



Hawkins Cookers Limited

September 4, 2019

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sirs,

Please find attached herewith a copy of the Minutes of the 59th Annual General Meeting of our Company held on August 6, 2019.

Thanking you,

Yours faithfully,
for Hawkins Cookers Limited

Mrs. Hutoxi Bhesania
Company Secretary

Enclosure: Copy of the Minutes of the 59th Annual General Meeting.

Hawkins Cookers Limited

Minutes of the 59th Annual General Meeting held on Tuesday, August 6, 2019,

At Rama Watumull Auditorium, Kishinchand Chellaram College,

Dinshaw Wacha Road, Churchgate, Mumbai 400 020

From 4:00 pm to 5:40 pm

Present:

Directors:

Mr. Brahm Vasudeva	Chairman of the Company
Mr. S. Dutta Choudhury	Vice-Chairman & Chief Executive Officer
Mr. Sudeep Yadav	Executive Director-Finance & Administration
Mr. E. A. Kshirsagar	Independent Director, Chairman of the Audit Committee
Mr. Shishir K. Diwanji	Independent Director, Chairman of the Nomination and Remuneration Committee & The Stakeholders' Relationship Committee
Mr. Gerson da Cunha	Independent Director
General V.N. Sharma (Retd.)	Independent Director
Mrs. Susan M. Vasudeva	Non-Executive Non-Independent Woman Director
Mr. Ravi Kant	Independent Director
Prof. Leena Chatterjee	Non-Executive Director

Company Secretary:

Mrs. Hutoxi Bhesania

Statutory Auditor:

Mr. Farhad M. Bhesania, Partner, and
Ms. Anahita Dara Bamboat, Manager,
Kalyaniwalla & Mistry LLP

**Secretarial Auditor
& Scrutinizer:**

Mrs. Jayshree S. Joshi
Proprietress of Jayshree Dagli & Associates

Also in attendance:

Mr. Brahmananda Pani	Senior Vice President-Finance & Accounts
Mr. Sukumar Sen	Chief Executive-Internal Audit
Mr. Sunny Malhotra	Senior General Manager-Corporate Accounts
Ms. Neha Maheshwari	Assistant Company Secretary

1. The meeting was attended by 84 Members in person and two authorised Representatives of Members.

2. Mr. Brahm Vasudeva, Chairman of the Company, stated that he shall not conduct the proceedings of the Meeting and, therefore, requested the Vice-Chairman, Mr. Subhadip Dutta Choudhury, to chair the Meeting. Mr. Subhadip Dutta Choudhury took the Chair for the AGM. After ascertaining that the requisite quorum of 30 Shareholders was present, the Chairman of the AGM called the meeting to order. The Chairman of the AGM then informed the Members that Mr. J. M. Mukhi, Independent Director, was unable to attend the Meeting because he was not well.

3. The Chairman of the AGM informed the Members that the following Registers were available and kept open for inspection by the Members till the conclusion of the meeting, as required under the Companies Act, 2013:

- (i) The Proxy Register;
- (ii) The Register of Directors and Key Managerial Personnel and their shareholdings; and
- (iii) The Register of Contracts or Arrangements in which Directors and Key Managerial Personnel are interested.

4. The Chairman of the AGM then delivered his speech to the Members (copy attached – see page nos. 72 to 75).

5. With the consent of the Members present, the Notice of the 59th AGM was taken as read.

6. The Chairman of the AGM then informed the Members present that there were no qualifications or observations or adverse remarks in the Reports of the Statutory Auditors and the Secretarial Auditor on the Financial Statements of the Company for the year ended March 31, 2019, and hence the said Reports were not required to be read.

