

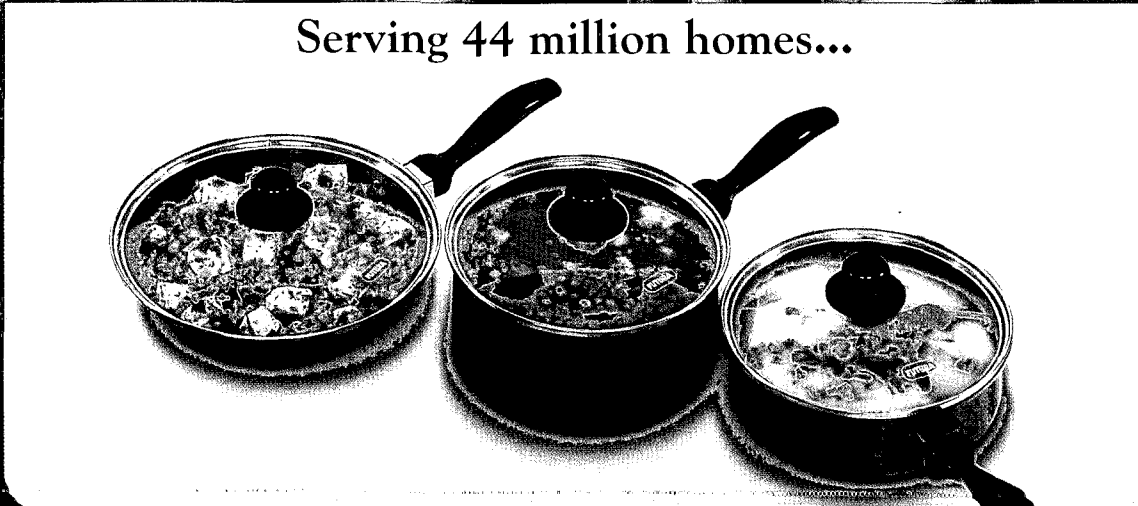
Hawkins Cookers Limited



For 50 years



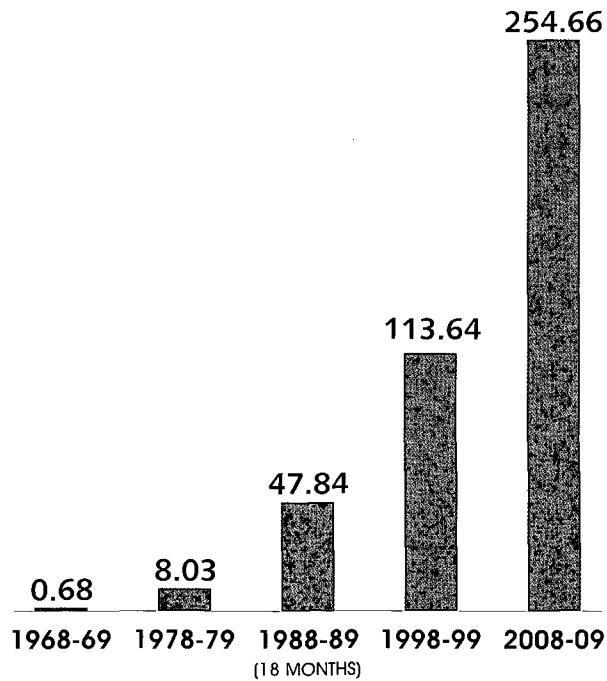
Serving 44 million homes...



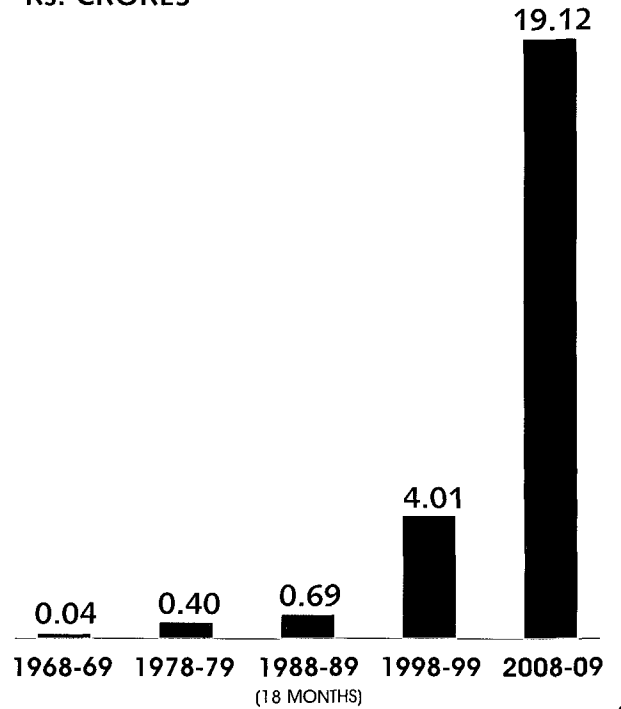
Annual Report 2008-09

FINANCIAL PERFORMANCE: EVERY TENTH YEAR

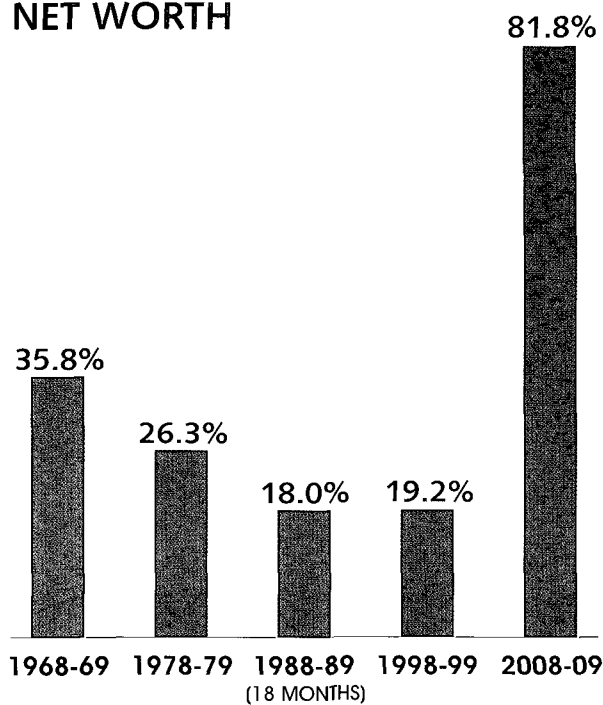
SALES (INCLUDING EXCISE DUTY) Rs. CRORES



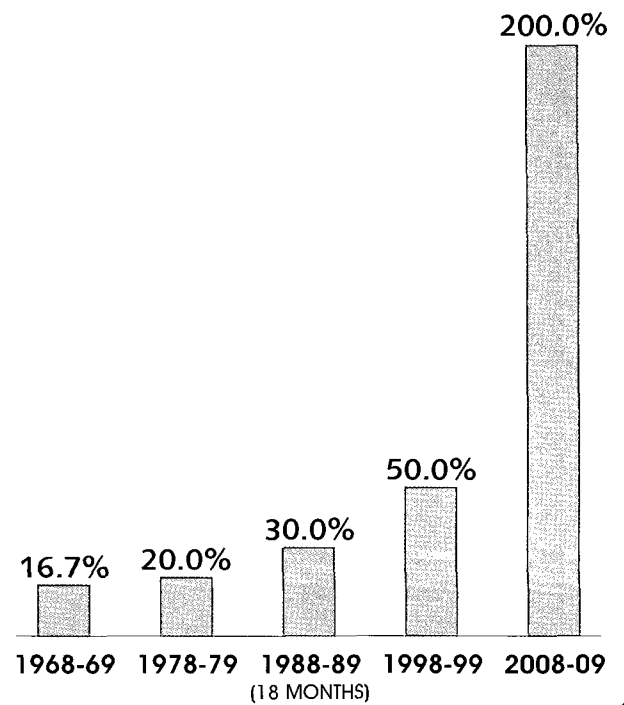
PROFIT AFTER TAX Rs. CRORES



RETURN ON NET WORTH



DIVIDEND PER SHARE



1 CRORE = 10 MILLION

HAWKINS COOKERS LIMITED ANNUAL REPORT 2008-09

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Financial Performance: Last Five Years	Inside Back Cover

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

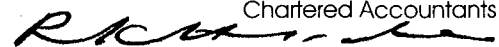
We have examined the compliance of the conditions of corporate governance by Hawkins Cookers Limited, for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai (hereinafter referred to as clause 49).

