

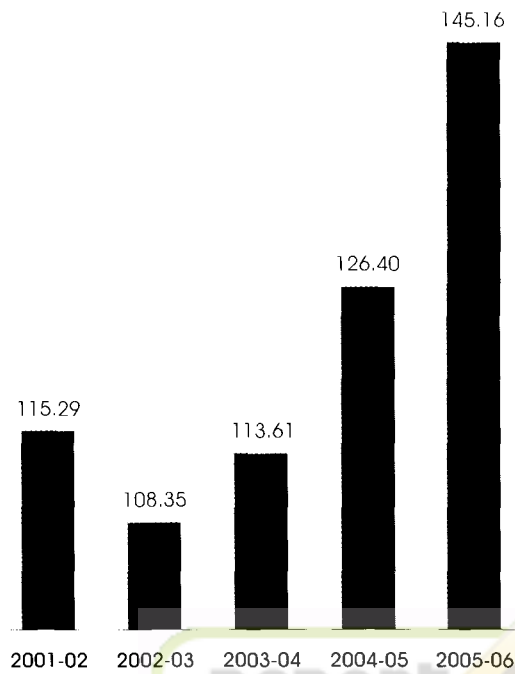


GROWING BRANDS BY DESIGN

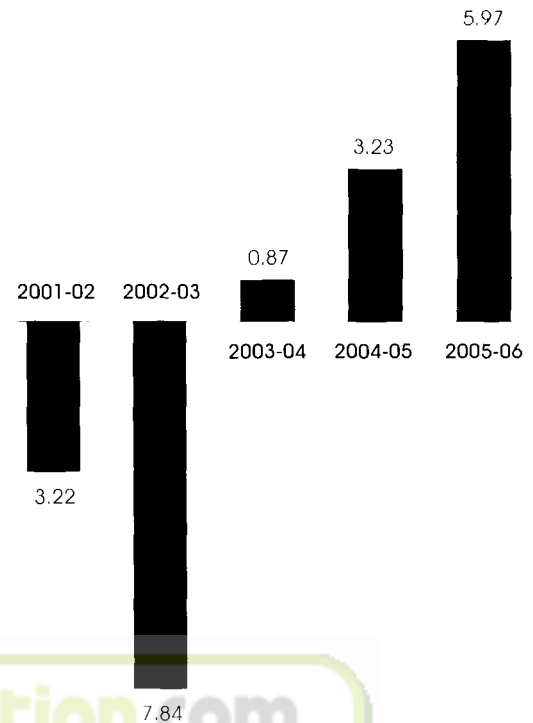


TURNAROUND: FIVE-YEAR FINANCIAL PERFORMANCE HIGHLIGHTS

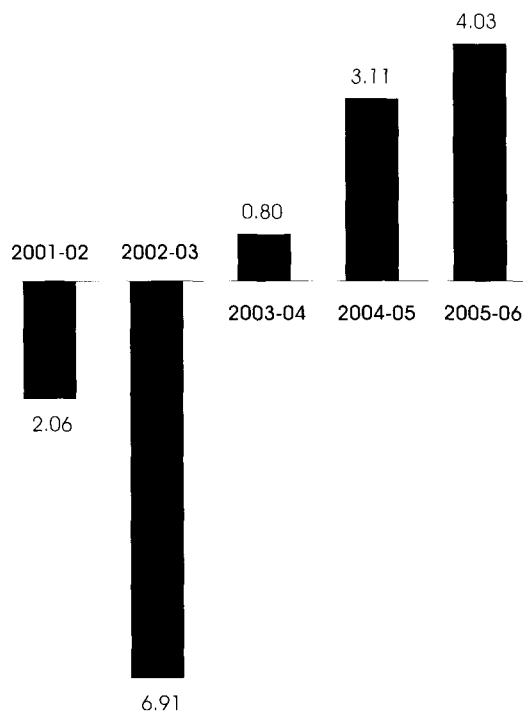
SALES (INCLUDING EXCISE DUTY) Rs. CRORES



