membership or admission fee is to be paid.

(f) *Personal Accident Insurance*

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 4,000.

(g) *Car*

The Company shall provide a Car for the use of Mr B M Rai for Company's business and also for the personal use of Mr B M Rai and his family.

(h) *Telephone*

Free telephone facility at his residence. Personal long distance calls shall be billed by the Company to Mr B M Rai.

V LEAVE

Mr B M Rai shall be entitled for leave as per the rules of the Company. He will be entitled for encashment of leave at the end of the tenure.

- (8) In the event the Company does not have profits or its profits are inadequate, the total salary, commission and perquisites shall not exceed Rs. 72,000 per month. However, contributions to Provident Fund/Superannuation/Annuity Fund/Pension Fund/Gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of Rs. 72,000 per month.

- (9) If at any time Mr B M Rai ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
- (10) Mr B M Rai shall not, either during the continuance of the agreement or any time thereafter, disclose to any person, firm or company any confidential information relating to the company or its customers or any trade secret of which he becomes possessed in his capacity as Managing Director of the Company. Further, Mr B M Rai undertakes not to hold any interest, direct or indirect in any business which may be deemed to be in competition with the Company.
- (11) All disputes and differences arising out of or in relation to these presents shall be referred to arbitration of a Sole Arbitrator jointly appointed by the Company and Mr Rai if the parties agree upon or otherwise to two arbitrators one to be appointed by each party with power to such arbitrators to appoint a third arbitrator and such arbitration shall be in accordance with the provisions of The Arbitration and Conciliation Act, 1996, or any Statutory modification or re-enactment for the time being in force. All proceedings in such Arbitration shall be conducted in English. The Arbitration shall take place in Mumbai, India and shall be governed by the Laws of India.

A copy of the said draft Agreement is available for inspection by the members on any working day between 10.00 am to 1.00 pm at the registered office of the Company.

The terms and conditions mentioned above may be treated as an abstract within the meaning of Section 302(7) of the Companies Act, 1956.

No Director except Mr B M Rai, is deemed to be interested or concerned in his appointment and remuneration payable to him as Managing Director of the Company.

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

BY ORDER OF THE BOARD



Brahm Vasudeva

Chairman & Chief Executive Officer

Mumbai: June 6, 1998



The *Guru-shishya parampara*: Brahm Vasudeva and Dr. K.S. Basu

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

MANAGEMENT DEVELOPMENT

Dr. K. S. Basu served as a non-executive director on the Board of Hawkins continuously from January 17, 1976, to the day of his untimely death on April 28, 1998. During this period, on numerous occasions, he was also appointed as a management adviser in his professional capacity.

In the 22 years that Dr. Basu was associated with Hawkins, the company grew from a turnover of Rs.3.7 crores and an employee strength of 458 in 1975-76 to a turnover of Rs.107 crores and 1252 employees in 1997-98.

Dr. Basu's contribution to management development in Hawkins is enormous. He was on the selection board of our present Managing Director in 1977, our present Senior Vice President Technical in 1983, our present Senior Vice President Finance in 1987 and our present Vice President Sales in 1990. His deceptively simple lectures on Management Basics in numerous in-company management development programmes are still remembered by the managers he trained. The insights gained from a company-wide morale survey conducted by him in 1990 continue to guide our structures today. As recently as in November, 1997, he was a full-time participant in a two-day Strategy Workshop in which working sessions extended from 9.00 am to 9.00 pm (see inside back cover).

To management development and board meetings alike, Dr. Basu brought clear thinking and human decency, courage and his infectious laughter. We in Hawkins are truly blessed in having had such a mentor.