

HATSUN AGRO PRODUCT LIMITED

CIN: L15499TN1986PLC012747

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PROCEEDINGS OF THE THIRTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF M/s. HATSUN AGRO PRODUCT LIMITED HELD ON FRIDAY, THE 28TH AUGUST, 2015 AT 10.15 A.M. AT JD MAHAL, GROUND FLOOR, NO.300, 200 FEET RADIAL ROAD, KOVILAMBAKKAM, CHENNAI 600 117.

No. of Members present in person : 765

No. of Members present by proxy : 6

Directors Present

Mr. R.G.Chandramogan - Managing Director
 Mr. K.S.Thanarajan - Joint Managing Director
 Mr. C.Sathyan - Executive Director
 Mr. P.Vaidyanathan - Director & Chairman of Audit Committee,
 Chairman of Nomination and Remuneration
 Committee
 Chairman of Stakeholders Relationship Committee
 Mr. N.Chandrasekaran - Director
 Mr. Tammineedi Balaji - Director
 Dr. Chalini Madhivanan- Director

By invitation

Mr. Shankar Srinivasan - Partner, representing M/s. S.R.Batliboi&Associates, LLP,
 Chartered Accountants, Statutory Auditors
 Mr.V.Dhenuburieswaran - Associate representing M/s. S.R.Batliboi&Associates,
 LLP, Chartered Accountants, Statutory Auditors

In Attendance

Mr. H.Ramachandran - Chief Financial Officer
 Mr. S.Narayan - Company Secretary

Chairman

The Chairman and Managing Director, Mr. R.G.Chandramogan, took the Chair. Having ascertained that the necessary quorum was present and the Register of Directors and Key Managerial Personnel and their shareholding and Register of Proxies were placed on the table for inspection of the Members, the Chairman called the meeting to order by 10.15 A.M and welcomed the shareholders present.

He declared that the proxies received and entered in the Register of Proxies as valid.

Thereafter, the Chairman introduced the Directors to the Shareholders.

Notice of the Meeting

With the consent of all the members present, the Notice convening the meeting as already circulated was taken as read. Thereafter the Chairman addressed the meeting.



CHAIRMAN'S
INITIALS

Chairman's Address

On behalf of the Board of Directors and on my personal behalf, it is my pleasure and privilege to welcome you all to the 30th Annual General Meeting of your Company.

The Annual Report of the Company for the year 2014-15 has already been circulated among the members and I am sure that the members would have perused the same by now. With your consent, I take them as read.

Performance of the Company

The year 2014-15 was a good year for your Company, resulted in an increase in revenue and PBDIT of the Company.

I am glad to report that your Company registered a total income of Rs.2939 Crores representing an increase of 17.47% over that of the previous year and PBDIT of Rs.204 Crores, as compared to previous year's PBDIT of Rs.186 Crores, an increase of 9.70%.

The net profit during the year was Rs.39.15 Crores in comparison with previous year which stood at Rs.81.68 Crores. The main contributors towards the reduction in the net profits were the increase in the finance cost from Rs.40 Crores to Rs.60 Crores and the cost of depreciation from Rs.64 Crores to 94 Crores during the year. The major increase in the depreciation and finance cost was on account of commissioning work carried out at our Tirunelveli Plant to the extent of Rs.75 Crores and an alignment of depreciation rates in line with the New Companies Act, 2013 to the extent of Rs.5 Crores.

Your Company has great strength on its brands viz., Arokya, Arun, IBACO and Hatsun with bigger market share coupled with favourable market conditions. The company has also strengthened its milk procurement systems qualitatively and quantitatively to deal with dairy farmers directly.

Your Company procured during 2014-2015 about 20.34 lakh litres of milk daily from farmers situated in TamilNadu, Karnataka, Andhra Pradesh and Telegana as against 19.19 lakh litres of milk procured in previous year resulted in an increase of 1.15 lakh litres per day compared to the previous year.

I am happy to comment that your Company's milk production is likely to hit 1 million MT which is almost 1/700th of the World milk production which is around 700 million MT.

Your Company stands in No.1 position in Milk and Curd segment amongst other private players in the Country. We are also one among the top sellers in the Ghee segment.

We have invested over a ₹75 crores in Eko Milk Analyser equipment over the years to assess milk quality and to ensure accurate and reliable testing of FAT/SNF (Solid Non Fat) contents in the milk supplied in front of the farmer at each of our 7,900 milk collection centres in Tamilnadu, Karnataka, Andhra Pradesh and Telegana as against 5,400 milk collection centers during last year.