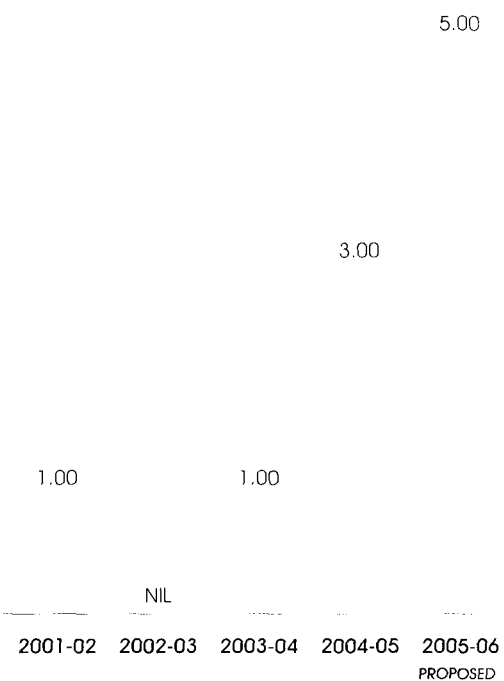
PROFIT OR LOSS BEFORE TAX Rs. CRORES



PROFIT OR LOSS AFTER TAX Rs. CRORES



DIVIDEND PER SHARE RUPEES



1 CRORE = 10 MILLION

HAWKINS COOKERS LIMITED ANNUAL REPORT 2005-06

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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		S. Dutta Choudhury VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER	
	M. A. Teckchandani EXECUTIVE DIRECTOR – OPERATIONS		K. Sundararaghavan EXECUTIVE DIRECTOR – FINANCE & ADMINISTRATION	

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

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: 2596 3838 Fax: 2596 2691

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 forty-sixth Annual Report and audited statement of accounts for the year ended March 31, 2006.

2005-2006 OPERATIONS: MAIN RESULTS

We are happy to report that both sales and profit before tax are the highest ever in the history of your Company.

Sales (including excise duty) in 2005-06 were Rs.1452 million, up 15% over the previous year. Sales net of excise duty were Rs.1364 million, up 16% over the previous year. The profit before tax was Rs.59.7 million, up 85% over the previous year. The net profit after tax for the year was Rs.40.3 million, up 30% over the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Pressure Cookers

Pressure cooker sales volume increased by 3% and sales value by 11% over previous year. The 3% volume increase is the composite result of a 27% increase in dealer sales in the general market and a 38% decline in sales to institutions. The decline in sales to institutions was mainly caused by the initial confusion amongst our institutional customers following the introduction of the fringe benefit tax and the change from sales tax to value added tax in most states. These and other problems have been addressed by our customers and ourselves and the decline in institutional sales has been reversed by now. Along with the very buoyant trend in dealer sales in the general market, this gives us the confidence to look forward to a much better rate of growth in pressure cooker sales in the current year.

Market Research for the year 2005 shows that Hawkins continues to be the Number One brand in the pressure cooker market and that the total pressure cooker market in India is growing at 8.3% per annum.

Cookware

Cookware sales volume increased by 51% and sales value by 57% over previous year. Both the Hard Anodised and Nonstick ranges of our Futura Cookware are doing very well.

Product Design and Brand Development

Underlying the success of our brands in both the pressure cooker and cookware markets is our commitment to excellence in product design. We find that the markets are becoming increasingly responsive to good design. Your Company is well-positioned to take advantage of this emerging market trend as it has long pursued excellence

in design. You can read more about Hawkins product design on page 25 of this Annual Report and see some examples on page 26.

Material Costs

Inflation in metals, particularly aluminium and copper, during the second half of the year and continuing even as of now, is a cause for concern. Recently, there are some indications that the inflationary trend may have peaked. Meanwhile, we are continuing our efforts to persuade our principal suppliers to exercise price restraint in our mutual interest.

Expenses

As against an increase of 15.8% in sales (excluding excise duty), total expenses (excluding excise duty) increased by 7.9%. Major contributors to more economical working are -

- Lower interest costs - down from Rs.30.9 million in the previous year to Rs.20.7 million in the year under report.
- Lower advertising costs - down from Rs.76.2 million in the previous year to Rs.64.7 million in the year under report.
- Although total personnel costs increased from Rs.215 million in the previous year to Rs.233 million in the year under report, as a percentage of sales they have come down from 17.0% in the previous year to 16.1%.

