

Hawkins Cookers Limited



For 50 years



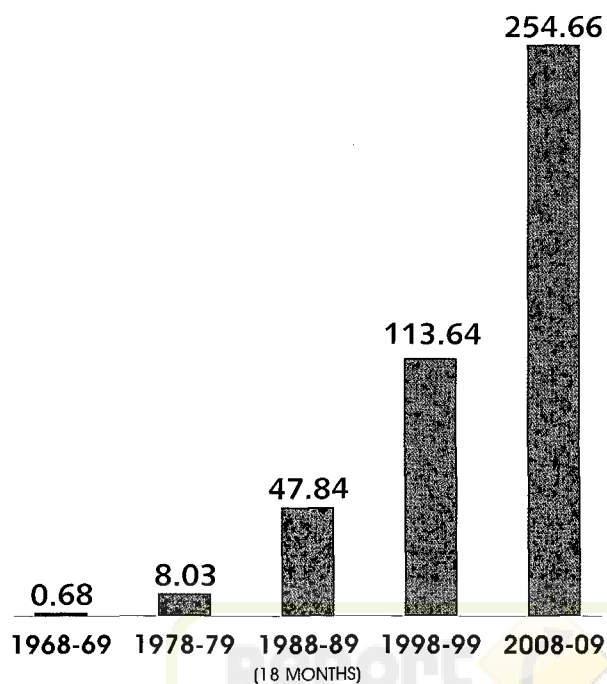
Serving 44 million homes...



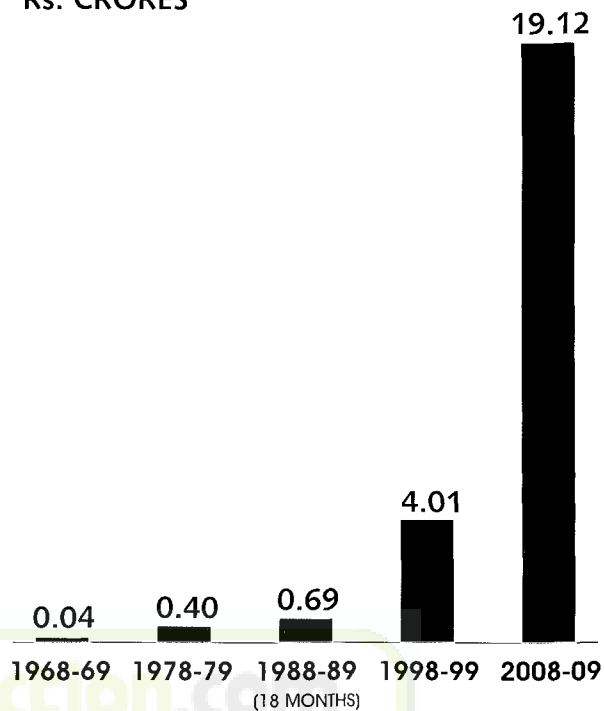
Annual Report 2008-09

FINANCIAL PERFORMANCE: EVERY TENTH YEAR

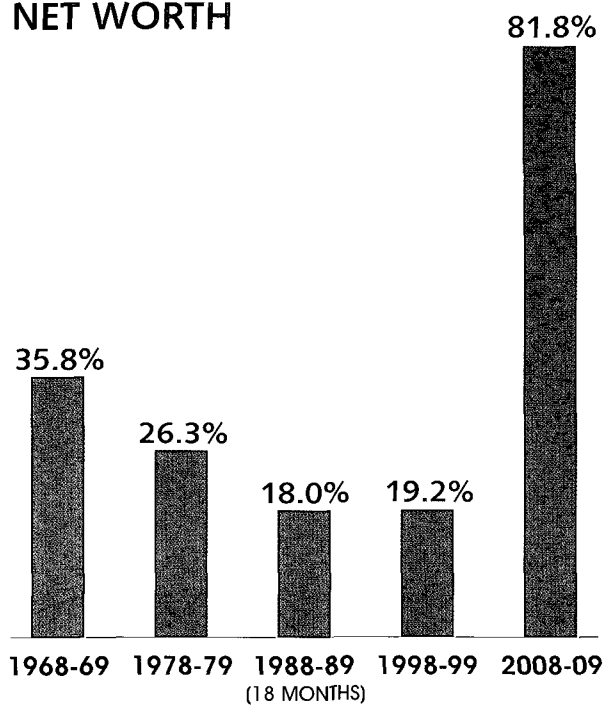
SALES (INCLUDING EXCISE DUTY) Rs. CRORES