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

Mumbai
June 16, 2009

Membership No: 36920

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

Shareholders' Grievance Committee

The Shareholders' Grievance Committee looks into the redressal of shareholders' complaints, if any. The number of shareholders' complaints received during the year 2008-09 are 21 (previous year 28) and all have been satisfactorily resolved within the year except one which has been subsequently resolved. The Committee also approves requests for issue of new certificates on loss / consolidation / split / defacement / transmission / rematerialisation, etc. The Committee met seven times in 2008-09 and comprised 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. Consequent upon resignation of Mr. K. Sundararaghavan with effect from April 16, 2009, the Shareholders' Grievance Committee has been reconstituted and now comprises of: Mr. Shishir K. Diwanji, Mr. Gerson da Cunha, Mr. Subhadip Dutta Choudhury and Mr. M. A. Teckchandani. The Chairman of the Committee is Mr. Shishir K. Diwanji. Mrs. Hutoxi Bhesania, Company Secretary, is the Compliance Officer.

General Body Meetings

The last three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	LOCATION	SPECIAL RESOLUTIONS PASSED
2005-2006	28.7.2006	4:00 PM	Patkar Hall, SNDT Women's University, Mumbai	None
2006-2007	30.7.2007	4.00 PM	Patkar Hall, SNDT Women's University, Mumbai	The approval and taking on record the approval letter of Department of Company Affairs dated 23rd November, 2006 approving the amendment of the provisions relating to the non-rotational directors of the Company.
2007-2008	25.7.2008	4:00 PM	Patkar Hall, SNDT Women's University, Mumbai	None

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 the ensuing Annual General Meeting.

Disclosures

There were no transactions of a material nature with the Promoters, the Directors or the Management or relatives during the year 2008-09, that may have any potential conflict with the interest of the Company at large. Transactions with related parties as per requirements of Accounting Standard 18 are disclosed in Note No.14 forming part of the accounts in Schedule 17 and they are not in conflict with the interest of the Company at large.

There were no instances of non-compliance nor have any penalties, strictures been imposed by the Stock Exchange or the Securities and Exchange Board of India 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.sebiedifar.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 31st day of July, 2009, at 4.00pm at Jai Hind College Hall, 'A' Road, Churchgate, Mumbai 400020.

The Financial Calendar this year is as follows:

May 30	: Annual Results of 2008-09	August 29	: Dividend of Rs.20 per share subject to approval of the Annual General Meeting will be paid on or before August 29, 2009.
July 7	: Mailing of Annual Report	October end	: Second Quarter Results
July 24 to July 31	: Dates of Book Closure	January end	: Third Quarter Results
July 31	: First Quarter Results		
July 31	: Annual General Meeting		

Stock Market Price data for the year 2008-2009

MONTH	COMPANY STOCK PRICES (Rs.)		SENSEX INDEX	
	HIGH	LOW	HIGH	LOW
April	191	150	17481	15298
May	192	155	17736	16196
June	188	163	16633	13406
July	181	150	15130	12514
August	180	160	15580	14002
September	176	161	15107	12154
October	174	130	13204	7697
November	186	141	10945	8316
December	170	130	10189	8467
January	184	155	10470	8632
February	175	153	9725	8619
March	168	155	10127	8047

Listing of equity shares on Stock Exchange: Mumbai. Stock Code: 508486

Registrar and Share Transfer Agent: The Company's Registrar and Share Transfer Agent (RTA) is Link Intime India Pvt. Ltd., (formerly Intime Spectrum Registry Ltd.) having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078. 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 dematerialised mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated 30 days.

Dematerialisation of Shares: As on March 31, 2009, 49.34% of the Company's total shares representing 26,09,142 shares were held in dematerialised form and the balance 26,78,673 shares were held in physical form.

Distribution of Shareholding as on March 31, 2009

CATEGORY	NO. OF SHARES HELD	% SHAREHOLDING
Banks/Financial Institutions	121,771	2.30
Unit Trust of India	12,000	0.23
Bodies Corporate	86,470	1.64
Promoters	2,962,836	56.03
Others	2,104,738	39.80
Total	5,287,815	100.00

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

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached balance sheet of Hawkins Cookers Limited, as at 31st March, 2009, and also the profit and loss account and the cash flow statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books;
- (c) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:


(i) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2009;

(ii) in the case of the profit and loss account, of the profit for the year ended on that date; and

(iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

5. On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants



R. K. Hiranandani
Partner

Mumbai: May 30, 2009

Membership No: 36920

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year but, according to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.

(c) In our opinion and according to the information and explanations given to us, the fixed assets disposed off during the year are not substantial so as to affect going concern and therefore the question of reporting on clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) does not arise.

(ii) (a) The inventory of the company has been

physically verified by the management during, or at the end of the year or after the year end. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.

(iii) The company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not

granted/taken any loans, secured or unsecured, to/from parties listed in the register maintained under section 301 of the Companies Act, 1956, clauses 4(iii) (b), (c), (d), (f) and (g) of the said Order, are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of a special nature and their prices cannot be compared to with alternative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. There are no sale of services. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered.

(b) In our opinion and according to the information and explanations given to us, transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid provisions has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, on the company.

(vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any of the products of the company.

(ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid statutory dues were in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) As at 31st March, 2009, according to the records of the company and the information and explanations given to us, the following are the particulars of dues

on account of income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where pending
			Various years covering the period	
Sales Tax/ Value Added Tax Laws	Sales Tax/ Value Added Tax	772,795	1987-2005	Appellate Authority – upto Commissioners' / Revisional authorities level
		4,480,039	1990-2007	Appellate Authority – Tribunal level
		212,430	1993-1994	High Court
Central Excise Act, 1944	Excise duty	6,471,880	1998-2007	Appellate Authority – upto Commissioners' level

(x) In our opinion, the company does not have accumulated losses as at 31st March, 2009 and has not incurred cash losses during the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The company has not obtained any borrowings from financial institutions and has also not issued any debentures.

(xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the company.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the said Order are not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

(xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.

(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.

(xix) The company has not issued any debentures during the year.

