

Hawkins Cookers Limited

Annual General Meeting

July 29, 2010

Speech of the Chairman

Mr. Brahm Vasudeva

My dear shareholders, ladies and gentlemen: I am very pleased to extend a warm welcome to each of you to the fiftieth Annual General Meeting of our company. I trust all of you are pleased with the results for the year ended March 2010 and our recommendation for a dividend at the rate of Rs.40 per share – which will be the highest dividend ever declared in the 51-year life of our company.

Those of you who have seen our accounts for the year 2009-10 and have read our Directors' Report will know that this level of dividend distribution is well justified by the financial results of your company. The reasons and circumstances responsible for these results have been discussed in the Directors' Report and it is not my intention today to repeat that analysis. Instead, considering the fact that this is our fiftieth Annual General Meeting, it may be appropriate to reflect upon the nature and performance of your company in an historical perspective.

Today, just before this AGM, we presented the film *We Are Hawkins* which was seen by many of you. That film, in 75 minutes, tells the story of how the company we own has gone about its business over the last 50 years. It tells this story in the words of people who know the company well, either because they work in the company or because they deal with the company or because they use the company's products. I hope that those of you who have seen this film have got a better understanding of what your company is all about and how it has produced the results that you have got so far.

Those of you who attended the AGM last year may remember that I spoke about the seven strands in the DNA of Hawkins Cookers. I hope you have been able to see today these seven strands in the film, *We Are Hawkins*. What are these seven principles?

1. Follow the Golden Rule. “Do unto others as you would that they do unto you”.
2. Respect both Ends and Means. The results have to be achieved and the means have to be right.
3. Seek the Best. From the choice of materials and machines to the selection and promotion of our people, we choose to work with the best we can get or create.
4. Hot Focus. Today, as a result of following this policy of Hot Focus over many decades, we know as much or more than any other manufacturer in the world about pressure cookers and cookware.
5. Prudence. We don’t “Bet the Company” on anything – no matter how exciting the prospect.
6. Courage and Resolution. Where an important principle is involved, be bold, brave and resolute.
7. Do Your Best and Leave the Rest to God. Apart from anything else, this allows us to sleep soundly at night.

Let us now move from the inward examination of our motives and actions over the last 50 years to the judgment of the stock market. Your company was started by my father, Mr. H. D. Vasudeva, in 1959 as a Private Limited Company with a share capital of Rs.20,000. The company went public in 1978. The face value of the share was Rs.10 and the premium was Rs.2½ – making a total cost of Rs.12.50 per share. The original number of shares issued and converted in the initial public issue in 1978 were 8,20,000 shares, giving a total market value of Rs.102.5 lakhs. Since then, there were various further issues of additional shares either by way of rights issue or bonus issue and today we have a total of 52,87,815 shares, the market value of which is Rs.1,150 per share (based upon the average daily closing balance in the period July 1 to July 21, 2010). This gives us a market value of the company of Rs.608 crores, up from the market cap of Rs. One crore in the year of the initial public issue in 1978. The compound average growth rate in the market cap of the company over 32 years is 22% per annum.

In this journey, dear shareholders, we, you and I, have been fellow-travellers. *Hum hain humrahi*. For me personally, it has been a very satisfying journey, as a professional manager and investor. I do hope that each of you, dear shareholders, have found this journey equally satisfying – not only as investors but as citizens proud to be associated with an enterprise like Hawkins.

The financial results of the June quarter of 2010-11 are good. Net Sales are Rs.61.8 crores, up 15% over June quarter in the previous year. Net Profit After Tax is Rs.8.1 crores, up 14% over June quarter in the previous year.

Finally, I must express my profound gratitude to all of you, dear shareholders, for the steadfast confidence you have reposed in our Company and the Team Hawkins through thick and thin. And thank you for your patient hearing of my thoughts today.
