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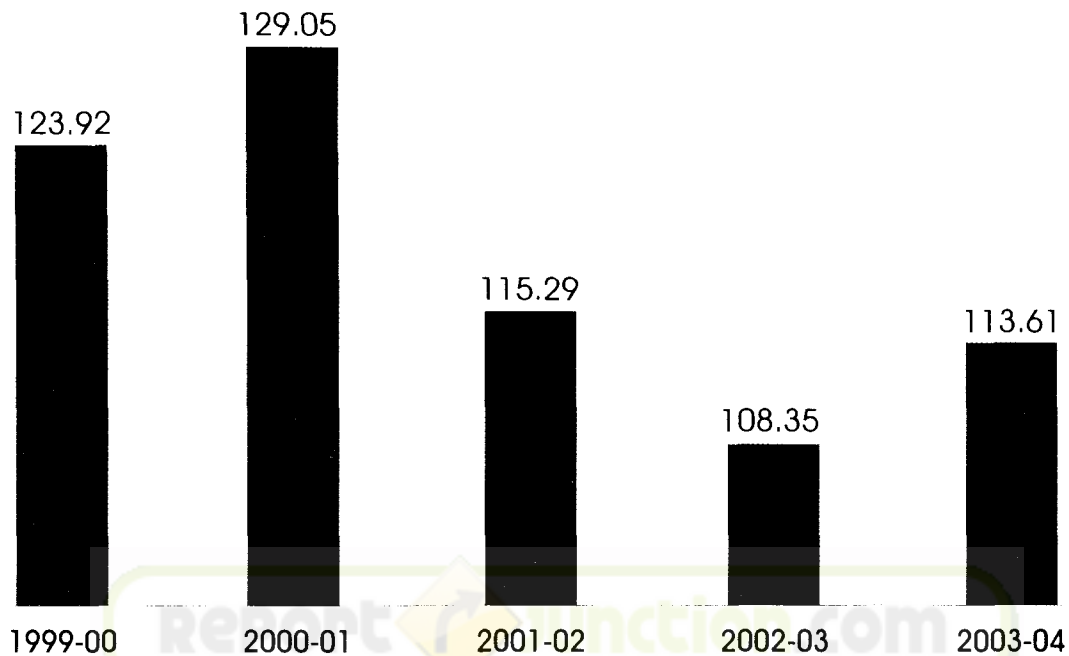
2003 - 04

The year of turnaround. A new beginning.