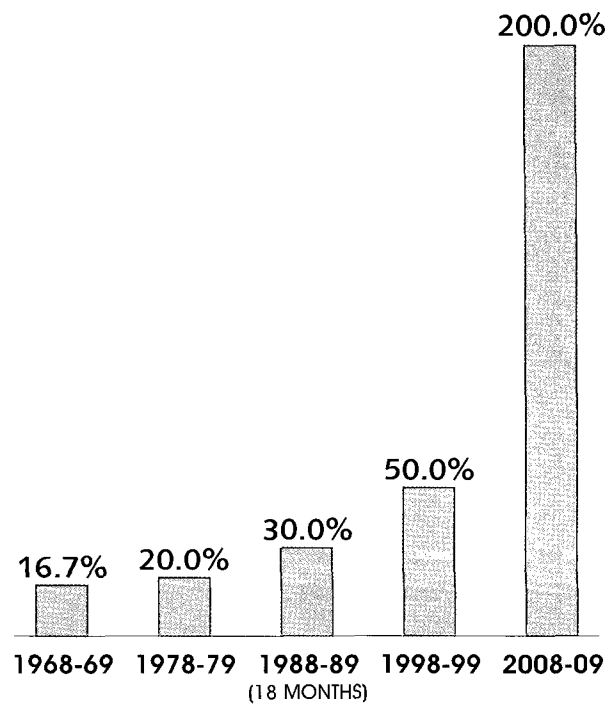
PROFIT AFTER TAX Rs. CRORES



RETURN ON NET WORTH



DIVIDEND PER SHARE



1 CRORE = 10 MILLION

HAWKINS COOKERS LIMITED ANNUAL REPORT 2008-09

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BOARD OF DIRECTORS

J. M. Mukhi Shishir K. Diwanji Gerson da Cunha Gen. V. N. Sharma (Retd.) B. K. Khare

S. Dutta Choudhury
VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER

M. A. Teckchandani
EXECUTIVE DIRECTOR – OPERATIONS

Brahm Vasudeva
CHAIRMAN

COMPANY SECRETARY

Hutoxi Bhesania

AUDITORS

Deloitte Haskins & Sells

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

Link Intime India Pvt. 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-ninth Annual Report and Audited Statement of Accounts for the year ended March 31, 2009. This report in fact covers our fiftieth, Golden Jubilee Year.

In the year of our Golden Jubilee, it is fitting to thankfully remember our founding directors, Mr. and Mrs. H. D. Vasudeva, who started your Company in 1959 with an equity capital of Rs.20,000. More important than the money that they brought to the business was the vision of the need of crores of Indian homes for the convenience and economy of the pressure cooker – at that time an unknown product in India. That vision and the values, energy and tact of Amrit and Hari Dutt Vasudeva are, to a great extent, responsible for what your Company is today. Their son, Brahm Vasudeva, the present Chairman of the Board of your Company, had the good fortune to join his parents in Hawkins as Managing Director in 1968 and to benefit from the guidance of his father for many fruitful years. The survival and growth of your Company for fifty years, and its future promise and potential, are a tribute to the vision and values of our founding directors.