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Your Company has taken one step ahead in the interest of the farmers through its remarkable initiative of facilitating more than 93% farmers to open bank accounts in their names and making payment to their bank accounts directly by the Company. This has brought a significant relief to the farmers by insulating them from the fleecing interest of the local money lenders. We feel very proud to say that, this is "one of the initiative" taken by the Company which is first of its kind in the Country. Banks will also have the comfort of having more of solvent account of farmers. Apart from the above, your company has also paved way for employment for people located in rural areas by giving them job opportunities in its milk collection centers who directly interact with the local farmers during the collection processes.

Your Company has also made substantial improvements in Animal Husbandry by carrying out various initiatives viz., Animal health care, Artificial Insemination, Fodder, Balanced cattle feeds and advice for large farms. Your Company has assigned a team of veterinary doctors to take care of milch animals of all farmers associated with the Company and has also arranged for trained inseminators to visit the villages to carry out artificial insemination on the animals to ensure that the milch animals produce at least one calf every year. Apart from the above your Company has commissioned a team of agricultural graduates to help farmers to cultivate their fodder and source appropriate technology to assist farmers to automate their farms to an optimum level.

Our major expansion into Andhra Pradesh and Telangana with the acquisition of Jyothi Dairy , setting up a greenfield dairy plant in Tirunelveli and acquisition of a cattle feed plant last year have stabilised and are now paying off. The Jyothi Dairy, which was handling about 65,000 litres of milk daily, has now grown to 2 lakh litres and has a presence in Telangana and Andhra Pradesh. We also provide quality cattle feed to farmers pouring milk to us.

Your Company has also penetrated into Maharashtra and Goa through stationing of Arun Ice Cream parlours at vantage areas.

Plan

I am glad to inform you that we are now strengthening our retail marketing and getting closer to our customers. The traditional Hatsun Distribution Centers (numbering 2200 outlets) are being rebranded as Hatsun Daily and will act as distribution and retail outlets for all of Hatsun Agro products. We have now completed the rebranding for 87 outlets out of 2200 and this will increase in the coming years.

We have commenced the milk procurement process in Maharashtra from January 2015 and procured to the extent of 7800 litres per day. We have gradually increased this quantity and around 40000 litres/day being procured. More collection centers are planned to be opened in Maharashtra to increase milk procurement quantity.

Dividend

The members may be aware that the Company has already declared and paid 2 interim dividends totaling Rs.1.80/- per equity share (180%) on equity share capital. The total cash outflow on account of dividends excluding dividend tax for the year 2014-15, was Rs.19.56 Crores resulting in a payout of 49.96% of the net profits of the Company.



CHAIRMAN'S
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Acknowledgement

I would like to thank the Company's Bankers and the Financial Institutions for their help and co-operation extended throughout the year. I would also like to place on record my appreciation for the support and co-operation received by the Company from its stakeholders and in specific its channel partners and also in particular the excellent operational performance of the staff that contributed to the achievements of the Company.

I also acknowledge with utmost gratitude, the trust and confidence reposed by the Shareholders in the Company.

Auditors' Report

After concluding Chairman's address, the Company Secretary was invited to read the Report of the Auditors to the Members. When the Company Secretary commenced the reading of the Auditor's report, some of the Members requested the Chairman to consider the Auditor's report taken as read.

The Chairman informed the members that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had extended the e-voting facility to the members of the Company in respect of the businesses to be transacted at the Annual General Meeting. The e-voting commenced at 9.30 a.m. (IST) on 24th August 2015 and ended on 5 p.m. on 27th August, 2015. Shri. N.Ramanathan, Partner, M/s. S.Dhanapal & Associates, Practising Company Secretaries, Chennai was appointed as Scrutinizer by the Board for the purpose of carrying out the e-voting process in a fair and transparent manner.

The Chairman further informed that, in view of giving similar rights to the members present in the Annual General Meeting, the Company has arranged for a poll on all the resolutions to be passed at the meeting. Mr. N.Ramanathan, Partner, M/s. S.Dhanapal & Associates, Practising Company Secretaries, Chennai was appointed as Scrutinizer for independently carrying out the Poll. Meanwhile, for administrative convenience, poll papers were distributed by the Scrutinizer appointed for carrying out the poll proceedings.