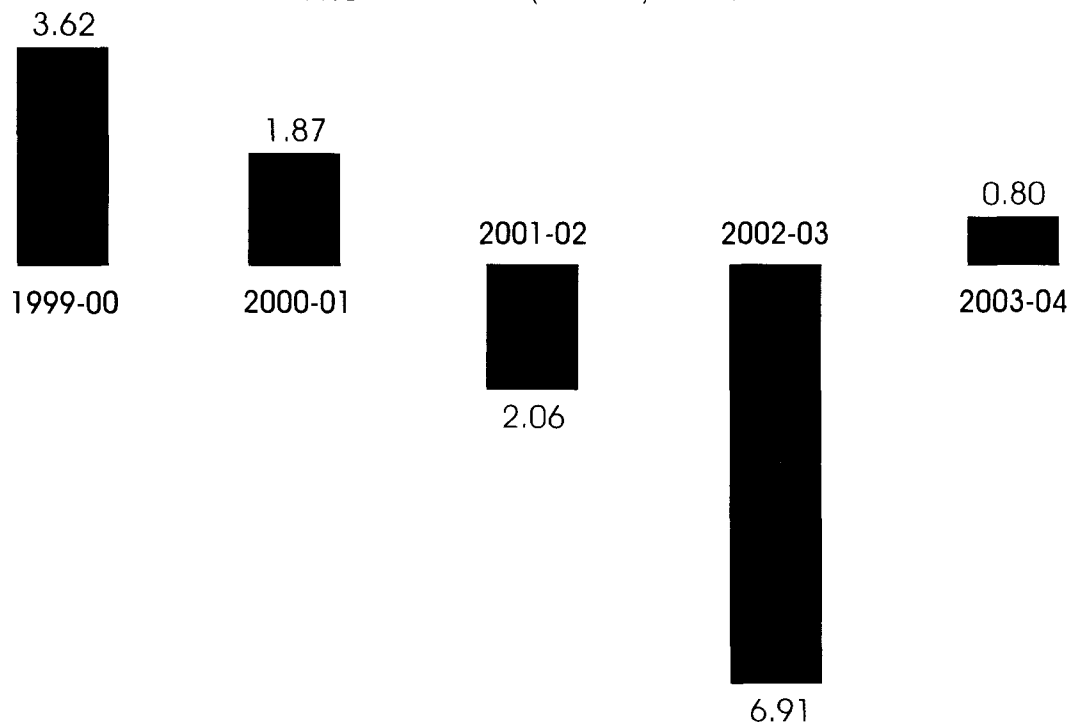
HAWKINS COOKERS LIMITED ANNUAL REPORT

TURNAROUND: FINANCIAL PERFORMANCE HIGHLIGHTS

SALES (INCLUDING EXCISE DUTY) Rs. CRORES



PROFIT OR LOSS (AFTER TAX) Rs. CRORES



HAWKINS COOKERS LIMITED ANNUAL REPORT 2003-04

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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	Gen. V. N. Sharma (Retd.)
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: 5555 5454 Fax: 5555 5353

BANKERS

Dena Bank
Punjab National Bank
The Saraswat Co-operative Bank Limited
Corporation Bank

DIRECTORS' REPORT TO SHAREHOLDERS

We have the honour to present our 44th report and audited statement of accounts for the year ended March 31, 2004.

2003-04 OPERATIONS: MAIN RESULTS

Sales (including excise duty) in 2003-04 were Rs.1136.1 million, up 4.9% over the previous year. Sales net of excise duty were Rs.1055.5 million, up 9.5% over the previous year. The net profit after tax for the year was Rs.8.0 million as against the net loss after tax of Rs.69.1 million in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Pressure Cookers

Market research for the year 2003 established the fact that Hawkins continues to be the clear number one brand in the pressure cooker market. The New Sales Policy initiated by the Company in July 2002, took some time to take root and with some fine tuning done in 2003 has delivered good results in the year under report. Pressure cooker sales to dealers and civil institutions have grown by an impressive 29% in volume, proving the accuracy of our diagnosis and the effectiveness of the changes made under the New Sales Policy. The reduction in the prices of our pressure cookers consequent to the excise duty reduction from 16% to 8% last year has also contributed to increased consumer offtake.

The total increase in our pressure cooker sales volume was 9.4%, much less than the growth in our major market segment of dealers and civil institutions, because of a decline in exports and in primary sales to the Canteen Stores Department. The reason for the decline in exports to a great extent was the declining value of the dollar which obliged us to ask for price increases. In CSD, our sales promotions have succeeded in reversing the declining offtake trend the benefit of which is already being felt in primary sales in the current year.

Cookware

During the year the Company launched a major re-branding exercise to bring all its cookware – Hard Anodised and Nonstick – under one single brand, "Futura". The decrease of 5.2% in cookware sales in the year under report compared to the previous year was owing to disruptions in supply arising from the re-branding exercise and other supply-related reasons. Demand for our cookware was strong and led to significant quantities of unexecuted orders throughout the year. The re-branding is now over and we are confident that our cookware supply chain will henceforth keep pace with growing sales for which we already see evidence in the current year.

Material Costs

Material costs have generally remained steady throughout the year. The significant exception is stainless steel which affects our business to a limited extent. More worrying is the price increase in aluminium intimated to us effective April 2004. As of now, we are continuing a dialogue with our major suppliers requesting them to exercise price restraint in our mutual interest.

