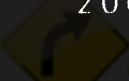


HAWKINS COOKERS LIMITED

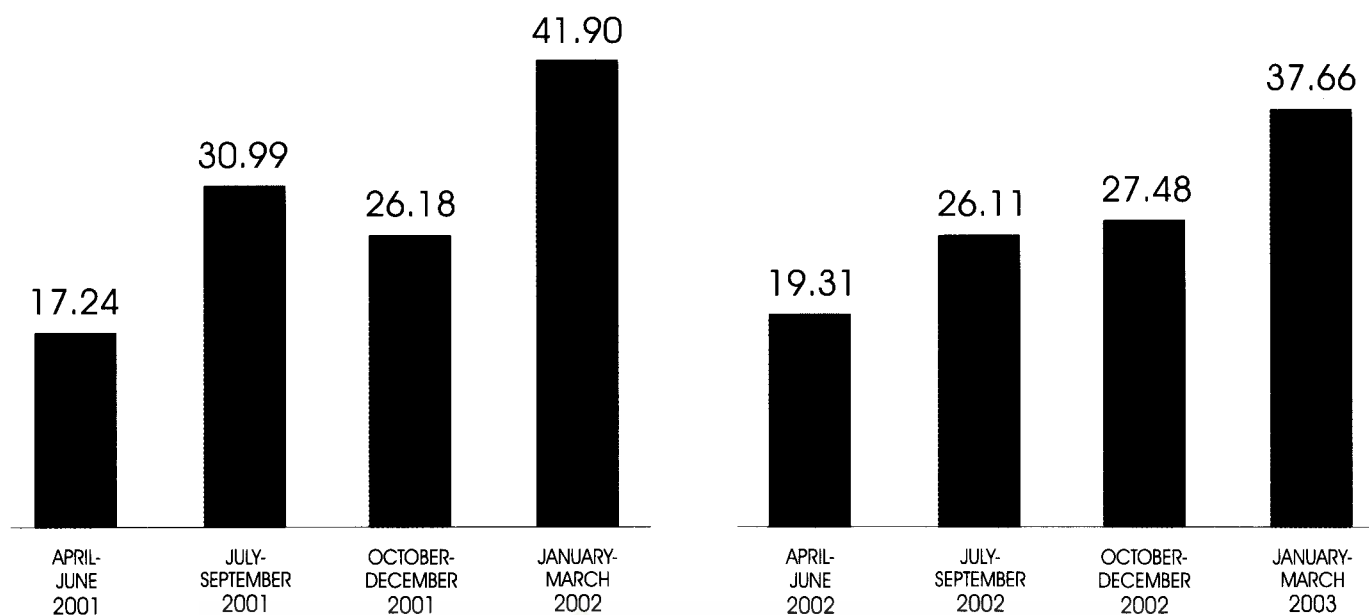
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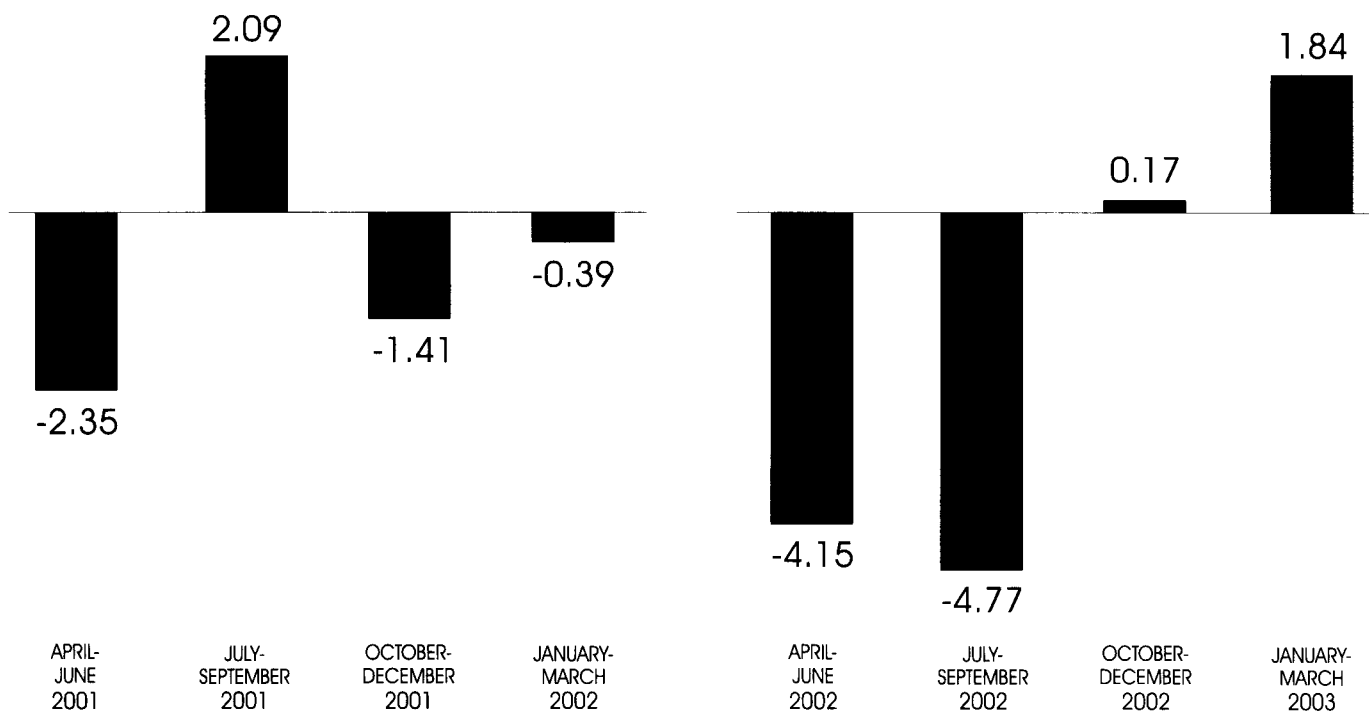
FOCUSING ON A TURNAROUND: FINANCIAL PERFORMANCE HIGHLIGHTS

