

**Hawkins Cookers Limited**

***The Trials and Triumphs of  
Making in India***

**Chairman's Speech  
at the  
Sixty-Third Annual General Meeting  
August 9, 2023**

Dear shareholders,

1. A Very Warm Welcome to our Sixty-Third Annual General Meeting. It feels good to be back to physical meetings after four years and three virtual meetings. As a brick and mortar or rather, an Aluminium and Stainless Steel Company, we are more comfortable in the physical world. In Hawkins, we had restarted our factories and shifted to office working as soon as it was allowed by the Government. The challenge of getting people back to work, which some organisations are still struggling with – was a no-brainer for us. We were back as soon as possible.

2. This is because we are a manufacturing Company. We make our products in our factories in the three corners of India. We are the only established Company in our industry that has never sold a product made in China. In the usual tradition of sharing with Shareholders one aspect of the working of your Company at the AGM, I wish to talk about our manufacturing strategy today.

3. Hawkins started off in 1959 as a Company that was making the Hawkins Pressure Cooker under a licensee agreement with L.G. Hawkins of London. As sales increased and pressure cooking was being adopted in larger numbers by Indian Households, the Company set up its first factory at Thane near Mumbai in 1967. This factory continues to produce pressure cookers and cookware till today.

4. In 1976, a second factory was started in Hoshiarpur in the Punjab. In 1990, a third factory was established in Jaunpur district, about 50 kilometres from Prayagraj in Uttar Pradesh. In the typical Hawkins style of organic growth, Thane is the smallest and Jaunpur the largest pressure cooker manufacturing unit today. These factories are located for efficient supply all over India – the East and Centre from the Jaunpur factory, the North from Hoshiarpur and the West and South from Thane.

5. We are in the process of expanding capacity at all the three factories. Rather than build at a fourth locality, we find it more manageable to increase at existing locations. There are two main reasons for this. One is the setting up of ancillary units and supply chain of components like cartons, plastics, etc. – this takes time. The other is the issue of getting clearances. These sometimes take even more time.

6. One of the challenges of running a factory in India is that many young engineers don't have any experience of working with their hands – some of them come out of colleges that do not have a proper lathe. In Hawkins recruitment, we test their theoretical knowledge by putting them through a written test, and once they join we put them through an 18-month training of which six months are spent working in our factories as a worker. They are made to do exactly the same thing that a frontline worker at the coalface would need to do, that is, work all types of machines. This ensures that the person learns to work with his own hands. And if some find the job not to his or her liking, they quit – which is a cost-saving for us. We have no use for people who cannot work with their hands. Such people can never run a factory.

7. In Hawkins, we have three unions – one external and two internal. While they negotiate hard during settlements, we thankfully have good relations with our workers and our unions and a good balance between the discipline needed to run a factory and employee-friendly policies to keep the workers motivated. It is very different from what I saw, as I grew up, at the Ambassador car factory at Hindustan Motors in Uttarpara near Kolkata where my father was a Union leader. The management and the external union brought that factory to a standstill.

8. The strategy of making the product ourselves is important for maintaining Quality. We are probably the only Pressure Cooker Company that leak-tests each individual cooker. We are also unique – we don't sell seconds. If the quality does not match our standards, we scrap those cookers by drilling a hole through them. Checking the quality at every step in the factory ensures that we stay the Quality leader in our products. Go and ask any dealer or shopkeeper or consumer in India, the majority will tell you that Hawkins is the *Quality that India Trusts*.

9. Making in India, as you have gathered from the above short discussion, comes with a few challenges. Therefore, many brands in India use contract manufacturing. Why do we then run our own factories? The most fundamental reason is that manufacturing and design and development go hand in hand. As the West is now realising that when they outsourced their manufacturing to China, the ability to innovate, the ability to develop new products and new processes also got outsourced. Some feel that the West is no longer at the cutting edge of design and technology. This is the key insight that ensures that we do our own manufacturing. Being involved in manufacturing helps us constantly improve our quality and design and innovate, which are key strengths of the brand Hawkins. This has helped us launch 53 new products last year, at the rate of one per week, with impeccable quality and good design.

10. One of the interesting aspects of making in India is dealing with the *jugaad* mentality. Often it is frustrating to deal with the tendency to take short-cuts which undermine the product. On the other hand, the inventive Indian *jugaad* sometimes finds innovative solutions that are brilliant. So while it is challenging to “make in India” due to infrastructure and other issues, the human diversity, ingenuity and skill can be world-class – if channeled properly.

11. Of late there has been a lot of talk about Making in India. We have been doing so for sixty-four years. We do not make in India because of Government incentives. We make in India because, strategically, that is the best thing to do. We make in India so that we can get the best quality. To get the best quality, if we have to import raw materials, we do that. It is our focus to give the best quality to the consumer, at the best prices, today and in the future, through product and process innovation. This singular focus has ensured that though you may have many things in your homes that are made in China, the Pressure Cooker in your home without exception is 100% Made in India.

12. In the first Quarter of 2023-24, total income at 206 crores in a difficult market is up 4%. Profits at 20.8 crores are down 10% – but the good news is that raw material prices are trending down, both for Stainless Steel and Aluminium, our main raw materials. This gives us cheer. Though the demand is a little subdued currently – we expect a good Diwali. We have proposed a record Final Dividend of Rs.100 per 10 rupee share and your Company has last year reached Rs.1,000 crores in turnover for the first time.

13. I will end on a song from The Beatles which goes – *Will you still need me, will you still feed me, when I'm sixty-four*. As the turnover of a thousand crores last year shows – our consumers still need us as Hawkins continues to feed them, at Sixty-Four.

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