Expenses

Total expenses (excluding excise duty) were reduced by Rs.12.2 million from Rs.606.5 million in 2002-03 to Rs.594.3 million in 2003-04. Major elements of cost were controlled as follows:

- Interest costs were reduced by Rs.11.7 million or 24.2% from Rs.48.4 million in 2002-03 to Rs.36.7 million in 2003-04 largely through reduced utilization of borrowings.
- Advertising costs were reduced by Rs.23.2 million or 25.6% from Rs.90.8 million in 2002-03 to Rs.67.6 million in 2003-04 through more focussed advertising.
- Personnel costs increased from Rs.196.8 million in 2002-03 to Rs.210.2 million in 2003-04, an increase of Rs.13.4 million or 6.8%, mainly on account of delayed Labour Agreements concluded during the year. The number of employees came down by natural attrition during the year by 39 persons or 3.4% from 1145 as on March 31, 2003, to 1106 as on March 31, 2004.

Employee Morale

After two successive years of losses, we find that the morale of employees at all locations and in all departments is commendably high, particularly as they now see some positive results in the year under report. In our judgement, our workers, staff and management combine a good degree of realism and awareness of their company's condition with a determination to do all that is necessary to return the company to a path of high growth and profits. Industrial relations are normal.

Control Systems

In our judgment, the company has adequate financial and administrative systems and controls and an effective internal audit function.

Outlook

Having demonstrated our ability to reverse the two-year decline in sales and to restrain costs, we feel

confident that we are well positioned to take advantage of the growth in demand in our markets and to increase our market share.

All forward-looking statements in our report are based on our assessments and judgements exercised in good faith at this time. Actual developments and/or results may differ from our anticipation.

2003-04 OPERATIONS: OTHER ASPECTS

FOB value of exports was Rs.62.0 million (previous year: Rs.75.6 million). Foreign Exchange used in the year under report was Rs. 16.4 million (previous year: Rs.20.4 million).

During the year, we successfully launched four new models of pressure cookers: 3.5 Litre and 5 Litre Ventura, 2 Litre Ekobase and 1.5 Litre Miss Mary. In Futura cookware, we launched two items: 4 Litre Nonstick Kadhai and 7.5 Litre Hard Anodised Deep Fry Pan. We also added two sets each in hard anodised and nonstick cookware.

The expenditure on Research and Development was Rs.10.8 million, 1.0% of turnover (previous year: Rs.12.8 million, 1.2%). Required details are given in the Appendix. Efforts continued in our factories to save energy wherever possible.

We appreciate very much the contributions of employees and associates. None of our employees received gross remuneration exceeding the limits prescribed in the Section 217(2A) of the Companies Act, 1956.

DIVIDEND AND APPROPRIATIONS

As against nil dividend in the previous year, we are pleased to recommend One Rupee per share as dividend at the rate of 10%.

Out of the amount available for appropriation of Rs.8.0 million (previous year: Nil), we propose Rs.5.3 million as provision for dividend (previous year: Nil); tax on distributed profits on proposed dividend Rs.0.7 million (previous year: Nil); and Rs.2.0 million as surplus carried to the Balance Sheet (previous year: Nil).

FIXED DEPOSITS

Of the fixed deposits maturing for payment prior to March 31, 2004, five fixed deposits amounting to Rs.28,198 were neither renewed nor claimed till March 31, 2004.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board confirms that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation given relating to material departures.

2. 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/loss of the Company for that period.

3. 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.

4. The directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. M. A. Teckchandani and Mr. K. Sundararaghavan, Wholtime Directors, retire by rotation and, being eligible, offer themselves for reappointment. The present tenures of the said Wholtime Directors expire on November 11, 2004. The Board at its meeting today reappointed Mr. M. A. Teckchandani and Mr. K. Sundararaghavan for a further period of three years with effect from November 12, 2004, subject to your approval for which suitable resolutions are proposed.