7. The Chairman of the AGM then informed the Members that arrangements had been made for casting votes through ballot papers for all the resolutions to be passed at the Annual General Meeting for the Members who had not cast their votes through remote e-Voting. He confirmed with the Members present that all of them were in possession of their respective ballot papers. The Chairman of the AGM stated that the Board had appointed Mrs. Jayshree S. Joshi, Practicing Company Secretary, as Scrutinizer for the votes cast at this AGM. He further advised the Members that, after each of the twelve resolutions as set out in the Notice of the Annual General Meeting is read out, and then put to vote, the Members should duly mark their vote on the respective resolution by marking their ballot paper 'For' or 'Against' the said resolution.

8. The Scrutinizer then showed to the Members two empty Ballot Boxes and thereafter duly locked the same in their presence.

9. The Chairman of the AGM placed before the meeting the undermentioned items as per the Notice of the meeting.

ORDINARY BUSINESS

10. The Chairman of the AGM placed Item No. 1 of the Notice for the consideration of the Members:

“RESOLVED that the audited financial statements of the Company comprising of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows of the Company and other explanatory information, for the financial year ended March 31, 2019, and the Directors’ and Auditors’ Reports thereon be and are hereby received, considered and adopted.”

10.1. The Chairman of the AGM invited questions and/or comments from the Members relating to the accounts for the year ended March 31, 2019, or on any other matter related to the working of the Company. Various Members commented on the performance of the Company and asked various questions to which the Chairman of the AGM responded, *inter alia*, as under:

10.1.1. 40,969 shares of 486 shareholders have been transferred to the Investor Education and Protection Fund, as required, inspite of the Company's repeated efforts to contact and get them to take the required action to prevent the said transfer.

10.1.2. The inventory as at March 31, 2019, is appropriate for the business of the Company. As at March 31, 2018, the Inventory was lower because of high demand for the Company's products in 2017-18 due to the introduction of GST.

10.1.3. The Executive Directors and Senior Managers in Hawkins are paid a high proportion of their total remuneration as variable which therefore aligns their remuneration in line with the profits of the Company.

10.1.4. Sitting fees are not subject to the overall ceiling on the remuneration to the Directors as per the Companies Act, 2013.

10.1.5. The Company is in possession of 20 acres of land in Hoshiarpur, Punjab, the conveyance of which has not yet been done by the Government. However, the Company's factory is operating continuously on that land for the last 42 years.

10.1.6. Hawkins is the market leader in India in Pressure Cookers.

10.1.7. An appeal has been filed in the District Court at Hoshiarpur regarding the ambulance room matter at the Hoshiarpur factory which has been accepted and the matter shall take its due course.

10.1.8. The Company is making full efforts to increase direct distribution. Online sales and sales through modern retail are both growing well.

10.2. After giving his responses to the shareholders' questions and comments, the Chairman of the AGM put the Ordinary Resolution under Item no. 1 of the Notice to vote.

11. The Chairman of the AGM thereafter placed the following Item No. 2 of the Notice for the consideration of the Members:

“RESOLVED that a dividend of Rs.80 (Rupees Eighty only) per Equity Share, be declared for the year ended March 31, 2019, on the present paid-up Equity Share Capital of 52,87,815 Equity Shares of Rs.10 each.”

“RESOLVED FURTHER that the said dividend be paid to those Members whose names appear in the Register of Members as on the date of the 59th Annual General Meeting, in respect of shares held in physical form and on the basis of beneficial ownership as on July 30, 2019, as per details furnished by the National Securities Depository Ltd. and the Central Depository Services (I) Ltd., in respect of shares held in dematerialised form.”

The Chairman of the AGM then put the Ordinary Resolution to vote.

12. Since the Chairman of the AGM was interested in Item No. 3, he requested Mr. Sudeep Yadav, Executive Director – Finance & Administration, to take the Chair for the said item with the consent of the Members. Mr. Sudeep Yadav duly took the Chair and placed the following Item No. 3 of the Notice for the consideration of the Members:

“RESOLVED that Mr. Subhadip Dutta Choudhury (DIN:00141545), who retires by rotation at the 59th Annual General Meeting, be and is hereby re-appointed as a Director of the Company.”