SALES AND OTHER INCOME Rs. CRORES



Report Junction.com

NET PROFIT OR LOSS AFTER TAX Rs. CRORES





Hawkins Cookers Limited

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

Notice

NOTICE is hereby given that the 43rd Annual General Meeting of the shareholders of the Company will be held on Thursday, the 31st day of July, 2003, at Kishinchand Chellaram College Hall, Dinshaw Vachha Road, Churchgate, Mumbai 400 020 at 4.00 p.m. to transact the following business:

Ordinary Business

1. To receive and adopt the audited Profit and Loss Account for the year ended March 31, 2003, and the Balance Sheet as at March 31, 2003, and Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of General V. N. Sharma (Retd.) who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Gerson da Cunha who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that Mr. B. K. Khare, who was appointed as an Additional director of the Company by the Board of Directors with effect from March 1, 2003, under Article 118 of the Articles of Association of the Company

and who holds office under Section 260 of the Companies Act, 1956, upto the date of the 43rd Annual General Meeting and, being eligible, offers himself for reappointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. B. K. Khare as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

"RESOLVED that approval as required by Section 163 of the Companies Act, 1956, be and is hereby given for the Register of Members, the Index of Members, the Register and Index of Debenture holders and copies of all Annual Returns under Section 159 together with the copies of the certificates and documents required to be annexed thereto under Section 161 to be kept at the office of M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. Shastri Marg, Bhandup (West), Mumbai 400 078, instead of the Registered Office of the Company so long as they are the Registrar and Share Transfer Agents of the Company".

BY ORDER OF THE BOARD

Mumbai:
June 7, 2003

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) 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 July 24, 2003, to July 31, 2003, both days inclusive.
3. Dividend for the financial year ended March 31, 1996, and thereafter which remains unclaimed for a period of seven years will be transferred to the "INVESTOR EDUCATION AND PROTECTION FUND" of the Central Government. Members who have not encashed their dividend warrant(s) for the financial year ended March 31, 1996, or thereafter are requested to contact the Company's Share Transfer Agent.
4. 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, M/s Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. Shastri Marg, Bhandup (West), Mumbai 400 078 quoting their folio number. Members holding shares in the electronic form are advised to inform change of address/bank details to their respective Depository Participants.
5. Information required under Clause 49 VI A of the Listing Agreement with The Stock

Exchange, Mumbai (relating to Corporate Governance) with respect to the Directors retiring by rotation and being eligible seeking reappointment is as under:

Item No. 2 of the Notice — Reappointment of General V.N. Sharma (Retd.)