(xx) The company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

For Deloitte Haskins & Sells
Chartered Accountants


R. K. Hiranandani
Partner

Mumbai: May 30, 2009

Membership No: 36920

BALANCE SHEET


	Schedule Reference	As at Mar. 31, 2009		As at Mar. 31, 2008	
		Rupees	Rupees	Rupees	Rupees
Sources of Funds					
SHAREHOLDERS' FUND					
Share Capital	1	52,878,150		52,878,150	
Reserves and Surplus	2	<u>214,427,035</u>		<u>146,998,201</u>	
			267,305,185		199,876,351
LOAN FUNDS					
Secured Loans	3	—		904,870	
Unsecured Loans	4	<u>87,888,000</u>		<u>79,339,000</u>	
			87,888,000		80,243,870
DEFERRED TAX – NET LIABILITY	5		<u>7,986,505</u>		<u>7,887,493</u>
TOTAL			<u>363,179,690</u>		<u>288,007,714</u>
Application of Funds					
FIXED ASSETS					
Gross Block	6	348,262,558		330,242,122	
Less: Depreciation		<u>204,453,347</u>		<u>191,202,533</u>	
Net Block		<u>143,809,211</u>		139,039,589	
Capital Work-in-Progress		<u>7,761,736</u>		<u>8,897,101</u>	
			151,570,947		147,936,690
INVESTMENTS	7		<u>1,025,000</u>		1,025,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	254,723,617		267,999,502	
Sundry Debtors	9	266,467,684		211,665,354	
Cash and Bank Balances	10	143,713,404		37,733,965	
Loans and Advances	11	<u>47,055,526</u>		<u>32,612,428</u>	
			<u>711,960,231</u>		<u>550,011,249</u>
Less:					
CURRENT LIABILITIES & PROVISIONS					
Liabilities	12	346,932,828		334,257,591	
Provisions	13	<u>154,443,660</u>		<u>76,707,634</u>	
			<u>501,376,488</u>		<u>410,965,225</u>
NET CURRENT ASSETS			<u>210,583,743</u>		<u>139,046,024</u>
TOTAL			<u>363,179,690</u>		<u>288,007,714</u>

Schedules 1 to 13 & Notes in Schedule 17 form part of this Balance Sheet

Per our Report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

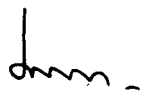

Brahm Vasudeva
Chairman



S. Dutta Choudhury
Vice-Chairman &
Chief Executive Officer


B. K. Khare
Director


S. K. Diwanji
Director


R. K. Hiranandani
Partner


Gen. V. N. Sharma (Retd.)
Director


J. M. Mukhi
Director


M. A. Teckchandani
Director


Hutoxi Bhesania
Company Secretary

Mumbai: May 30, 2009

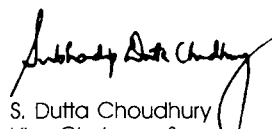
PROFIT & LOSS ACCOUNT

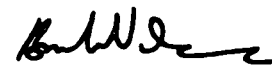
	Schedule Reference	For the year ended Mar. 31, 2009		For the year ended Mar. 31, 2008	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales including Excise Duty		2,546,577,465		2,175,245,275	
Less: Excise duty on Sales		131,828,894		133,661,202	
Sales Net of Excise Duty		2,414,748,571			2,041,584,073
Income from other sources	14	41,460,829			11,172,297
		2,456,209,400			2,052,756,370
EXPENDITURE					
Materials	15	1,081,956,947			926,584,735
Expenses	16	1,064,152,693			932,364,701
Depreciation		16,592,330			15,690,171
		2,162,701,970			1,874,639,607
PROFIT BEFORE TAXATION		293,507,430			178,116,763
Provision for Taxation					
– For the year					
Current Tax		99,500,000		61,500,000	
Deferred Tax		99,012		(3,241)	
Total for the year		99,599,012		61,496,759	
– Fringe Benefits Tax		2,750,000		4,010,000	
			102,349,012		65,506,759
PROFIT AFTER TAXATION		191,158,418			112,610,004
Balance brought forward from last year		67,043,030			36,297,818
AMOUNT AVAILABLE FOR APPROPRIATION		258,201,448			148,907,822
APPROPRIATIONS					
Proposed Dividend		105,756,300			52,878,150
Tax on Proposed Dividend		17,973,284			8,986,642
Transfer to General Reserve		45,000,000			20,000,000
Balance carried to Balance Sheet		89,471,864			67,043,030
TOTAL		258,201,448			148,907,822
Earnings per share – basic and diluted (Rs.) (Note 11)			36.15		21.30

Schedules 14 to 16 and Notes in Schedule 17 also form part of this Profit & Loss Account.


S. K. Diwanji
Director


B. K. Khare
Director

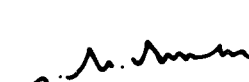

S. Dutta Choudhury
Vice-Chairman &
Chief Executive Officer

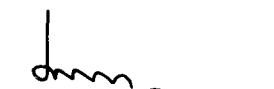

Brahm Vasudeva
Chairman

Per our Report attached
to the Balance Sheet
For DELOITTE HASKINS & SELLS
Chartered Accountants


Hutoxi Bhesania
Company Secretary


M. A. Teckchandani
Director


J. M. Mukhi
Director


Gen. V. N. Sharma (Retd.)
Director


R. K. Hiranandani
Partner

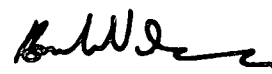
Mumbai: May 30, 2009

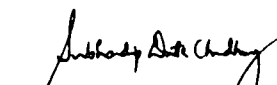
CASH FLOW STATEMENT

		For the year ended Mar. 31, 2009 Rupees	For the year ended Mar. 31, 2008 Rupees
A. Cash Flow from Operating Activities:			
Profit before tax		293,507,430	178,116,763
Adjustments for:			
Depreciation		16,592,330	15,690,171
Profit on Sale of Fixed Assets (Net)		(22,371,742)	(1,288,569)
Interest Expenditure		13,691,526	14,596,095
Income from Investments		(5,000)	(4,500)
Interest income		(8,161,407)	(2,377,549)
Operating Profit before Working Capital Changes		<u>293,253,137</u>	<u>204,732,411</u>
Adjustments for:			
Trade and other Receivables		(65,911,773)	(2,621,157)
Inventories		13,275,885	(55,251,122)
Trade and other Payables		19,393,513	37,719,272
Cash Generated from Operations		<u>260,010,762</u>	<u>184,579,404</u>
Direct Taxes Paid (Net)		(96,024,155)	(71,910,618)
Net Cash Flow from Operating Activities	A	<u><u>163,986,607</u></u>	<u><u>112,668,786</u></u>
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets		(24,761,894)	(21,971,932)
Sale of Fixed Assets		26,907,049	1,640,629
Interest received		5,688,329	2,367,269
Income from Long Term Investments		5,000	4,500
Net Cash from/(used in) Investing Activities	B	<u><u>7,838,484</u></u>	<u><u>(17,959,534)</u></u>
C. Cash Flow from Financing Activities:			
Interest Paid		(13,126,175)	(13,840,497)
Repayment of Long Term Loans		(904,870)	(1,547,448)
Dividends Paid (Including Tax on Dividend)		(60,363,607)	(43,587,997)
Decrease In Bank Borrowings (Net)		—	(31,435,242)
Increase In Fixed Deposits (Net)		8,549,000	5,233,826
Net Cash used in Financing Activities	C	<u><u>(65,845,652)</u></u>	<u><u>(85,177,358)</u></u>
Net Increase in Cash and Cash Equivalents	A + B + C	<u><u>105,979,439</u></u>	<u><u>9,531,894</u></u>
Cash and Cash Equivalents as at the commencement of the year	(i)	37,733,965	28,202,071
Cash and Cash Equivalents as at the end of the year (Refer Schedule 10)	(ii)	143,713,404	37,733,965
Net Increase in Cash and Cash Equivalents	(ii) - (i)	<u><u>105,979,439</u></u>	<u><u>9,531,894</u></u>

Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Signatures to
Cash Flow Statement


Brahm Vasudeva
Chairman


S. Dutta Choudhury
Vice-Chairman &
Chief Executive Officer


B. K. Khare
Director


S. K. Diwanji
Director


Gen. V. N. Sharma (Retd.)
Director


J. M. Mukhi
Director


M.A. Teckchandani
Director


Hutoxi Bhesania
Company Secretary

Mumbai: May 30, 2009

AUDITORS' REPORT

Per our Report attached to the
Balance Sheet

For DELOITTE HASKINS & SELLS
Chartered Accountants


R. K. Hiranandani
Partner

Mumbai: May 30, 2009

SCHEDULES

SCHEDULE 1	As at Mar. 31, 2009		As at Mar. 31, 2008	
Share Capital	Rupees		Rupees	
AUTHORISED				
10,000,000 Equity Shares of Rs. 10 each (previous year: 10,000,000)	<u>100,000,000</u>		<u>100,000,000</u>	
	<u>100,000,000</u>		<u>100,000,000</u>	
ISSUED AND SUBSCRIBED				
5,287,815 Equity Shares of Rs. 10 each, fully paid-up, (previous year: 5,287,815) of which 3,332,600 shares were allotted as fully paid-up Bonus Shares by capitalisation of General Reserve, Share Premium Account, Capital Reserve-Central Subsidy Account and Export Reserve Account (previous year: 3,332,600)	<u>52,878,150</u>		<u>52,878,150</u>	
	<u>52,878,150</u>		<u>52,878,150</u>	

SCHEDULE 2	As at Mar. 31, 2009		As at Mar. 31, 2008	
Reserves and Surplus	Rupees		Rupees	
GENERAL RESERVE				
As per last Balance Sheet	<u>55,030,634</u>		52,500,000	
Add: Transfer from Profit & Loss Account	<u>45,000,000</u>		<u>20,000,000</u>	
	<u>100,030,634</u>		72,500,000	
Less: Adjustment on adoption of Accounting Standard 15 Employee Benefits (Note 15)	<u>—</u>		<u>17,469,366</u>	
	<u>100,030,634</u>		55,030,634	
SHARE PREMIUM ACCOUNT	<u>24,924,537</u>		24,924,537	
PROFIT & LOSS ACCOUNT — BALANCE	<u>89,471,864</u>		<u>67,043,030</u>	
	<u>214,427,035</u>		<u>146,998,201</u>	

SCHEDULE 3	As at Mar. 31, 2009		As at Mar. 31, 2008	
Secured Loans	Rupees		Rupees	
TERM LOANS FROM BANKS				
Secured by equitable mortgage on certain immovable properties	<u>—</u>		<u>904,870</u>	
	<u>—</u>		<u>904,870</u>	

SCHEDULES (continued)

SCHEDULE 4		
	As at Mar. 31, 2009 Rupees	As at Mar. 31, 2008 Rupees
Unsecured Loans		
FIXED DEPOSITS		
From Directors	29,763,000	29,763,000
From Shareholders & Others	58,125,000	49,576,000
	<u>87,888,000</u>	<u>79,339,000</u>

SCHEDULE 5		
	As at Mar. 31, 2009 Rupees	As at Mar. 31, 2008 Rupees
Deferred Tax – Net Liability		
Deferred Tax Liabilities		
On fiscal allowances on Fixed Assets	20,344,389	21,088,229
On other timing differences	50,985	101,970
	<u>20,395,374</u>	<u>21,190,199</u>
Less: Deferred Tax Assets		
On employee separation and retirement	10,770,357	10,695,186
On provision for debts considered uncertain of recovery	39,703	1,750,616
On other timing differences	1,598,809	856,904
	<u>12,408,869</u>	<u>13,302,706</u>
Net Liability	<u>7,986,505</u>	<u>7,887,493</u>

SCHEDULE 6 **Fixed Assets** AT PAGE 18

SCHEDULE 7		
	As at Mar. 31, 2009 Rupees	As at Mar. 31, 2008 Rupees
Investments (Long Term, at Cost)		
Unquoted and Non-Trade		
2,500 Shares of Rs. 10 each in Saraswat Co-op Bank Ltd.	25,000	25,000
100,000 Shares of Rs. 10 each in Janakalyan Sahakari Bank Ltd.	1,000,000	1,000,000
	<u>1,025,000</u>	<u>1,025,000</u>

SCHEDULE 8		
	As at Mar. 31, 2009 Rupees	As at Mar. 31, 2008 Rupees
Inventories (at lower of cost and realisable value)		
(i) Stores, Spares and Tools	4,272,124	3,311,076
(ii) Raw Materials	96,124,439	77,945,450
(iii) Packing Materials	4,173,200	3,753,440
(iv) Finished Goods	58,114,672	92,130,935
(v) Stock under process	92,039,182	90,858,601
	<u>254,723,617</u>	<u>267,999,502</u>

SCHEDULE 6	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Fixed Assets (Figures in Rs.)	As at April 1, 2008	Additions during the year	Sales/ Adjustments	As at March 31, 2009	As at April 1, 2008	Depre- ciation/ Amortization	Sales/ Adjustments	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Land Leasehold	341,739	—	—	341,739	113,142	3,224	—	116,366	225,373	228,597
Land Freehold	200,000	—	—	200,000	—	—	—	—	200,000	200,000
Buildings *	92,457,039	—	5,103,317	87,353,722	35,567,979	2,020,130	1,260,959	36,327,150	51,026,572	56,889,060
Plant & Machinery	186,289,379	22,557,242	235,381	208,611,240	122,563,344	11,831,294	210,244	134,184,394	74,426,846	63,726,035
Furniture & Fixtures	12,436,737	166,578	65,128	12,538,187	9,518,646	396,126	20,233	9,894,539	2,643,648	2,918,091
Office Equipment & Appliances	29,795,368	2,493,607	1,512,321	30,776,654	20,696,020	1,572,965	1,179,666	21,089,319	9,687,335	9,099,348
Trade Mark	546,595	—	—	546,595	546,595	—	—	546,595	—	—
Vehicles	8,175,265	679,832	960,676	7,894,421	2,196,807	768,591	670,414	2,294,984	5,599,437	5,978,458
TOTAL	330,242,122	25,897,259	7,876,823	348,262,558	191,202,533	16,592,330	3,341,516	204,453,347	143,809,211	139,039,589
Previous year	316,506,733	17,100,467	3,365,078	330,242,122	178,525,380	15,690,171	3,013,018	191,202,533	139,039,589	137,981,353
Capital Work-in-Progress including advances	8,897,101			7,761,736					7,761,736	8,897,101
TOTAL	339,139,223			356,024,294					151,570,947	147,936,690
Previous year	320,532,369			339,139,223					147,936,690	

* Include shares in Co-operative Societies.