Mr. Sudeep Yadav then put the Ordinary Resolution to vote.

SPECIAL BUSINESS

13. Thereafter, Mr. Subhadip Dutta Choudhury took the Chair and placed the following Item No. 4 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Professor Leena Chatterjee (DIN:08379794), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2019, pursuant to the provisions of Section 161 of the Act, and under Article 118 of the Articles of Association of the Company and who holds office up to the date of the 59th Annual General Meeting of the Company and who has submitted a declaration that she meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from August 6, 2019, to August 5, 2024.”

The Chairman of the AGM then put the Ordinary Resolution to vote.

14. The Chairman of the AGM placed the following Item No. 5 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. J. M. Mukhi (DIN:00152618), who was appointed as an Independent Director of the Company at the 54th Annual General Meeting of the Company and who holds office of the Independent Director up to September 18, 2019, and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from September 19, 2019, to September 18, 2024.”

The Chairman of the AGM then put the Special Resolution to vote.

15. The Chairman of the AGM placed the following Item No. 6 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shishir K. Diwanji (DIN:00087529), who was appointed as an Independent Director of the Company at the 54th Annual General Meeting of the Company and who holds office of the Independent Director up to September 18, 2019, and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from September 19, 2019, to September 18, 2024.”

The Chairman of the AGM then put the Special Resolution to vote.

16. The Chairman of the AGM placed the following Item No. 7 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gerson da Cunha (DIN:00060055), who was appointed as an Independent Director of the Company at the 54th Annual General Meeting of the Company and who holds office of the Independent Director up to September 18, 2019, and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from September 19, 2019, to September 18, 2024.”

The Chairman of the AGM then put the Special Resolution to vote.

17. The Chairman of the AGM placed the following Item No. 8 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, General V. N. Sharma (Retd.) (DIN:00177350), who was appointed as an Independent Director of the Company at the 54th Annual General Meeting of the Company and who holds office of the Independent Director

up to September 18, 2019, and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from September 19, 2019, to September 18, 2024.”

The Chairman of the AGM then put the Special Resolution to vote.

18. The Chairman of the AGM placed the following Item No. 9 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. E. A. Kshirsagar (DIN:00121824), who was appointed as an Independent Director of the Company at the 54th Annual General Meeting of the Company and who holds office of the Independent Director up to September 18, 2019, and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from September 19, 2019, to September 18, 2024.”

The Chairman of the AGM then put the Special Resolution to vote.

19. Since the Chairman of the AGM was interested in Item No. 10, he requested Mr. Sudeep Yadav, Executive Director – Finance & Administration, to take the Chair for the said item with the consent of the Members. Mr. Sudeep Yadav duly took the Chair and placed the following Item No. 10 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the re-appointment of and remuneration payable to Mr. Subhadip Dutta Choudhury (DIN:00141545), as Vice-Chairman of the Board of Directors and Managing Director designated as Chief Executive Officer, for a period of three years from October 1, 2019, to September 30, 2022, on the terms and conditions as stated in the Agreement proposed to be executed between the Company and Mr. Subhadip Dutta Choudhury on or before July 15, 2019.”

Mr. Sudeep Yadav then put the Ordinary Resolution to vote.

20. Thereafter, Mr. Subhadip Dutta Choudhury took the Chair and placed the following Item No. 11 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the re-appointment of and remuneration payable to Mr. Sudeep Yadav (DIN:02909892), as Executive Director-Finance and Administration, for a period of three years from October 1, 2019, to September 30, 2022, on the terms and conditions as stated in the Agreement proposed to be executed between the Company and Mr. Sudeep Yadav on or before July 15, 2019.”

The Chairman of the AGM then put the Ordinary Resolution to vote.

21. The Chairman of the AGM placed the following Item No. 12 of the Notice for the consideration of the Members:

“RESOLVED that pursuant to the provisions of Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the Members of the Company and the Public within the limits prescribed in the Act and the overall borrowing limits of the Company as approved by the Members from time to time.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise the scheme for the invitation and acceptance of fixed deposits from the Members of the Company and the Public and to sign and execute deeds, applications and documents that may be required on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental to give effect to this resolution.”