General V. N. Sharma retired in 1990 from the Indian Army as Chief of Army Staff after a most distinguished service of 40 years. He has been awarded the Ati-Vishisht Seva Medal (AVSM) by the President of India in 1977 and the Param-Vishisht Seva Medal (PVSM) in 1986 which is the highest award for distinguished service of a most exceptional order. He thus brings with him a wealth of experience in Leadership and Management. After his retirement, he became the Trustee of the World Memorial Fund for Disaster Relief. He runs a free tuberculosis project in Himachal Pradesh. He is also a member of the India International Centre and The Institute of Defence Studies and Analysis. He has served on the Local Advisory Board of ABN Amro Bank for seven years and on the Board of Directors of the Diamond and Gem Development Corporation for five years.

General V. N. Sharma does not hold any directorship or membership of Committees of the Board of Directors of other companies.

Item No. 3 of the Notice — Reappointment of Mr. Gerson da Cunha

Mr. Gerson da Cunha graduated from St. Xaviers College, Mumbai. His professional career started with Press Trust of India and moved on to Lintas Limited of which he became the Chief Executive. He worked with the United Nations Children Fund (UNICEF) in Latin America and New York for nine years from 1980 and pioneered the use of advertising and marketing concepts with the UNICEF on issues like Maternal and Child Health, Immunisation and HIV and Aids Prevention and Control. He has served as Advisor, Communications, in the Ministries of Civil Aviation & Tourism, Information and

Broadcasting and Health and Family Welfare at various times. He was presented the prestigious AAAI-Premnarayan award for the year 2000 by the Advertising Agencies Association of India which is the highest honour given to an individual in India for outstanding contribution to the Advertising Industry. In April, 1999, he helped in the formation of AGNI (Action for Good Governance and Networking in India) which is a non-government organisation. He has been associated with organisations like CRY, Akanksha and Bombay First. He is also a distinguished theatre personality and journalist.

Mr. Gerson da Cunha is a director of Medius India Services Private Limited. He does not hold membership of Committees of the Board of Directors of other companies.

6. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 and 6 is given below:

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

Item No. 5 of the Notice

Mr. B. K. Khare, was appointed as an Additional Director on the Board of the company, with effect from March 1, 2003. Pursuant to Section 260 of the Companies Act, 1956, read with Article 118 of the Articles of Association of the Company, Mr. B. K. Khare holds office upto the date of the 43rd Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a Member proposing Mr. B. K. Khare for the office of a Director alongwith a deposit of Rs. 500 which will be refunded to such Member if Mr. B. K. Khare is elected as a Director.

Mr. B. K. Khare is a practising Chartered Accountant and also holds degrees in Commerce and Law. He is also a Fellow Member of the Institute of Company Secretaries of India. He is the Founder Senior Partner of M/s. B. K. Khare

& Company, Chartered Accountants since 1955. Besides the audit function, he has specialised in the field of taxation, corporate taxation, tax planning, financial management, management audit, corporate law and restructuring. Mr. Khare was formerly Professor of Accounting and Head of Accounts Department in H.R. College of Commerce & Economics, Mumbai. He regularly participates in the seminars and conferences on taxation and corporate finance. He writes articles of topical interest related to taxation. He also comments each year on the Annual Budget proposals of Union Government since last two decades.

Mr. B. K. Khare is a Director on the Board of the following Companies: Gabriel India Limited, Spice Islands Apparels Limited, Lloyd's Register Industrial Services (I) Limited, Emcure Pharmaceuticals Limited, Divgi Warner Limited, Kema Services (International) Pvt. Ltd., J.P. Mukherji & Associates Pvt. Limited and Serum Institute of India Limited. He is a member of the Audit Committee of Gabriel India Limited.

The Directors recommend resolution under item No. 5 for acceptance by the Members.

No other director except Mr. B. K. Khare is deemed to be interested in this resolution.