Before formally ordering Poll, the Chairman invited members (other than those present through proxies) for their queries and observations on the Agenda items as set out in the Notice of the 30th Annual General Meeting.

Several members addressed the meeting, given their suggestions on the meeting venue arrangements, products and raised queries on the Company's businesses, which were replied by the Chairman of the Company.

Thereafter, the Chairman ordered for a poll to be taken at the meeting and requested the members to participate in the Poll.

The Chairman informed that the results of voting on each resolution shall be determined by adding the votes of the poll in favour or against a resolution with the electronic votes in favour or against the same resolution.

The Chairman informed the members that the results would be declared and submitted to the Stock Exchanges (BSE and NSE) within 48 hours of the conclusion of the AGM and also placed on the website of the Company.



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The Chairman invited the Scrutinizer appointed for the Poll, after the closure of the meeting, to take over the poll proceedings and requested him to submit the Poll report not later than 3 p.m. on 29th August, 2015.

Thanking the members for their participation, suggestions and comments, the Chairman announced the formal closure of the 30th Annual General Meeting.

Conduct of Poll

Shri. N.Ramanathan, Scrutinizer appointed for the Poll, conducted the poll which included distribution of polling papers, showing empty polling box to the members, locking and sealing of empty polling boxes in the presence of members. After ensuring that all members and proxies participating in the poll had casted their votes, the Scrutinizer closed the poll at around 11.45 a.m. The Scrutinizer then took the custody of polling box.

Result of the Electronic Voting and Poll on the Ordinary and Special Businesses at the Annual General Meeting of the Company held on Friday, the 28th August, 2015

On the basis of the Scrutinizers Report for the Electronic Voting dated 29th August, 2015 and the Scrutinizers Report for the Poll at the Annual General Meeting dated 29th August, 2015, the summary of which is mentioned hereunder, the results of the voting were announced on 29th August, 2015 that all the resolutions for the Ordinary and Special Businesses as set out in item no.1 to 8 in the Notice of the 30th AGM have been duly passed by requisite majority.

Resolution No. 1 - Adoption of the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Statement, Cash Flow Statement for the year ended 31st March, 2015 together with the Reports of the Directors and Auditors thereon

	No of Shares	No of Members
Total Votes Cast	97972840	133
Less: Invalid votes	20554	6
Net Valid Votes cast	97952286	127
Votes cast in favour	97952286	127
Votes cast against	0	0

% of total valid votes cast in favour of the resolution: 100

% of total valid votes cast against the resolution: Nil

Resolution No. 2 – Ratification of interim dividend

	No of Shares	No of Members
Total Votes Cast	97973040	134
Less: Invalid votes	20554	6
Net Valid Votes cast	97952486	128
Votes cast in favour	97952486	128
Votes cast against	0	0

% of total valid votes cast in favour of the resolution: 100

% of total valid votes cast against the resolution: Nil



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Resolution No. 3 – Re-appointment of Mr. R G Chandramogan, Director, retiring by rotation

	No of Shares	No of Members
Total Votes Cast	97973040	134
Less: Invalid votes	20554	6
Net Valid Votes cast	97952486	128
Votes cast in favour	97952364	127
Votes cast against	122	1

% of total valid votes cast in favour of the resolution: 99.99

% of total valid votes cast against the resolution: 0.01

Resolution No. 4 – Ratification of appointment of M/s S.R.Batliboi & Associates, LLP, Chartered Accountants, Chennai, as the Statutory Auditors of the Company

	No of Shares	No of Members
Total Votes Cast	97972840	133
Less: Invalid votes	20554	6
Net Valid Votes cast	97952286	127
Votes cast in favour	97951164	125
Votes cast against	1122	2

% of total valid votes cast in favour of the resolution: 99.99

% of total valid votes cast against the resolution: 0.01

Resolution No. 5 – Appointment of Dr. Chalini Madhivanan as an Independent Director

	No of Shares	No of Members
Total Votes Cast	97973040	134
Less: Invalid votes	20554	6
Net Valid Votes cast	97952486	128
Votes cast in favour	97951364	126
Votes cast against	1122	2

% of total valid votes cast in favour of the resolution: 99.99

% of total valid votes cast against the resolution: 0.01

Resolution No. 6 - Appointment of Shri Balaji Tammineedi as an Independent Director

	No of Shares	No of Members
Total Votes Cast	97972840	133
Less: Invalid votes	20554	6
Net Valid Votes cast	97952286	127
Votes cast in favour	97951164	125
Votes cast against	1122	2