2008-09 OPERATIONS: MAIN RESULTS

We are happy to report that both sales and profits are the highest ever in the history of your Company. Sales (including excise duty) in 2008-09 were Rs.2547 million; sales net of excise duty were Rs.2415 million, up 18% over the previous year. Profit before tax was Rs.293.5 million, up 65% over the previous year. Net profit after tax for the year was Rs.191.2 million, up 70% over the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit before tax as a percentage of sales in 2008-09 was 11.5% as against 8.2% in the previous year. Profit after tax as a percentage of sales in 2008-09 was 7.5% as against 5.2% in the previous year.

Pressure Cooker sales volume increased by 14% and sales value by 17% over the previous year. Three new pressure cooker models were launched in 2008-09. They have been well received in the market with more than 87,000 units sold in the year of launch.

Market research for the year 2008 shows that the total pressure cooker market in India is growing at 7% per annum and that Hawkins continues to be the Number One brand in it.

Our production of pressure cookers increased in 2008-09 from 2.06 million to 2.29 million, an increase of 11.1%. The demand for our brands is running ahead

of our ability to supply them and we are taking necessary steps to increase the production suitably.

Cookware sales volume increased by 13% and sales value by 18% over the previous year. Both the Hard Anodised and Nonstick ranges of Futura Cookware are doing well. Two new cookware items were launched in January, 2009.

Material cost as a percentage of sales in the year under report is 42.5% as against 42.6% in the previous year. Raw material costs went up inordinately during the year under report and then came down towards the end of the year.

Net Cash Inflow was Rs.197 million despite the higher income tax payment of Rs.96 million (last year Rs.71.9 million). The major use of this cash inflow was to acquire fixed assets at a cost of Rs.24.8 million and towards dividend payment (inclusive of dividend distribution tax) of Rs.60.4 million, leaving an increase in cash and bank deposits of Rs.106 million over the opening balance of Rs.37.7 million. We have active plans to utilise these funds appropriately.

Morale of employees is high. Industrial relations are normal. We have long-term settlements with our workers and staff in place in all our plants and offices. 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.

Risks and Concerns

All foreseeable risks that the Company may encounter and concerns have been addressed in a documented risk management framework which is reviewed by the Board from time to time.

Threats and Opportunities

While the cost of raw materials has moderated, they may once again move up irrationally and pose a threat. The Company continues to diligently watch these trends and seeks effective cost controls and necessary adjustment in prices as needed from time to time.

The continuing vitality of our brands – Hawkins, Futura and Miss Mary – despite the general economic slowdown, augurs well for your Company. When the Indian economy returns to a high rate of growth, your Company shall be well-poised to take advantage of the increasing opportunities in the market.

Outlook

In our judgment, the outlook for our business is excellent. We are well-positioned to take advantage of the growth of demand in our markets competitively and to continue to increase our sales and profits handsomely.

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

2008-09 OPERATIONS: OTHER ASPECTS

FOB value of exports was Rs.127.7 million, up 24% over the previous year. Foreign Exchange used in the year under report was Rs.10.4 million (previous year: Rs.17.4 million).

Information as per Section 217(2A) of the Companies Act, 1956, is given in **Appendix I**.

The expenditure on Research and Development was Rs.11.1 million, (previous year: Rs.9.4 million) – up by 18%. Required details are given in **Appendix II**. Efforts continue in our factories and offices to save energy wherever possible.

None of the fixed deposits maturing for payment prior to March 31, 2009, remained unclaimed as on that date.

DIVIDEND AND APPROPRIATIONS

We are pleased to recommend Rupees Twenty per Share as dividend at the rate of 200% (previous year: Rupees Ten per share). Our recommendation takes into account the profitability, circumstances and requirements of the business as well as the fact that this is our Golden Jubilee Year.

Out of the amount available for appropriation of Rs.258.2 million (previous year: Rs.148.9 million), we propose

- Rs.105.8 million as provision for dividend (previous year: Rs.52.9 million)
- Tax on proposed dividend Rs.18.0 million (previous year: Rs.9.0 million)
- Rs. 45.0 million transfer to General Reserve (previous year: Rs.20.0 million) and
- Rs.89.5 million as surplus carried to the Balance Sheet (previous year: Rs.67.0 million).