Item No. 6 of the Notice

The approval of the Members of the Company is required for keeping the Register of Members, the Index of Members, the Register and Index of Debenture holders, copies of Annual Returns under Section 159 together with the copies of certificates and documents required to be annexed thereto under Section 161 at any place other than the Registered Office of the Company. This approval is required under Section 163 of the Companies Act, 1956. The members have given their approval at the 39th Annual General Meeting of the Company for keeping the said documents in the office of the Registrar and Share Transfer Agent: M/s. Intime Spectrum Registry Limited, at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080. Consequent to the

shifting of the office of Intime Spectrum Registry Limited to C-13, Pannalal Silk Mills Compound, L. B. Shastri Marg, Bhandup (W), Mumbai 400 078, members' approval is sought for keeping the said documents at their new office.

The Directors recommend the resolution under Item No. 6 for acceptance by the Members.

None of the directors are deemed to be concerned or interested in the proposed resolution.

BY ORDER OF THE BOARD



Mumbai:
June 7, 2003

BRAHM VASUDEVA
CHAIRMAN & CHIEF EXECUTIVE OFFICER



HAWKINS COOKERS LIMITED

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BOARD OF DIRECTORS

J. M. Mukhi Shishir K. Diwanji Gerson da Cunha Gen. V. N. Sharma (Retd.) B. K. Khare
 Brahm Vasudeva
 CHAIRMAN & CHIEF EXECUTIVE OFFICER

M. A. Teckchandani K. Sundararaghavan
 EXECUTIVE DIRECTOR – OPERATIONS EXECUTIVE DIRECTOR – FINANCE & ADMINISTRATION

AUDIT COMMITTEE

B. K. Khare Shishir K. Diwanji Gerson da Cunha
 CHAIRMAN

COMPANY SECRETARY

Hutoxi Bhesania

AUDITORS

A. F. Ferguson & Co.

REGISTERED OFFICE

Maker Tower F 101, Cuffe Parade, Mumbai 400 005 India
 Tel: 2218 66 07 Fax: 2218 11 90

SOLICITORS

Desai & Diwanji
 Crawford Bayley & Co.

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Ltd.
 C-13, Pannalal Silk Mills Compound,
 L. B. Shastri Marg, Bhandup (West),
 Mumbai 400 078
 Tel: 2592 38 37 Fax: 2567 26 93

BANKERS

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

DIRECTORS' REPORT TO SHAREHOLDERS

We have the honour to present our 43rd report and audited statement of accounts for the year ended March 31, 2003.

2002-03 OPERATIONS: MAIN RESULTS

In 2001-02, we had reported the first loss in 40 years. As stated in our report last year, the main reason for the loss in that year was a 19% year-on-year decrease in the volume of our pressure cookers sold in India. In 2002-03, we launched a new sales policy which has succeeded in reducing the year-on-year rate of decrease in the volume of our pressure cookers sold in India from 19% in 2001-02 to 3.4% in 2002-03.

Aggregate net sales value in 2002-03 was Rs.1,083.5 million, down 6.0% over the previous year. The reason why the sales value is down more than the sales volume of pressure cookers is because we have taken a price reduction in our pressure cookers of up to 7% on March 1, 2003, following a reduction in excise duty on pressure cookers from 16% to 8% on the same date. Also, sales value of spare parts in 2002-03 was 18% less than the previous year. The decline in the sales value of pressure cookers and parts has been offset to some extent by the increase in our cookware sales in India (up 6.5% by value) and the increase in our total exports (up 2.8% by FOB value).

Total income was Rs.1,105.7 million, down 4.9% over the previous year. The net loss after tax for the year was Rs.69.1 million as against the net loss after tax of Rs.20.6 million in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Hawkins Position in the Pressure Cooker Market

Market research shows that the market for all pressure cookers in India was flat in the last two years. In this period, the market share of Hawkins pressure cookers has remained about the same. Hawkins continues to be the clear Number One brand in the pressure cooker market and has in fact increased its lead over the Number Two brand.