A judicious control of costs continues to be a major part of our corporate strategy.

Tax Incidence

Your Company had incurred losses in the financial years 2001-02 and 2002-03. The carried-forward losses reduced the incidence of tax in the subsequent profit making years of 2003-04 and 2004-05. In the year under report, the residual brought-forward loss was Rs.14.8 million which was set off against the taxable profit of Rs.59.7 million thereby reducing the taxable profit to Rs.44.9 million.

In the year under report, therefore, the incidence of tax at the rate of 33.66% on the net taxable profit of Rs.44.9 million is Rs.15.1 million. However, the said amount of Rs.15.1 million is not payable as tax in the year because it is set off against the Deferred Tax Assets brought forward from previous years.

In the year under report, the Company has paid Rs.4.5 million on account of Fringe Benefits Tax and Rs.4.6

million on account of Minimum Alternative Tax. Thus the total tax paid in the year under report is Rs.9.1 million. However, the amount of Rs.4.6 million Minimum Alternative Tax is finally not debited to the Profit & Loss Account for the year as it is carried on the Balance Sheet as a credit entitlement of tax paid which can be set off against the tax demand of future years as permitted by law.

Cash Flow

Net cash flow from operating activities was Rs.118.4 million, up 40% over the previous year. The major use (58%) of this cash flow was to reduce long term loans and bank borrowings by Rs.68.0 million. Another use (13%) of the cash flow was to acquire fixed assets to the tune of Rs.15.5 million. Rs. 18.1 million was used to pay dividends and tax on dividends. This demonstrates the robust financial health of your Company.

Employee Morale

Morale of employees is high. Industrial relations are normal. We appreciate very much the contribution of all our employees.

Control Systems

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

Outlook

In our judgement, the outlook for our business is good. We are well-positioned to take advantage of the growth of demand in our markets and to increase our sales and profits.

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

2005-06 OPERATIONS: OTHER ASPECTS

FOB value of exports was Rs.88.6 million, up 37% over the previous year which was Rs.64.5 million. Foreign Exchange used in the year under report was Rs.13.0 million (previous year: Rs.8.6 million).

During the year we successfully launched three new models of pressure cookers: 3.5 Litre and 5 Litre Hard Anodised Hawkins Contura and 2 Litre Hawkins Ventura. In Cookware, we added 2.5 Litre round bottom Deep Fry Pan, 3 litre All Purpose Pan and 2-cup Tadka Pan.

The expenditure on Research and Development was Rs.9.1 million, 0.6% of turnover (previous year: Rs.9.9

million, 0.8%). Required details are given in the Appendix. Efforts continue in our factories to save energy wherever possible.

None of our employees received gross remuneration exceeding the limits prescribed in the Section 217(2A) of the Companies Act, 1956.

Of the fixed deposits maturing for payment prior to March 31, 2006, five fixed deposits amounting to Rs.28,198 were neither renewed nor claimed till March 31, 2006.

DIVIDEND AND APPROPRIATIONS

We are pleased to recommend Rupees Five per share as dividend at the rate of 50% (previous year: Rupees Three per share).

Out of the amount available for appropriation of Rs.47.3 million (previous year:Rs.33.1 million), we propose Rs.26.4 million as provision for dividend (previous year: Rs.15.9 million); tax on distributed profits on proposed dividend, Rs.3.7 million (previous year: Rs.2.2 million); Rs.5.0 million transfer to General Reserve (previous year: Rs.8.0 million); and Rs.12.2 million as surplus carried to the Balance Sheet (previous year: Rs.7.0 million).

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board confirms that:

1. 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.
2. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and proper explanation given relating to material departures. The directors have prepared the Annual Accounts on a going concern basis.
3. 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 of the Company for that period.

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.

CODE OF CONDUCT

The Board has formulated a Code of Conduct for all Directors of the Board and Senior Managers of the Company. This Code has been posted on the website of the Company. All Directors and Senior Management Personnel have affirmed compliance with the Code. A declaration to this effect signed by the Vice-Chairman and Chief Executive Officer of the Company appears elsewhere in this Annual Report.