The Chairman of the AGM then put the Ordinary Resolution to vote.

22. The Chairman of the AGM then requested the Members to duly sign their ballot papers and fold and cast their votes by dropping them in any of the two duly locked Ballot Boxes.

23. After the Members had cast their votes, the Chairman of the AGM requested the Scrutinizer to seal the Ballot Boxes appropriately – which was done.

24. The Chairman of the AGM then stated that the combined results of the votes cast through remote e-Voting and the Poll at the Meeting would be duly scrutinized and reported by the Scrutinizer to the Chairman of the AGM and thereafter the said results would be intimated to the Stock Exchange by the Company Secretary and be uploaded on the Company's website within 48 hours of the close of the AGM.

25. After a vote of thanks to the Chair, the Chairman of the AGM declared the Meeting closed at 5:40 pm.

Results of the Remote e-Voting and Poll on the Ordinary and Special Businesses at the 59th Annual General Meeting of the Company held on Tuesday, August 6, 2019.

26. On the basis of the Scrutinizer's Consolidated Report dated August 7, 2019, for the Remote e-Voting and Poll for the Item Nos. 1 to 12 of the Notice of the 59th Annual General Meeting, the summary of which is mentioned hereunder, the results of the voting were declared on August 8, 2019, that all the Resolutions for the Ordinary and Special businesses as set out in Item Nos. 1 to 12 in the Notice of the 59th Annual General Meeting of the Company have been duly passed by the requisite majority, as detailed hereinbelow.

Resolution No.	Description of Resolutions	Votes Cast in favour		Votes Cast against		Result Declared
		No. of Votes	%	No. of Votes	%	
ORDINARY BUSINESS						
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, and the Directors’ and Auditors’ Reports thereon. (Ordinary Resolution)	37,32,708	100.00	2	0.00	Passed by majority
2.	To declare a Dividend of Rs.80 per equity share for the financial year ended March 31, 2019. (Ordinary Resolution)	37,32,583	100.00	127	0.00	Passed by majority
3.	To appoint a Director in place of Mr. Subhadip Dutta Choudhury (DIN: 00141545), who retires by rotation and, being eligible, offers himself for re-appointment as a Director of the Company. (Ordinary Resolution)	37,32,532	100.00	178	0.00	Passed by majority
SPECIAL BUSINESS						
4.	To appoint Professor Leena Chatterjee (DIN : 08379794) as an Independent Director of the Company for a term of five consecutive years from August 6, 2019 to August 5, 2024. (Ordinary Resolution)	35,22,846	99.99	199	0.01	Passed by majority
5.	To re-appoint Mr. J. M. Mukhi (DIN:00152618), as an Independent Director of the Company for a second term of five consecutive years from September 19, 2019, to September 18, 2024. (Special Resolution)	29,72,075	84.36	5,50,965	15.64	Passed by requisite majority
6.	To re-appoint Mr. Shishir K. Diwanji (DIN:00087529), as an Independent Director of the Company for a second term of five consecutive years from September 19, 2019, to September 18, 2024. (Special Resolution)	29,72,075	84.36	5,50,970	15.64	Passed by requisite majority