The apparent contradiction between Hawkins declining sales volumes and the fact that Hawkins has virtually maintained market share in a steady market is explained by the down-stocking of Hawkins pressure cookers by the trade. In the year 2001-02, such down-stocking was occurring as a result of "loss-leading" in Hawkins pressure cookers by large wholesalers. In 2002-03, the down-stocking has continued, though for a different reason. The "loss-leading" by large wholesalers has been stopped by our new sales policy. However, the changes made by our new sales policy discouraged many of our wholesalers: large wholesalers found that the arbitrage they enjoyed previously was no longer available; instead, they were offered some new proposals by us which they did not find practical. As a result, down-stocking by wholesalers continued through 2002-03. With the benefit of hindsight, we can say that a period of withdrawal from intense activity by wholesalers around Hawkins was perhaps inevitable in the implementation of a new sales policy that sought to end "loss-leading" and to create a level-playing field amongst all the dealers, whether wholesaler or retailer.

Nevertheless, we are confident that our new sales policy is succeeding because:

- We have stopped "loss-leading".
- We have increased the number of dealers dealing directly with the company from 1,604 in the previous year to 2,490 in the year under report, an increase of 55%.
- Our newer brands/sub-brands of pressure cookers and all items of cookware have particularly benefited from increased direct distribution. This is because the classic Hawkins pressure cookers were even earlier finding their way through wholesalers to a much larger number of dealers than those that dealt directly with us. The newer brands/sub-brands of pressure cookers and all items

of cookware did not enjoy wholesale distribution to the same extent as classic Hawkins pressure cookers and consequently have gained the most by the increase in our direct distribution.

- We have recently, in the current year, made certain fine-tuning adjustments to our new sales policy in regard to wholesalers which have been widely welcomed by them. Without increasing the advantage available to wholesalers, we have offered them opportunities which they find practical. Our sales force is confident that we will now have the full cooperation of our wholesalers without once again creating a situation of endemic "loss-leading".

As far as the total market for pressure cookers is concerned, we expect that, starting in the current year, the market will resume growth at a secular rate of 4% to 5% per annum in the foreseeable future, provided we have a fairly normal monsoon this year. 37% of pressure cookers are being bought by consumers in rural areas and their sentiment will be important for the growth of the pressure cooker market. Another reason for us to be optimistic is the fact that excise duty has been reduced from 16% to 8% and the benefit of this reduction has been substantially passed on to the consumer. 64% of pressure cookers are bought by consumers with monthly household incomes of Rs.5,000 or less. Provided the suppliers of our main raw material, aluminium, exercise restraint in pricing, we are hopeful that lower consumer prices will translate into larger sales volumes.

Hawkins is well positioned to benefit from the resurgence of growth in the pressure cooker market because the number of repeat buyers of pressure cookers in the market is growing. Purchases by repeat buyers have already reached around 50% of the total purchases by consumers in the pressure cooker market. Whereas Hawkins has the largest share of any brand amongst first time buyers, Hawkins share amongst repeat buyers is

substantially more. We can only conclude that consumers who have experienced pressure cooking appreciate the quality, features and benefits offered to them by the Hawkins range of pressure cookers and are better able to justify the premium they have to pay for a Hawkins pressure cooker over the cheap brands that flood the market.

Hawkins Cookware

In the cookware market, Hawkins occupies the high quality niche. Here, too, as more and more consumers experience the quality, features and benefits of Hawkins cookware, more and more consumers prefer to buy Hawkins notwithstanding the premium they may have to pay over cheap cookware. Our growth in cookware in the year under report was seriously hampered by product shortages. We are taking energetic steps to gear up cookware supplies in line with market requirements. We are pleased to report that our cookware quality is appreciated even in the highly competitive export markets where our cookware sales are up 30% by value.

Material Costs

In the year 2002-03, stock of finished goods came down from Rs.258.7 million at the start of the year to Rs.173.2 million at the close of the year. Similarly, work-in-progress came down from Rs.52.6 million at the start of the year to Rs.33.1 million at the close of the year. If adjustment is made for this reduction in stock and work-in-progress, material cost as a percentage of net sales value in the year 2002-03 would not be 43.0% but 37.0%. In the previous year, after adjustment for the increase in closing stocks in that year, material cost as a percentage of net sales value was 35.1%.

Expenses

Total expenses were reduced by Rs.94.0 million from Rs.796.5 million in 2001-02 to Rs.702.5 million in 2002-03. The major elements of the cost were controlled as follows:

- Personnel costs were brought down from Rs.207.9 million in 2001-02 to Rs.196.8 million