DIRECTORS' RESPONSIBILITY STATEMENT

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.

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.

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.

DIRECTORS

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


Mr. K. Sundararaghavan, who was our Executive Director – Finance & Administration, has resigned from the service of the Company and from the Board with effect from April 16, 2009. We wish to place on record our high appreciation for the many contributions made by Mr. Sundararaghavan during his 21- year tenure in your Company.

AUDITORS

Messrs. Deloitte Haskins & Sells retire and, being eligible, offer themselves for reappointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai
June 16, 2009



BRAHM VASUDEVA
CHAIRMAN

DIRECTORS' REPORT: APPENDIX I

Information as per Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended March 31, 2009

SR. NO.	NAME	AGE	DESIGNATION NATURE OF DUTIES	GROSS REMUNERATION RECEIVED (RS.)	QUALIFICATION	EXPERIENCE (YEARS)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT	
								NAME OF EMPLOYER	POSITION HELD
1.	S. Dutta Choudhury	41	Vice-Chairman & Chief Executive Officer	70,64,896	B. Tech Degree Electrical Engineering, IIT, Kharagpur Post Graduate Diploma in Business Administration, IIM, Calcutta	17	18.05.1992	-	-
2.	M. A. Teckchandani	61	Executive Director - Operations	54,33,524	B. E. (Electrical), Post Graduate Diploma in Business Administration, IIM, Ahmedabad	37	16.08.1983	Bright Brothers Ltd.	General Manager Finance
3.	K. Sundararaghavan	63	Executive Director - Finance & Administration	54,14,565	B. E. (Mechanical), Post Graduate Certificate in General Management, IIM, Ahmedabad	42	12.10.1987	Xomox (India) Ltd.	Operations Manager
4.	K. K. Kaul	54	Executive Vice President - Technical	33,58,451	B. E. (Hons.) (Mechanical), BITS, Pilani Post Graduate Diploma in Industrial Engineering	29	26.12.1984	Premier Automobiles Ltd.	Assistant Manager - Material Planning and Control
5.	Tej Paul Sharma	47	Senior Vice President - Sales	28,08,941	B. Com	27	14.11.1983	Speedo Sales Corporation	Salesman

DIRECTORS' REPORT: APPENDIX II**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 plus design and quality improvement/cost reduction in existing products. Future plan of action: we intend to support the R&D Centre and the Test Kitchen to meet corporate objectives for quality improvement, cost reduction and introduction of new products and consumer service and support. Capital expenditure on

R&D: Rs.0.2 million. Recurring expenditure: Rs.10.9 million, 0.4% of total turnover (previous year: Rs.8.9 million, 0.4%).

Technology Absorption, Adaptation & Innovation

Efforts made: The Company has relied upon internal generation. No technology has been imported for the last five years. As of 1st April, 2008, the Company had 63 valid patents and design registrations in force in 5 countries. During the year, 2 patent and 3 design registrations were granted and 5 design applications were filed. Benefits derived: as described above.

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 for the year 2008-09 has been obtained from all Directors and Senior Managers. There is no instance of non-compliance.

BY ORDER OF THE BOARD OF DIRECTORS



SUBHADIP DUTTA CHOUDHURY
VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER

Mumbai
May 30, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hawkins Cookers Limited

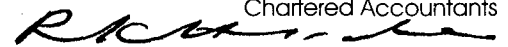
We have examined the compliance of the conditions of corporate governance by Hawkins Cookers Limited, for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai (hereinafter referred to as clause 49).

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring 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 and the representations made by the directors and the management, we certify that the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in clause 49.