Resolution No.	Description of Resolutions	Votes Cast in favour		Votes Cast against		Result Declared
		No. of Votes	%	No. of Votes	%	
7.	To re-appoint Mr. Gerson da Cunha (DIN:00060055), as an Independent Director of the Company for a second term of five consecutive years from September 19, 2019, to September 18, 2024. (Special Resolution)	29,73,845	84.41	5,49,200	15.59	Passed by requisite majority
8.	To re-appoint General V. N. Sharma (Retd) (DIN: 00177350), as an Independent Director of the Company for a second term of five consecutive years from September 19, 2019, to September 18, 2024. (Special Resolution)	29,73,845	84.41	5,49,200	15.59	Passed by requisite majority
9.	To re-appoint Mr. E. A. Kshirsagar (DIN: 00121824), as an Independent Director of the Company for a second term of five consecutive years from September 19, 2019, to September 18, 2024. (Special Resolution)	35,22,784	99.99	261	0.01	Passed by requisite majority
10.	To re-appoint Mr. Subhadip Dutta Choudhury (DIN: 00141545) as Vice-Chairman of the Board of Directors and Managing Director for a period of three years from October 1, 2019, to September 30, 2022. (Ordinary Resolution)	37,32,532	100.00	173	0.00	Passed by majority
11.	To re-appoint Mr. Sudeep Yadav (DIN: 02909892) as Executive Director- Finance & Administration for a period of three years from October 1, 2019, to September 30, 2022. (Ordinary Resolution)	37,32,532	100.00	178	0.00	Passed by majority
12.	Acceptance of Fixed Deposits from the Members and the Public. (Ordinary Resolution)	37,30,881	99.95	1829	0.05	Passed by majority

Date of Entry: September 3, 2019

Place: Mumbai

Sd/-

Date: September 4, 2019

Place: Mumbai

Subhadip Dutta Choudhury
Chairman of the Meeting

Hawkins Cookers Limited

*50 Years of
Marching to a Different Drummer*

**Speech at the
Fifty-ninth Annual General Meeting
August 6, 2019**

1. My Dear Shareholders, Ladies and Gentlemen: I am very pleased to warmly welcome you to our fifty-ninth Annual General Meeting. I trust all of you are pleased with the results for the year ended March 2019. Our Revenue is 17.3% higher than the year ended March 2018, our Net Profits are up 11.4%. We are recommending a dividend of Rs.80 per share – the highest ever in the history of our Company.
2. The financial results of the June Quarter of 2019-20 are excellent. Total Revenue in June 2019 at 143 crores is up 17% on June 2018 and Net Profit after tax at 13.7 crores is up 28% over the June Quarter of the previous year. The results are all the more remarkable as they have been achieved in the times where a general slowdown is permeating Indian businesses.
3. Every year at the AGM, we take an opportunity to explain our strategies to produce the best possible results. This year, I wish to highlight a few facets of the business where Hawkins does not conform to the majority of other companies. We plough the lonely furrow, as Gurudev Rabindranath Tagore sings – *Ekla Chalo Re*. I will explain some of these singularities and the underlying rationale, hoping that when you look closely you will see the solid reasoning and thinking that has gone into these decisions.
4. In India, of late, we have seen the unfortunate downfall of quite a few large and many small companies, much of it caused by loans which can't or won't be repaid. It reminds me of a time when Hawkins was considered very stodgy because we did not borrow aggressively to invest in some big expansion project or the other. It is not that we don't have any ambitions. It's just that we prefer to fuel our ambitions with our own money, not with hot money that has to be returned when you need it most. We are well funded by you shareholders and our internal accruals and we ensure that without a huge debt we have enough to expend and expand as needed to supply the demand.
5. We also are uncomfortable about other people using our money. We run a tight ship on collections. We have a record of collecting 99.996% of our dues without fail. We are not in the habit of "buying" sale with unlimited credit or credit to suspect parties. We give lucrative discounts for paying upfront and so a substantial part of our business is run on full advance. Therefore, we have not been majorly affected by the credit squeeze that has largely crippled the economy currently and this is evident in our recent excellent results.

6. We really believe in serving our customers who trust Hawkins. This prevents us from picking up doubtful merchandise from China, putting our name on it and increasing our revenue. Michael Porter, of Harvard, arguably one of the best thinkers on business, defines strategy *as choosing what not to do*. Hawkins chooses not to put its name on anything that is not of the highest quality and the best design. This strategy has ensured that we have steadily gained market share in pressure cookers and cookware, our chosen fields of excellence where we have grown at twice the rate of our nearest competitor in the last five years. What we do, we try to do well and we will only do other things once we do them well.