DIRECTORS

Mr. Gerson da Cunha, Mr. B. K. Khare and Mr. M. A. Teckchandani, Directors, retire by rotation and, being eligible, offer themselves for reappointment.

After 38 years of distinguished service to your Company, Mr. Brahm Vasudeva retired as Chairman and Chief Executive Officer on April 25, 2006, the day before his seventieth birthday. With effect from April 26, 2006, Mr. Vasudeva became the Non-Executive Chairman of the Board of Directors of your Company. On that date, Mr. Vasudeva also commenced his 5-year appointment as Advisor to your Company. The directors wish to place on record their high appreciation for the very significant contributions made by Mr. Brahm Vasudeva to the culture and growth of your Company during his

executive tenure.

At its meeting held on January 28, 2006, the Board appointed Mr. Subhadip Dutta Choudhury as Vice-Chairman and Managing Director designated as Chief Executive Officer with effect from April 26, 2006. Mr. Dutta Choudhury joined your Company as a Management Trainee 14 years ago after successfully completing his studies as a Graduate Engineer from IIT Kharagpur and after acquiring a Post Graduate Diploma in Management from IIM Calcutta. He has wide and deep experience in sales management and marketing and was Executive Director, Marketing, before his elevation to the position of Vice Chairman and Chief Executive Officer. In the judgement of the Board, Mr. Dutta Choudhury is eminently qualified and well suited for the position to which he has been appointed. A suitable resolution regarding Mr. Dutta Choudhury's appointment is proposed for your approval at the AGM.

AUDITORS

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

ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai
June 12, 2006

BRAHM VASUDEVA
CHAIRMAN

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 and customer service and support. Capital expenditure on R&D: Nil.

Recurring expenditure: Rs.9.1 million, 0.6% of total turnover (previous year: Rs.9.9 million, 0.8%).

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made: The Company has relied upon internal generation. As of 1st April, 2005, the Company had 78 valid patents and design registrations in force in 7 countries. During the year, 1 patent application was filed. Benefits derived: as described above. No technology has been imported for the last five years.

COMPLIANCE WITH THE CODE OF CONDUCT

The Board has formulated a Code of Conduct for all Directors and Senior Managers of the Company which has been posted on the website of the Company. It is hereby affirmed that all Directors and Senior Managers have complied with the Code of Conduct framed by the Company and a confirmation to this effect has been obtained from all Directors

and Senior Managers. There is no instance of non-compliance.

BY ORDER OF THE BOARD OF DIRECTORS

Mumbai
June 12, 2006

SUBHADIP DUTTA CHOUDHURY
VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER

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, 2006, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange in India.

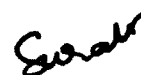
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, subject to the Company having laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures, as required by sub-clause IV (C)

of Clause 49 of the Listing Agreement, only at their meeting held on 27th May, 2006, we certify that the Company has, as at 31st March, 2006, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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: June 12, 2006

Membership No: 38320

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

Through the year under report, the Board of Directors comprised of a Chairman & Chief Executive Officer, three Executive Directors and five Non-Executive Directors. During the year, four Board Meetings were held: on May 28, 2005, July 29, 2005, October 29, 2005, and January 28, 2006. 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 OF BOARD COMMITTEES OF OTHER COMPANIES
Brahm Vasudeva	Promoter, Chairman & Chief Executive Officer (**)	4	Yes	1	None
M.A. Teckchandani	Executive Director	3	Yes	1	None
K. Sundararaghavan	Executive Director	4	Yes	None	None
S. Dutta Choudhury	Executive Director (**)	3	Yes	None	None
J. M. Mukhi	Independent Non-Executive Director	2	No	2	1 (Committee Chairman)
Shishir K. Diwanji	Independent Non-Executive Director	4	Yes	8	3
Gerson da Cunha	Independent Non-Executive Director	3	Yes	2	None
General V. N. Sharma (Retd).	Independent Non-Executive Director	4	Yes	None	None
B. K. Khare	Independent Non-Executive Director	4	No	5	None

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

(**) Mr Brahm Vasudeva retired as Wholtime Chairman and Managing Director of the Company on April 25, 2006, the day before his seventieth birthday. With effect from April 26, 2006, Mr. Vasudeva continues as a Non-Executive Chairman of the Board of the Company. With effect from April 26, 2006, Mr Subhadip Dutta Choudhury has been appointed as Vice-Chairman & Managing Director designated as Chief Executive Officer of the Company.