The contract with Mr. Brahm Vasudeva for his appointment as Chairman and Managing Director of the Company (designated as Chairman of the Board and Chief Executive Officer) expires on May 31, 2004. The Board at its meeting today reappointed Mr. Brahm Vasudeva for a further period from June 1, 2004 to April 25, 2006, subject to your approval for which a suitable resolution is proposed.

We propose the appointment of Mr. Subhadip Dutta Choudhury as Executive Director (Marketing) with effect from August 1, 2004, for a period of three years. Mr. Dutta Choudhury joined your Company as a Management Trainee in 1992 as a fresh Postgraduate from the Indian Institute of Management, Calcutta; at present, he is Senior Vice President-Marketing.

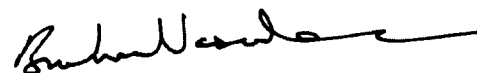
CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange form part of the Annual Report.

AUDITORS

Messrs A. F. Ferguson & Co. retire and, being eligible, offer themselves for reappointment.

ON BEHALF OF THE BOARD OF DIRECTORS



Mumbai

BRAHM VASUDEVA

May 31, 2004

CHAIRMAN & CHIEF EXECUTIVE OFFICER

DIRECTORS' REPORT: APPENDIX**RESEARCH & DEVELOPMENT**

Specific areas in which R&D efforts have been carried out: Quality improvement of existing products and design of new products. Benefits derived as a result: Launch of new products as noted in the Report plus design and quality improvement/cost reduction. Future Plan of Action: We intend to support the R&D Centre and Test Kitchen to meet corporate objectives for quality improvement, cost reduction and introduction of new products. Capital expenditure on R&D: Nil.

Recurring expenditure: Rs.10.8 million, 1.0% of total turnover (previous year: Rs. 12.8 million, 1.3%).

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made: The company has relied upon internal generation. As of 1st April 2003, the Company had 80 valid patents and design registrations in force in 7 countries. During the year, 1 patent and 4 design registrations were granted and 1 patent and 1 design applications were filed. Benefits derived: as described in this Appendix. No technology has been imported for the last five years.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of Hawkins Cookers Limited**

We have examined the compliance of conditions of Corporate Governance by Hawkins Cookers Limited, for the year ended 31st March, 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange in India.


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 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 state that in respect of investor grievances received during the year ended 31st March, 2004, no investor grievances are pending against the Company as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

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.

FOR A. F. FERGUSON & CO.
Chartered Accountants



S. R. Tata
Partner

Mumbai: May 31, 2004

REPORT ON CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY**

Hawkins Cookers Limited believes in corporate governance that optimises results in the long-term, duly balancing the expectations of all major stakeholders, consumers, employees, associates and shareholders. It achieves the required results by focussing on technology, management and marketing in the area of durable products for consumers' kitchens. The company is committed to transparency, fair dealings and the creation of value on competitive merit.

BOARD OF DIRECTORS

The Board of Directors comprises of eight directors: a Chairman and Chief Executive Officer, two Executive Directors and five Non-Executive Directors. During the year, four Board Meetings were held: on June 7, 2003, July 31, 2003, October 31, 2003, and January 31, 2004. Directors' attendance record and directorships/memberships of Committees are as follows:

NAME OF DIRECTOR	POSITION	BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	OTHER DIRECTORSHIPS (*)	MEMBERSHIP IN BOARD COMMITTEES OF OTHER COMPANIES
Brahm Vasudeva	Promoter Chairman & Chief Executive Officer	4	Yes	2	None
M.A. Teckchandani	Executive Director	4	Yes	1	None
K. Sundararaghavan	Executive Director	4	Yes	None	None
J. M. Mukhi	Independent Non-Executive Director	2	No	3	1 (Chairman of Committee)
Shishir K. Diwanji	Independent Non-Executive Director	3	Yes	13	5
Gerson da Cunha	Independent Non-Executive Director	4	Yes	1	None
General V. N. Sharma (Retd.)	Independent Non-Executive Director	3	Yes	None	None
B. K. Khare	Independent Non-Executive Director	4	Yes	8	1

(*) Includes Private Limited Companies and Companies incorporated under Section 25 of the Companies Act, 1956.