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 Deloitte Haskins & Sells
Chartered Accountants



R. K. Hiranandani
Partner

Membership No: 36920

Mumbai
June 16, 2009

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

Hawkins Cookers Limited believes in corporate governance that optimises results in the immediate run and 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 non-executive Chairman, a Vice-Chairman & Chief Executive Officer, two Executive Directors and five independent, non-executive Directors. During the year, four Board Meetings were held: on May 26, July 25, October 31, 2008, and January 31, 2009. Directors' attendance record and other details are as follows:

NAME OF DIRECTOR	POSITION	BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	OTHER DIRECTORSHIPS	BOARD COMMITTEES OF OTHER COMPANIES
Brahm Vasudeva	Promoter, Non-Executive Chairman	4	Yes	1	None
Subhadip Dutta Choudhury	Vice-Chairman & Chief Executive Officer	4	Yes	None	None
M. A. Teckchandani	Executive Director	4	Yes	None	None
K. Sundararaghavan(*)	Executive Director	4	Yes	None	None
J. M. Mukhi	Independent Director	3	Yes	1	None
Shishir K. Diwanji	Independent Director	3	Yes	8	4
Gerson da Cunha	Independent Director	3	Yes	1	None
General V. N. Sharma (Retd.)	Independent Director	4	Yes	None	None
B. K. Khare	Independent Director	4	Yes	7	1 (Chairman)

(*) Mr. K. Sundararaghavan resigned from the service of the Company and from the Board of Directors with effect from April 16, 2009.

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 four 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	4
Shishir K. Diwanji	Member	3
Gerson da Cunha	Member	3
General V. N. Sharma (Retd.)	Member	4

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 required or held during the year 2008-09.

Directors' Remuneration For The Year 2008-09

The remuneration of executive directors is as per the table below:

DIRECTOR	SALARY (Rs.)	PROVIDENT FUND, SUPERANNUATION & GRATUITY (Rs.)	PERQUISITES & ALLOWANCES (Rs.)	COMMISSION (Rs.)	TOTAL (Rs.)	CONTRACT PERIOD
Subhadip Dutta Choudhury	2,000,004	636,155	96,972	4,331,765	7,064,896	01.08.2007 to 31.07.2010
M. A. Teckchandani	1,800,000	572,538	173,142	2,887,844	5,433,524	12.11.2007 to 11.11.2010
K. Sundararaghavan	1,800,000	572,538	154,183	2,887,844	5,414,565	12.11.2007 to 11.11.2010(*)

(*) Resigned with effect from April 16, 2009.

Benefits extended to Mr. Brahm Vasudeva, non-executive Director and Chairman of the Board for his Advisory Services for the year 2008-09 (as per contract approved by the Members at the 45th Annual General Meeting of the Company held on 29th July, 2005, for a period of 5 years with effect from 26th April, 2006) were Rs.85,119. In addition, an office has been provided to the non-executive Chairman at the registered office of the Company.

The Board at its meeting held on May 30, 2009, resolved to pay commissions to the non-executive Directors for the year 2008-09 amounting to Rs.2,887,844 in the aggregate which is 1% of the applicable net profit of the Company as per Section 309(5) of the Companies Act, 1956. The Board further resolved to distribute the said amount amongst the non-executive Directors as noted in the table below which also shows the sitting fees paid:

DIRECTOR	COMMISSION PAYABLE FOR THE YEAR 2008-09 (Rs.)	BOARD MEETINGS' FEES (Rs.)	COMMITTEE MEETINGS' FEES (Rs.)	TOTAL (Rs.)
Brahm Vasudeva	481,307	80,000	-	561,307
Shishir K. Diwanji	481,307	60,000	80,000	621,307
J. M. Mukhi	481,307	60,000	-	541,307
Gerson da Cunha	481,309	60,000	80,000	621,309
General V. N. Sharma (Retd.)	481,307	80,000	40,000	601,307
B. K. Khare	481,307	80,000	40,000	601,307

Shareholding of non-executive Directors as at 31.3.2009

DIRECTOR	NO. OF SHARES HELD
Brahm Vasudeva	1,833,532
Shishir K. Diwanji	2,475
J. M. Mukhi	5,345