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 the 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; and 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 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	2
General V. N. Sharma (Retd.)	Member	3

REMUNERATION COMMITTEE

The Remuneration Committee comprises of four independent Non-Executive Directors: Mr. J.M. Mukhi, Mr. Shishir K. Diwanji, Mr. Gerson da Cunha and Mr. B. K. Khare. Mr. Mukhi is the Chairman of the Remuneration Committee. 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. No meeting of the Remuneration Committee was held during the year 2005-06.

DETAILS OF DIRECTORS' REMUNERATION FOR THE YEAR 2005-06

NAME OF DIRECTOR	SALARY (Rs.)	PROVIDENT FUND, SUPERANNUATION, ANNUITY & GRATUITY (Rs.)	PERQUISITES & ALLOWANCES (Rs.)	TOTAL (Rs.)	CONTRACT PERIOD
Brahm Vasudeva	1,380,000	438,946	149,040	1,967,986	1.6.2004 to 25.4.2006
S. Dutta Choudhury	1,100,004	388,631	83,763	1,572,398	1.8.2004 to 31.7.2007
M.A. Teckchandani	1,380,000	487,554	143,551	2,011,105	12.11.2004 to 11.11.2007
K. Sundararaghavan	1,380,000	487,554	136,211	2,003,765	12.11.2004 to 11.11.2007

Sitting Fees Paid to Non-Executive Directors during the year 2005-06, are as follows:

NAME OF DIRECTOR	BOARD MEETINGS (Rs.)	COMMITTEE MEETINGS (Rs.)	TOTAL (Rs.)
Shishir K. Diwanji	70,000	85,000	155,000
J.M. Mukhi	30,000	-	30,000
Gerson da Cunha	60,000	80,000	140,000
General V.N. Sharma (Retd.)	70,000	25,000	95,000
B. K. Khare	70,000	25,000	95,000

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 2005-06 are 26 (previous year 22) and all have been satisfactorily resolved. The Committee also approves requests for issue of new certificates on loss / consolidation / split / defacement /

transmission / rematerialisation, etc. The Committee met five times in 2005-06. The Shareholders' Grievance Committee comprises of two Non-Executive Directors and two Executive Directors; Mr. Shishir K. Diwanji, Mr. Gerson da Cunha, Mr. M. A. Teckchandani and Mr. K. Sundararaghavan. The Chairman of the Committee is Mr. Diwanji. The Company Secretary is the Compliance Officer.

RISK MANAGEMENT

The subject of risk management was discussed by the Board at its meeting held on January 28, 2006. Pursuant to this discussion, the Executive Directors evolved a formal framework for risk management. The said framework was reviewed and approved by the Board at its meeting on May 27, 2006.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	LOCATION	SPECIAL RESOLUTIONS PASSED
2002-2003	31.7.2003	4:00 PM	Kishinchand Chellaram College, Mumbai	1. Register of Members and other documents to be kept at the office of the Registrar and Transfer Agents.
2003-2004	30.7.2004	4:00 PM	Jai Hind College, Mumbai	None
2004-2005	29.7.2005	4:00 PM	Jai Hind College, Mumbai	1. The amendment of various articles pertaining to Wholetime Chairman. 2. An agreement with Mr. Brahm Vasudeva, for the Company availing his advisory services. 3. The approval for holding an office of profit and revised remuneration payable to Mr. Neil Vasudeva, son of Mr. Brahm Vasudeva, Chairman & Chief Executive Officer. 4. Commission payable to Non-Wholetime Directors.

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 any 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.

MEANS OF COMMUNICATION

During the year, quarterly results were approved by the Board of Directors and submitted to the Stock Exchange 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 Company's website www.hawkinscookers.com and on www.sebidelfar.nic.in. No presentations have been made to institutional investors or to analysts. Management Discussion and Analysis is stated in the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

The Annual General Meeting is to be held on Friday, the 28th day of July, 2006, at 4.00pm at Patkar Hall, SNDT Women's University, Thackersey Road, Churchgate, Mumbai 400 020.