AUDIT COMMITTEE

The Audit Committee is charged with the responsibility to oversee the Company's financial reporting process and disclosure of its financial information; to recommend the appointment of Statutory Auditors and the fixation of their fees; to review and discuss with the Auditors about the internal control system, the scope of audit including the observations of the Auditors, the adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any; to review the Company's financial and risk management policies; to discuss with the internal Auditors any significant findings for follow-up thereon; to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and noted or acted upon, as required.

The Audit Committee was enlarged by the Board of Directors at its meeting held on January 31, 2004. Presently, it comprises of four independent Non-Executive Directors. The Audit Committee met three times during the year and the attendance of Members at the Meetings was as follows:

NAME OF DIRECTOR	STATUS	NO. OF MEETINGS ATTENDED
B. K. Khare	Chairman	3
Shishir K. Diwanji	Member	3
Gerson da Cunha	Member	3
General V. N. Sharma (Retd.)	Member	None (*)

(*) General V.N. Sharma (Retd.) was appointed as a Member of the Audit Committee on January 31, 2004. No meeting of the Audit Committee was held after that date in the year under report.

REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Directors at its Meeting held on January 31, 2004. The members of the Remuneration Committee are Mr. Shishir K. Diwanji, Mr. J.M. Mukhi, Mr. Gerson da Cunha and Mr. B.K. Khare, all being independent Non-Executive Directors. The Chairman of the meeting of the Remuneration Committee will be appointed by and from amongst the members of the Committee. No meeting of the Remuneration Committee was held during the year 2003-04. The role of the Remuneration Committee is to approve the remuneration of Wholtime Directors under Section II of Part II of Schedule XIII to the Companies Act, 1956, in the event of no profits or inadequate profits.

DIRECTORS' REMUNERATION FOR THE YEAR 2003-04

NAME OF DIRECTOR	SALARY (Rs.)	PROVIDENT FUND, SUPERANNUATION, ANNUITY & GRATUITY (Rs.)	PERQUISITES & ALLOWANCES (Rs.)	TOTAL (Rs.)	CONTRACT PERIOD
Brahm Vasudeva	1,050,000	333,981	742,571	2,126,552	1.6.1999 to 31.5.2004
M.A. Teckchandani	1,164,000	394,596	36,000	1,594,596	12.11.2001 to 11.11.2004
K. Sundararaghavan	1,104,602	374,460	95,398	1,574,460	12.11.2001 to 11.11.2004

Sitting Fees Paid to Non-Executive Directors during the year 2003-04, are as follows:

NAME OF DIRECTOR	BOARD MEETINGS (Rs.)	COMMITTEE MEETINGS (Rs.)	TOTAL (Rs.)
Shishir K. Diwanji	15,000	22,500	37,500
J.M. Mukhi	10,000	0	10,000
Gerson da Cunha	20,000	22,500	42,500
General V.N. Sharma (Retd.)	15,000	0	15,000
B. K. Khare	20,000	7,500	27,500

SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee is to look into the redressal of shareholders' complaints, if any. The number of shareholders' complaints received during the year 2003-04 are 36 and all have been resolved satisfactorily. The Committee also approves requests for issue of new certificates on loss/consolidation/split/defacement/transmission/rematerialisation, etc. The Shareholders' Grievance Committee was formed on March 1, 2003. The Shareholders' Grievance Committee comprises of two Non-Executive Directors and two Executive Directors. The Company Secretary is the Compliance Officer. The members of the Committee are:

NAME OF DIRECTOR	STATUS
Shishir K. Diwanji	Chairman
Gerson da Cunha	Member
M.A. Teckchandani	Member
K. Sundararaghavan	Member

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	LOCATION
2000-2001	31.7.2001	4:00 PM	Jai Hind College, Mumbai
2001-2002	31.7.2002	4:00 PM	Jai Hind College, Mumbai
2002-2003	31.7.2003	4:00 PM	Kishinchand Chellaram College, Mumbai

No special resolutions were required to be put through postal ballot last year. No special resolutions on matters requiring postal ballot are placed for shareholders' approval at this Meeting.