SCHEDULE 14	For the year ended		For the year ended	
	Mar. 31, 2009		Mar. 31, 2008	
	Rupees	Rupees	Rupees	Rupees
Income from Other Sources				
Income from Long Term Investments (Non-Trade)				
Dividend from Saraswat Co-operative Bank Ltd.		5,000		4,500
Interest : On Fixed Deposits with Banks (tax deducted at source : Rs. 1,657,103; previous year Rs. 55,917)		8,092,713		280,408
: Others (tax deducted at source: Rs. 8,526; previous year Rs. 10,241)		68,694		2,097,141
Profit on sale of fixed assets (net)		22,371,742		1,288,569
Miscellaneous Income (includes export benefits Rs. 6,314,797; previous year: Rs. 5,234,671)		10,922,680		7,501,679
		<u>41,460,829</u>		<u>11,172,297</u>

SCHEDULE 15	For the year ended		For the year ended	
	Mar. 31, 2009		Mar. 31, 2008	
	Rupees	Rupees	Rupees	Rupees
Materials				
OPENING STOCK				
Raw Materials	77,945,450		53,599,875	
Stock under process	90,858,601		76,645,321	
Finished Goods	92,130,935		76,085,852	
		<u>260,934,986</u>		<u>206,331,048</u>
Add: Purchase of Raw Materials	855,587,026		758,515,386	
Purchase of Traded Goods [Cookware – Rs. 215,120,591, Idli Stands – Rs. Nil; (previous year: Cookware – Rs. 217,975,895, Idli Stands – Rs. 3,759,260)]	215,120,591		221,735,155	
		<u>1,070,707,617</u>		<u>980,250,541</u>
Less: CLOSING STOCK				
Raw Materials	96,124,439		77,945,450	
Stock under process	92,039,182		90,858,601	
Finished Goods	58,114,672		92,130,935	
		<u>246,278,293</u>		<u>260,934,986</u>
Excise Duty on Increase/(Decrease) of Finished Goods		<u>(3,407,363)</u>		<u>938,132</u>
		<u>1,081,956,947</u>		<u>926,584,735</u>

SCHEDULE 16	For the year ended		For the year ended	
	Mar. 31, 2009		Mar. 31, 2008	
	Rupees	Rupees	Rupees	Rupees
Expenses				
Sub-contracting		123,588,574		97,036,331
Consumption of Stores, Spares & Tools		20,848,709		20,228,704
Power & Fuel		34,113,768		26,348,251
Salaries, Wages and Bonus		270,067,108		229,274,623
Contribution to Provident Fund and Other Funds		26,682,122		28,759,946
Staff Welfare Expenses		17,887,412		15,407,924
Packing and Forwarding Charges		149,485,776		127,612,069
Rent		2,130,374		1,725,973
Insurance		602,875		676,756
Interest:				
Fixed Loans	9,358,735		8,336,577	
Others	4,332,791		6,259,518	
		<u>13,691,526</u>		<u>14,596,095</u>
Directors' Fees and Commission		3,547,844		2,759,139
Auditors' Remuneration (Note 10)		1,753,429		1,378,090
Repairs and Maintenance – Buildings		5,631,413		4,853,327
Repairs and Maintenance – Plant and Machinery		12,971,892		10,001,236
Repairs and Maintenance – Others		2,138,758		1,928,943
Advertising		97,849,948		89,385,305
Commission		19,149,063		13,414,561
Discount		196,051,792		165,722,944
Travelling & Conveyance		16,563,561		17,443,765
Dealer Conference Expenses		6,974,496		29,645,869
Bad Debts written off	5,033,577		—	
Less: Provision held	<u>(5,033,577)</u>		—	
		—		—
Provision for debts considered uncertain of recovery		—		5,150,385
Rates & Taxes		4,970,801		5,083,972
Miscellaneous Expenses		44,108,660		30,525,663
		<u>1,070,809,901</u>		<u>938,959,871</u>
Less: Expenditure Capitalised		<u>6,657,208</u>		<u>6,595,170</u>
		<u>1,064,152,693</u>		<u>932,364,701</u>

SCHEDULE 17

Significant Accounting Policies

- a. **Basis of preparation of accounts**
The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards referred to in sub-section (3C) of Section 211 and the relevant provisions of the Companies Act, 1956.
- b. **Sales**
Sales includes excise duty and realized exchange fluctuations on export receivables.
- c. **Research and Development**
Research and development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- d. **Employee Retirement Benefits**
Defined Contribution Plan:
Contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account as incurred.
Defined Benefit Plan/Long Term compensated absences:
Liability towards Gratuity and Long term compensated absences are determined by independent actuaries, using the projected unit credit method. Actuarial gains and losses are recognised immediately as income or expense in the Profit and Loss Account. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.
Provident Fund:
The Company's Provident Fund operates under exemption granted under Section 17(1)(a) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust as compared to the statutory limit. Having regard to the assets of the Fund and the return on investments, the Company does not expect any deficiency in the foreseeable future.
- e. **Fixed Assets**
The gross block of fixed assets is stated at cost of acquisition or construction including any attributable cost of bringing the asset to its working condition for its intended use.
- f. **Depreciation**
Depreciation on Fixed Assets for the year has been provided:
(i) On all assets acquired and put to use upto September 30, 1985 on Written Down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956.
(ii) On all assets acquired and put to use on or after October 1, 1985 on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except Product Display Stands on which depreciation has been provided on Straight Line Method at the rate of 15%.
- g. **Inventories**
Inventories are valued at lower of weighted average cost and estimated realisable value. Stocks under process and Finished Goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- h. **Investments**
Investments, all of which are long term, are stated at cost less provision, if any, for decline other than temporary in value of such investments.
- i. **Export Benefits**
Duty benefits against exports are accounted for on accrual basis.
- j. **Foreign Currency Translations**
Foreign currency monetary current assets and current liabilities are translated at rates ruling at the year end and exchange differences are recognised in the Profit and Loss Account. In case of forward exchange contracts, the discount or premium between the forward rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of the contract.
- k. **Taxes on Income**
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes forming part of the Accounts

1. Estimated amount of contracts remaining to be executed on capital account not provided for is Rs. 5,447,934 (previous year: Rs. 4,538,966).
2. The possession of 20 acres of land has been given to the Company by the Government of Punjab, as per the agreement, the conveyance of which has yet to be finalised.
3. Claims against the Company not acknowledged as debts are gross Rs. 13,739,498 (previous year: Rs. 14,204,645), net of tax Rs. 11,342,101 (previous year: Rs. 11,502,590). These comprise:
 - (a) Excise Duty, Sales Tax and Indirect Taxes claims disputed by the Company relating to issues of applicability and classification aggregating gross Rs. 12,892,166 (previous year: Rs. 12,251,906), net of tax Rs. 10,494,769 (previous year: Rs. 9,549,851).

SCHEDULE 17 (continued)

(b) Income Tax claims disputed by the Company relating to allowability of certain expenses aggregating gross Rs. 847,332 (previous year: Rs. 1,952,739), net of tax Rs. 847,332 (previous year: Rs. 1,952,739).

4. Salaries, Wages and Bonus include Directors' remuneration consisting of Salary and Allowances of Rs. 5,708,004 (previous year: Rs. 4,892,338) and Commission of Rs. 10,107,453 (previous year: Rs. 6,630,462), Company's contribution to Provident Fund is Rs. 672,000 (previous year: Rs. 574,121) and Superannuation/Gratuity Fund is Rs. 1,109,231 (previous year: Rs. 986,882). Reimbursement of medical expenses is Rs. 115,903 (previous year: Rs. 64,770) and value of other perquisites is Rs. 200,394 (previous year: Rs. 180,088). In addition, Rs. 85,119 (previous year: Rs. 89,939) has been incurred on benefits provided to the Non-Executive Chairman of the Company, as Advisor.

5. Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 for the year ended March 31, 2009

	For the year ended Mar. 31, 2009		For the year ended Mar. 31, 2008	
	Rupees	Rupees	Rupees	Rupees
Profit Before Taxation as per Profit and Loss Account		293,507,430		178,116,763
Add:				
Directors' Remuneration including Directors' Fees	21,460,829		16,087,800	
Depreciation charged in the Accounts	16,592,330		15,690,171	
Provision for debts considered uncertain of recovery	—		5,150,385	
		38,053,159		36,928,356
Less:				
Depreciation as per Section 350 of the Companies Act, 1956	16,404,140		15,501,478	
Capital profit on sale of Fixed Assets	21,338,500		629,770	
Debts written off against provision for debts considered uncertain of recovery	5,033,577		—	
		42,776,217		16,131,248
		(4,723,058)		20,797,108
Net Profit as per Section 309(5)		288,784,372		198,913,871
Commission payable to Executive Directors		10,107,453		6,630,462
Commission payable to Non-Executive Directors		2,887,844		1,989,139

6. The net difference on account of foreign exchange translations debited to the Profit and Loss Account is Rs. 1,712,630 (previous year: credited Rs. 92,238).

7. The Company operates in a single segment, manufacture, trading and sale of Kitchenware.

8. The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

9. Research and development costs debited to the Profit and Loss Account is Rs. 109.36 lakhs (previous year: Rs. 88.58 lakhs).

10. Auditors' Remuneration

	For the year ended Mar. 31, 2009	For the year ended Mar. 31, 2008
	Rupees	Rupees
Audit Fees	1,000,000	800,000
Fees for other services	600,000	400,000
Reimbursement of out of pocket expenses	153,429	178,090

11. Earnings per share

	For the year ended Mar. 31, 2009	For the year ended Mar. 31, 2008
	Rupees	Rupees
Earnings per share has been computed as under:		
Profit after taxation (a)	191,158,418	112,610,004
Number of Ordinary Shares outstanding (b)	5,287,815	5,287,815
Earnings per share (Face value Rs. 10 per share)		
— (basic and diluted) (a)/(b)	36.15	21.30

SCHEDULES (continued)

SCHEDULE 17 (continued)

12. As at the year end, the Company has not entered into any Forward Exchange Contracts (or other derivative instruments) to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables. The year end foreign currency exposures, which are only in respect of Export receivables, that have not been hedged by a derivative instrument or otherwise amount to Rs. 1,481,495 (US \$29,238) [previous year: Rs. 10,803,580 (US \$272,474)].

13. Additional information as required under Part II of Schedule VI to the Companies Act, 1956.

(a) Particulars in respect of goods manufactured/sold

(i) Licensed capacity, installed capacity as certified by Management and actual production

Item	Units	Licensed Capacity	Installed Capacity per annum	Actual Production
Pressure Cookers	Nos.	Not Applicable	7,265,200 (7,265,200)	2,288,494 (2,059,388)
Idli Stands	Nos.	Not Applicable	140,000 (140,000)	59,460 (5,820)

(ii) Raw Materials Consumed

Inventories are valued at lower of weighted average cost and estimated realisable value. Since the purchase price of certain raw materials as on March 31, 2009 is lower than the weighted average cost of such materials, the said materials have been valued taking into account the market value of such materials. Had this not been done, the profit for the year would have been higher by Rs. 21,599,391.

	For the year ended Mar. 31, 2009		For the year ended Mar. 31, 2008	
	Quantity (M. Tons)	Value (Rupees)	Quantity (M. Tons)	Value (Rupees)
Aluminium	3,297	510,235,027	2,893	452,745,441
Brass	175	31,772,864	287	54,255,669
Others		295,400,146		227,168,701
		837,408,037		734,169,811

(iii) Value of Raw Materials, Stores and Spares Consumed

	Raw Materials		Stores and Spares	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	837,408,037 (734,169,811)	100 (100)	20,848,709 (20,228,704)	100 (100)

In furnishing information about Stores and Spares, the view has been taken that the particulars are required only in respect of Stores and Spares used for manufacturing and not in respect of Stores and Spares required for maintenance of Plant and Machinery.

(iv) Opening/Closing Stock

Item	Opening Stock		Closing Stock	
	Quantity (Numbers)	Value (Rupees)	Quantity (Numbers)	Value (Rupees)
Pressure Cookers	85,744 (71,028)	46,947,357 (41,711,754)	34,794 ** (85,744) **	24,320,481 (46,947,357)
Idli Stands	6,453 (6,972)	712,024 (738,873)	6,465 (6,453)	692,440 (712,024)
Cookware	90,440 (55,003)	34,777,249 (23,559,021)	61,000 (90,440)	19,183,360 (34,777,249)
Others		9,694,305 (10,076,204)		13,918,391 (9,694,305)
		92,130,935 (76,085,852)		58,114,672 (92,130,935)

** Closing Stock quantity of Pressure Cookers includes 7 numbers (previous year: 7 numbers) Multiple Cooker Packs, which when disaggregated amount to 19 numbers (previous year: 19 numbers) of Pressure Cookers, and 1 number of promotional pack (previous year: 1).

SCHEDULE 17 (continued)

(v) Turnover of goods

	Quantity (Numbers)	Turnover Value (Rupees)
Pressure Cookers	2,339,444 (2,044,672)	2,051,974,494 (1,751,725,465)
Idli Stands	59,448 (43,017)	8,115,063 (5,741,181)
Cookware	641,349 (565,177)	355,261,774 (302,203,371)
Others		131,226,134 (115,575,258)
		2,546,577,465 (2,175,245,275)

Turnover includes sales of 59,448 (numbers) Idli Stands (previous year: 43,017) and 641,349 (numbers) Cookware (previous year: 565,177) against purchase of Nil (numbers) Idli Stands (previous year: 36,678) and 611,909 (numbers) Cookware (previous year: 600,614).

Turnover quantity includes goods given under Sales Promotion Schemes and as replacements.

(b) Expenditure and Earnings in Foreign Exchange

	For the year ended Mar. 31, 2009 Rupees	For the year ended Mar. 31, 2008 Rupees
(i) Expenditure in Foreign Currency		
Travelling, Advertising, Commission etc.	10,404,282	17,386,117
(ii) Earnings in Foreign Exchange		
FOB Value of Exports	127,701,687	103,180,986
Others (freight etc.)	4,107,435	3,707,428

(c) Remittance in Foreign Currency on account of Dividends to Non-resident shareholders

— Number of shareholders	3	2
— Number of Equity shares	1,800	1,200
— Amount remitted (Rupees)	18,000	8,400
— Dividend in respect of year ended March 31	2008	2007

14. Related Party Disclosures:

1. Related Parties

(a) Individual having control and relatives:

Mr. Brahm Vasudeva	Chairman
and relatives:	
Mr. Neil Vasudeva	
Mr. Nikhil Vasudeva	
Ms. Anuradha S. Khandelwal	
Ms. Gitanjali V. Nevatia	
Ms. Gayatri S. Yadav	

(b) Key Management Personnel and their relatives:

Mr. S. Dutta Choudhury	Vice-Chairman & Chief Executive Officer
Mr. K. Sundararaghavan	Wholtime Director
Mr. M. A. Teckchandani	Wholtime Director
Mrs. Sonya Dutta Choudhury	Relative
Mrs. S. M. Teckchandani	Relative
Mrs. Prabha Raghavan	Relative

SCHEDULE 17 (continued)

2. Disclosure of transactions between the Company and Related Parties and the Status of outstanding balances as at March 31, 2009.