7. There are many other aspects of our business which we do differently. There is not enough time to talk meaningfully about all of them. I will talk to you this time about a humble facet of our operations which, I believe, permeates our culture and, in a substantive manner, defines the products we make, the people we employ, the results we produce. This is a simple one-word – ‘Testing’.

8. Every pressure cooker that goes out into the market is tested, with its lid in place, by dipping it into water to ensure that it does not leak. To my knowledge, no other pressure cooker manufacturer in the world does this. Largely because it’s a messy thing where you have to immediately dry the cooker, otherwise you will get water marks. Other than this, there are 25 tests that are done on randomly selected finished pressure cookers and a similar 25 other tests on cookware, results published and incentives paid and penalties collected every 45 days. And it is not just the finished product – the raw materials, the packaging, the safety valve, the gasket, the anodising, every aspect of the product is tested rigorously.

9. Product testing is not only at the manufacturing level but also at a product idea level when we deal with new products or product innovations. We believe in extensively testing the prototype in our Test Kitchen where we use the product as a consumer would use, and find out how the product performs. Does the handle get too hot? Does the food burn at the base? Can you pour without dripping? OK water pours fine, but what about milk? Milk is fine, but what about *Rasam* – those tiny floating bits? This relentless validation is key to our new product development and many an otherwise promising product idea has been killed in our Test Kitchen because it does not meet our exacting standards. However, it also means that every product that passes the Test Kitchen comes with the assurance that it will be a pleasure to use in the consumers’ homes. The fact of our rigorous testing is well-known amongst our dealers and that is why, when we launch any new product, there is a huge response from them and we often end up distributing a new product in 90 days to more than 3000 outlets around the country.

10. It is not only products that we test, it’s also human beings. Every human being that we employ today has come through a test, not just a viva or interview but a written test. 27

years ago, when I joined this Company, I had to take the Hawkins written test even though I was a product of IIM and IIT. We also make each applicant write an essay in his own handwriting on why he wants to join Hawkins. In this day and age of fleeting attention spans, this rigour of the written application and test has served us well. Even today, anyone we recruit from the Vice President to the worker has to go through a written test. Incidentally the worker also has to run 5 kilometers in less than 30 minutes, the Vice President is spared this.

11. We also put each recruit through a rigorous test during his 18-month training period. All Technical Management trainees in Hawkins have to work six months as a worker on the shop floor, a trainee in Marketing or Sales will spend a year in the field. Not all of them survive. But our culture requires that those who cannot pass the test of doing frontline work in the factory or in the field themselves can never become managers of those that do.

12. The third set of things that go through this testing process are ideas like Marketing Schemes and Advertising campaigns. At the end of each advertising campaign we review them against hard Sales data. If the idea did not produce sales, we throw it out without any second thought, even if one of us had championed it. The same is true for our Marketing Schemes. We test their efficacy every six months against irrefutable sales data. We are, at heart, a data-driven organization and like Darwin's Survival of the Fittest works in nature – red in tooth and claw, we are merciless about killing bad ideas.

13. For our people, products and postulates – once we have tested them – and they pass – the action hots up. We scale up and put our entire manufacturing skill, our full distribution strength and our substantial brand power to make it a resounding success. The persons who do well are incentivized and the capable get higher responsibilities. This is how we have built methodically and painstakingly our solid reputation and results.

14. Hawkins, the way it has been run by our Chairman over the last 50 years reminds me of Henry David Thoreau whom Gandhi admired, from whose Walden, I have borrowed the title of this speech, *“If a man does not keep pace with his companions, perhaps it is because he hears a different drummer.”* Finally, I wish to thank all of you, dear shareholders, for having marched along with us to the beats of a different drummer, creating great value, making good profits, earning great dividends, but in a reputable, upright manner all along the way. Thank you very much. Let's keep marching ahead together.