DISCLOSURES

There were no transactions of a material nature with the promoters, the Directors or the Management, or relatives, subsidiaries, etc. that may have potential conflict with the interest of the Company at large.

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets except that the Company availed on March 28, 2003, the SEBI Amnesty Scheme under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, for certain inadvertent delayed disclosures as already reported in our Annual Report for 2002-03.

MEANS OF COMMUNICATION

During the year, quarterly results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing agreement. Quarterly results are published as required in prominent local daily newspapers, namely, The Economic Times and Maharashtra Times. The results are displayed on the website www.sebiedifar.nic.in. No presentations have been made to institutional investors or to the analysts. The Management Discussion and Analysis forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting is to be held on Friday, the 30th day of July, 2004, at 4.00pm at Jai Hind College Hall, 'A' Road, Churchgate, Mumbai 400 020.

The Financial Calendar is as follows

- Annual Results of 2003-04: May 31, 2004
- First Quarter Results: July 30, 2004
- Dates of Book Closure: July 23, 2004 to July 30, 2004
- Mailing of Annual Report: By July 6, 2004.
- Annual General Meeting: July 30, 2004.

Equity shares of the Company are listed on the Bombay Stock Exchange. Stock Code:508486

Stock Market Price data for the year 2003-2004

MONTH	COMPANY STOCK PRICES (Rs.)		SENSEX INDEX	
	HIGH	LOW	HIGH	LOW
April	23.20	16.85	3221.90	2904.44
May	21.45	19.35	3200.48	2934.78
June	22.20	19.50	3632.84	3170.38
July	20.50	19.45	3835.75	3534.06
August	20.30	19.05	4277.64	3722.08
September	19.10	17.30	4473.57	4097.55
October	19.45	17.65	4951.11	4432.93
November	20.05	18.00	5135.00	4736.70
December	29.00	20.00	5920.76	5082.82
January	33.00	21.90	6249.60	5567.68
February	22.00	17.50	6082.80	5550.17
March	18.60	15.00	5923.35	5324.78

Registrar and Share Transfer Agent: The Company's Registrar and Share Transfer Agent is M/s Intime Spectrum Registry Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078 (RTA). The RTA acknowledges and executes transfer of shares, arranges for issue of dividend, processes dematerialisation and rematerialisation of shares, receives and deals with complaints from investors under the supervision and control of the Company.

Share Transfer System: The Company's shares are traded in the Stock Exchange in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time. The Company followed the transfer-cum-demat system uptill 12th February, 2004.

Distribution of Shareholding as on March 31, 2004

CATEGORY	NO. OF SHARES HELD	% SHAREHOLDING
Banks/Financial Institutions	344,200	6.51
Unit Trust of India	12,000	0.23
Bodies Corporate	100,702	1.90
Promoters	2,962,836	56.03
Others	1,868,077	35.33
Total	5,287,815	100.00

Dematerialisation of Shares: As on 31st March, 2004, 35.67% of the Company's total shares representing 18,86,106 shares were held in dematerialised form and the balance 34,01,709 shares were held in physical form.

Plant Locations: The Company's plants are located at Thane (Maharashtra), Hoshiarpur (Punjab) and Jaunpur District (UP).

Address for communication: The Company's registered office is situated at Maker Tower F101, Cuffe Parade, Mumbai 400005, Maharashtra. Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participant.