	Individual having control and relatives Rupees	Key Management Personnel and relatives Rupees
(a) Remuneration	2,297,160 (1,263,361)	17,912,985 (13,328,661)
(b) Directors' Fees and Commission	561,307 (411,523)	— (—)
(c) Benefits provided to the Non-Executive Chairman, as Advisor	85,119 (89,939)	— (—)
(d) Dividend paid	29,588,200 (20,717,340)	14,340 (10,038)
(e) Fixed deposits repaid	33,413,000 (30,863,000)	— (—)
(f) Fixed deposits accepted	33,413,000 (30,863,000)	— (—)
(g) Interest paid on Fixed deposits	3,766,148 (3,563,008)	— (—)
(h) Rent received (Chairman)	22,222 (320,004)	— (—)
(i) Security deposit refunded (Chairman)	8,000,000 (—)	— (—)
(j) Proceeds from sale of Fixed Assets (Chairman)	26,420,000 (—)	— (—)
Balance as at March 31, 2009		
(a) Fixed deposits	34,513,000 (34,513,000)	— (—)
(b) Security deposit payable (Chairman)	— (8,000,000)	— (—)

15. Employee Defined Benefits:

Defined benefit plan – as per Actuarial valuation

	Gratuity (Funded)	
	Mar. 31, 2009	Mar. 31, 2008
I. Expense recognised in the Statement of Profit and Loss Account for the year ended		
1. Current Service Cost	3,626,575	5,675,735
2. Interest	7,459,402	6,335,843
3. Expected Return on plan assets	(7,797,286)	(6,475,666)
4. Actuarial (Gain)/Loss	(2,700,852)	(428,359)
5. Total expense	587,839	5,107,553
II. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present Value of Defined Benefit Obligation as at year end	98,953,970	93,242,526
2. Fair value of plan assets as at year end	90,155,362	75,880,260
3. Funded status Surplus/(Deficit)	(8,798,608)	(17,362,266)
4. Net Asset/(Liability) as at year end	(8,798,608)	(17,362,266)

SCHEDULE 17 (continued)

	Gratuity (Funded)	
	Mar. 31, 2009	Mar. 31, 2008
III. Change in the obligation during the year ended		
1. Present Value of Defined Benefit Obligation at the beginning of the year	93,242,526	84,477,912
2. Current Service Cost	3,626,575	5,675,735
3. Interest	7,459,402	6,335,843
4. Actuarial (Gain)/Loss	(2,700,852)	(428,359)
5. Benefit payments	(2,673,681)	(2,818,605)
6. Present Value of Defined Benefit Obligation at the end of the year	98,953,970	93,242,526
IV. Change in Fair Value of Assets during the year ended		
1. Fair value of plan assets at the beginning of the year	75,880,260	63,500,559
2. Expected Return on plan assets	7,797,286	6,475,666
3. Contributions by employer	9,151,497	8,722,640
4. Actual benefits paid	(2,673,681)	(2,818,605)
5. Fair value of plan assets at the end of the year	90,155,362	75,880,260
6. Actual return on plan assets	7,797,286	6,475,666
V. The major categories of plan assets as a percentage of total plan		
Funded with Life Insurance Corporation of India (LIC)	100%	100%
VI. Actuarial assumptions		
1. Discount Rate	8%	8%
2. Expected rate of return on plan assets	9.40%	9.35%
3. In-service mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate
4. Turnover rate	1% to 3% depending on age	1% to 3% depending on age
5. Salary Escalation	4%	4%

During the year ended March 31, 2008, the Company had adopted Accounting Standard (AS) 15 Employee Benefits applicable from April 1, 2007. In terms of the Standard, the difference between transitional liability (such liability under the revised standard) and the liability that has been recognised at March 31, 2007 (under the then existing AS 15) of Rs. 26,464,727 (Net of tax Rs. 17,469,366) had been adjusted against the opening balance of General Reserve on April 1, 2007.

The expected rate of return is based on expectation of the average long term rate of return expected on investment of the fund, during the estimated term of obligation.

The estimate of future salary increase considered in the actuarial valuation takes into account historical trends, future expectations, inflation, seniority, promotion and other relevant factors.

The details of experience adjustments arising on account of planned assets/liabilities as required by paragraph 120(n)(ii) of AS15 are not available in the valuation statement received from LIC and hence, are not furnished.

16. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

17. Previous year's figures wherever applicable are written in brackets.

SCHEDULE 17 (continued)

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	State Code	Balance Sheet Date		
011304	011	31	03	2009
		Date	Month	Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	Rights Issue	Bonus Issue	Private Placement
—	—	—	—

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities: 876,965	Total Assets: 876,965
<i>Sources of Funds</i>	
Paid-up Capital: 52,878	Reserves & Surplus: 214,427
Secured Loans: —	Unsecured Loans: 87,888
Net Deferred Tax Liability: 7,987	
<i>Application of Funds</i>	
Net Fixed Assets: 151,571	Investments: 1,025
Net Current Assets: 210,584	Miscellaneous Expenditure: —
Accumulated Losses: —	

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

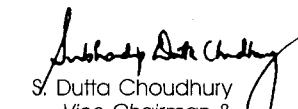
Turnover: 2,456,209	Total Expenditure: 2,162,702
(including income from other sources)	
Profit Before Tax: 293,507	Profit After Tax: 191,158
Earnings Per Share in Rs.: 36.15	Dividend rate %: 200

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)	761519.11
Product Description	PRESSURE COOKERS
Item Code Nos. (ITC Code)	761519.12 } 761519.13 }
Product Description	COOKWARE
Item Code No. (ITC Code)	761520.90
Product Description	PARTS

Signatures to Schedules 1 to 17


Brahm Vasudeva
Chairman


S. Dutta Choudhury
Vice-Chairman &
Chief Executive Officer


B.K. Khare
Director


S.K. Diwanji
Director


Gen. V.N. Sharma (Retd.)
Director


J. M. Mukhi
Director


M.A. Teckchandani
Director

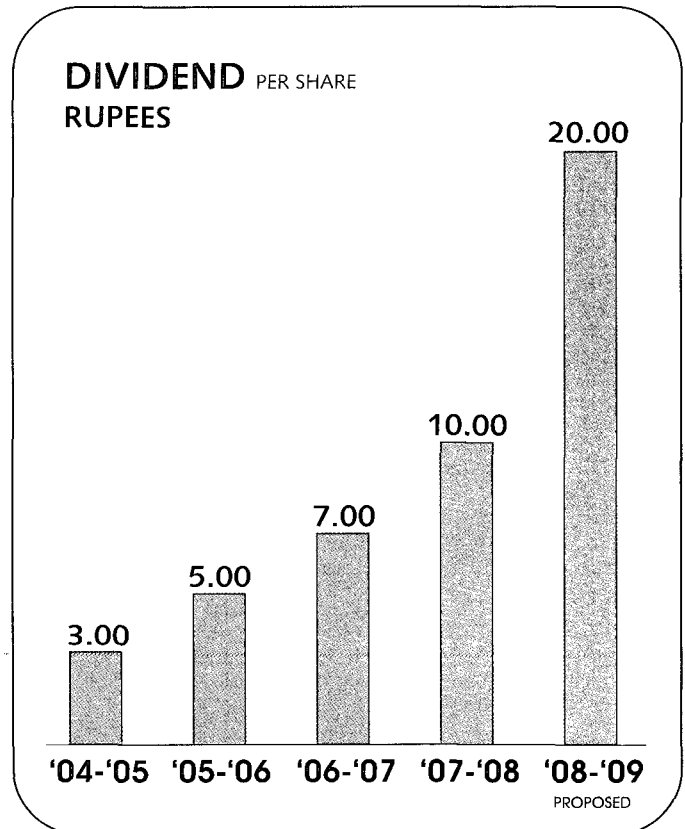
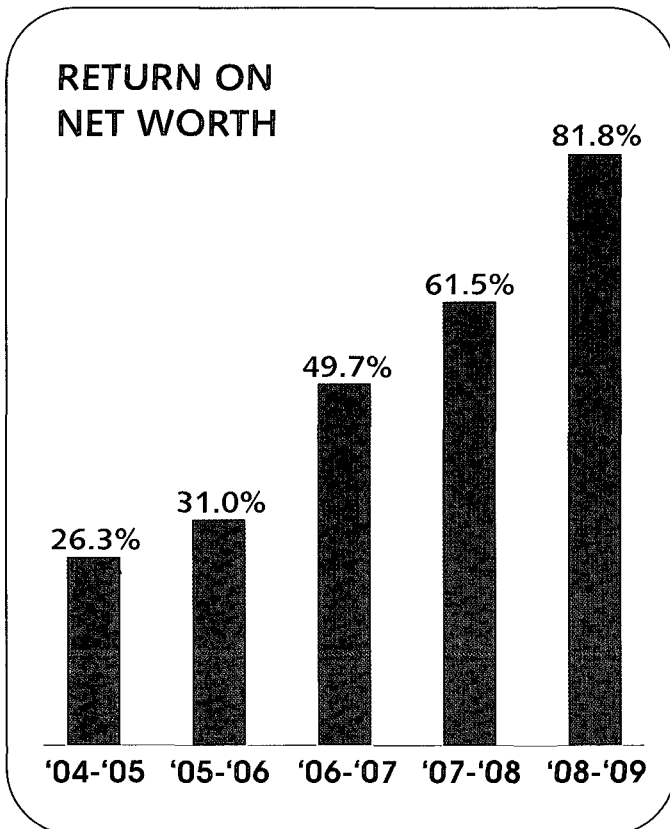
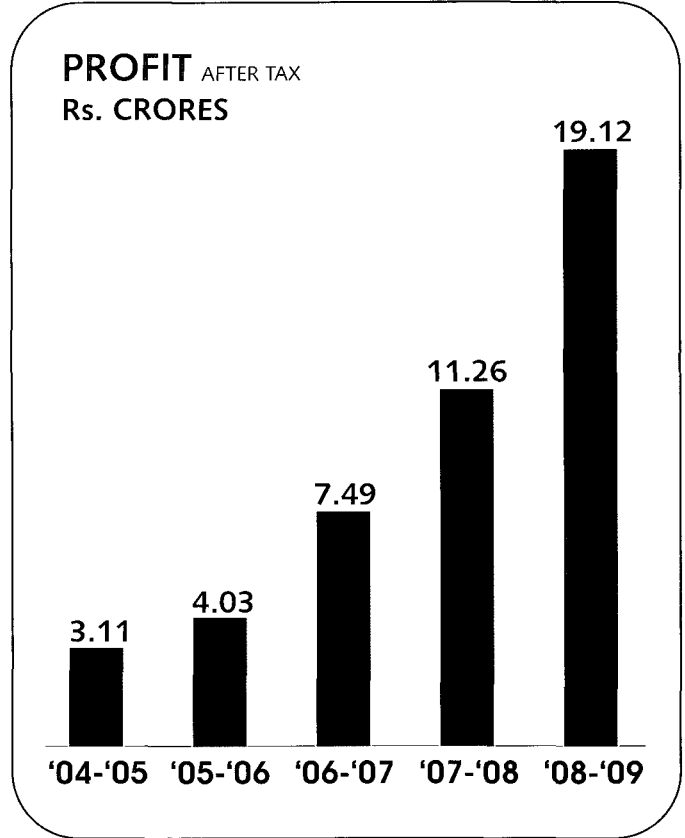
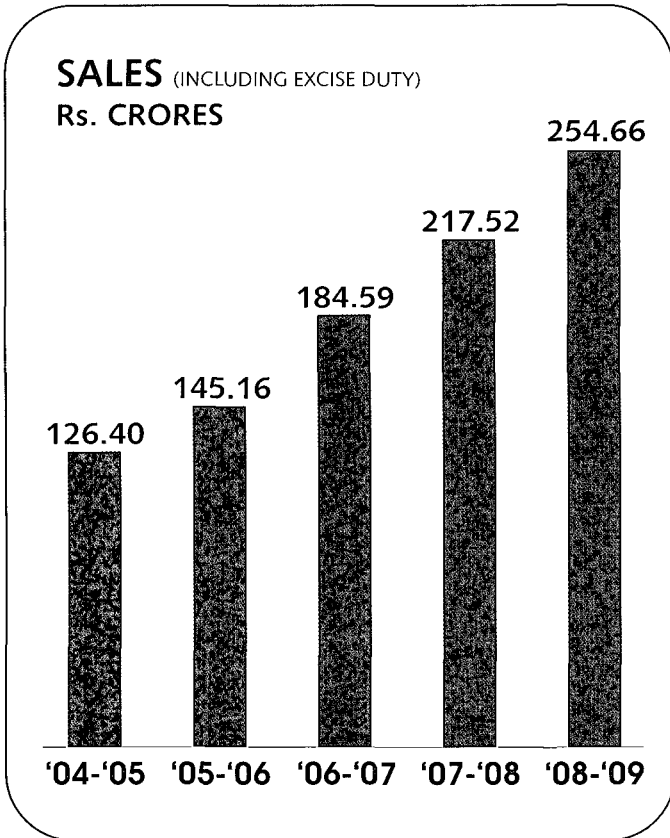

Hutoxi Bhesania
Company Secretary

Mumbai: May 30, 2009

SPACE FOR YOUR NOTES

SPACE FOR YOUR NOTES

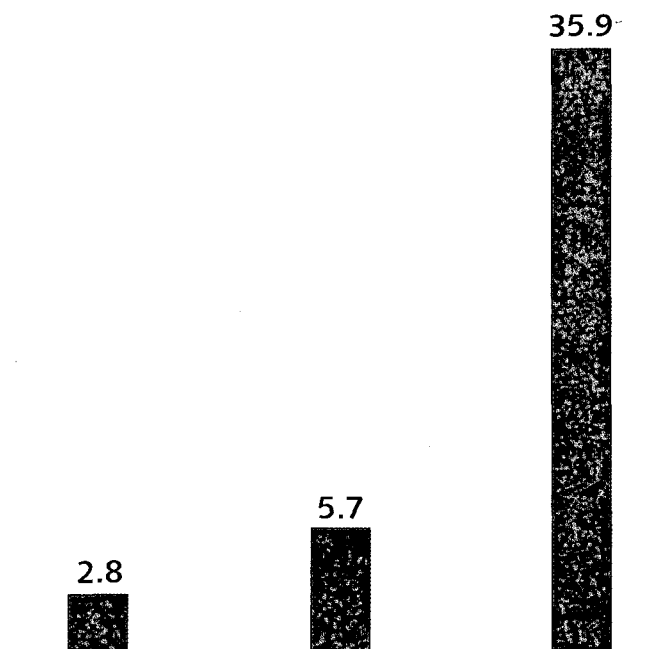
FINANCIAL PERFORMANCE: LAST FIVE YEARS



1 CRORE = 10 MILLION

Sale of Products: 1959-2009

(IN MILLIONS OF UNITS)



PRESSURE COOKERS



PRESSURE COOKERS
AND
COOKWARE



PRESSURE COOKERS

ALL THE TRADEMARKS SHOWN HEREIN ARE THE REGISTERED TRADEMARKS OF HAWKINS COOKERS LIMITED.