% of total valid votes cast in favour of the resolution: 99.99

% of total valid votes cast against the resolution: 0.01



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Resolution No. 7 – Fixation of Remuneration of Cost Auditor

	No of Shares	No of Members
Total Votes Cast	97972840	133
Less: Invalid votes	20554	6
Net Valid Votes cast	97952286	127
Votes cast in favour	97952286	127
Votes cast against	0	0

% of total valid votes cast in favour of the resolution: 100

% of total valid votes cast against the resolution: Nil

Resolution No. 8 – Payment of donation to Raja K.S.P. Ganesan Charities for carrying out CSR activities

	No of Shares	No of Members
Total Votes Cast	97972840	133
Less: Invalid votes	83976026	26
Net Valid Votes cast	13996814	107
Votes cast in favour	13996813	106
Votes cast against	1	1

% of total valid votes cast in favour of the resolution: 100

% of total valid votes cast against the resolution: 0.00

The Resolutions for the Ordinary and Special Businesses as set out in Item Nos.1 to 8 in the Notice of the 30th AGM, duly approved by members as above, are recorded hereunder as part of the proceedings of 30th AGM of the members held on 28th August, 2015.

ORDINARY BUSINESS:**1. ADOPTION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED THE 31ST MARCH, 2015.**

“RESOLVED THAT the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors of the Company, be and are hereby approved and adopted.”

2. RATIFICATION AND CONFIRMATION OF PAYMENT OF INTERIM DIVIDENDS ON EQUITY SHARES FOR THE FINANCIAL YEAR 2014-15.

“RESOLVED THAT 2 interim dividends amounting to Rs.1.80/- (180%) (First Interim – 60% and Second Interim – 120%) per share for the year ended 31st March, 2015 declared and paid by the board of directors be and is hereby approved and ratified.”

3. RE-APPOINTMENT OF MR. R.G.CHANDRAMOGAN, WHO RETIRES BY ROTATION

“RESOLVED THAT Mr. R.G.Chandramogan, who retires by rotation and being eligible for re-appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation.”



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4. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS M/s.S.R.BATLIBOI & ASSOCIATES, LLP, CHARTERED ACCOUNTANTS AS THE AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendation of the Audit Committee and pursuant to the resolution passed by the members at the Annual General Meeting held on July 31, 2014, the appointment of M/s. S.R.Batliboi & Associates, LLP Chartered Accountants (Firm registration number 101049W), as the auditors of the Company to hold office till the conclusion of Thirty Second Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification of the appointment by the members at every Annual General Meeting by means of an Ordinary Resolution to be held after this Annual General Meeting) be and is hereby ratified and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors.”

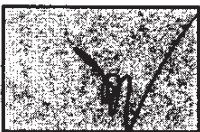
SPECIAL BUSINESS:

5. APPOINTMENT OF DR.CHALINI MADHIVANAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Dr. Chalini Madhivanan, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd September, 2014 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Dr. Chalini Madhivanan as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 22nd September, 2019, not liable to retire by rotation.”

6. APPOINTMENT OF SHRI.BALAJI TAMMINEEDI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Shri. Balaji Tammineedi, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd September, 2014 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Shri.Balaji Tammineedi a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 22nd September, 2019, not liable to retire by rotation”



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7. APPROVAL FOR FIXATION OF REMUNERATION OF COST AUDITORS

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. STR & Associates, Cost Accountants (Firm Registration Number 000029) appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration amounting to Rs.1 lakh (Rupees One lakh Only) excluding applicable taxes and out of pocket expense, if any.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. APPROVE PAYMENT OF DONATION TO RAJA K.S.P GANESAN CHARITIES FOR CARRYING OUT CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES.

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into an arrangement with Raja K S P Ganesan Charities, a registered charitable trust being managed by Shri R.G. Chandramogan, Chairman and Managing Director and Shri C. Sathyan, Executive Director along with other co-trustees, by way of contribution of donation or otherwise utilize the Trust in one or more projects or programs relating to the Company’s Corporate Social Responsibility activities as envisaged under Schedule VII of Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Section 135 of the Companies Act, 2013 and for matters connected therewith or ancillary thereto subject to a maximum of Rs.3 crore during the financial year 2015-16.”

“RESOLVED FURTHER THAT the Board of Directors or Corporate Social Responsibility Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds and things as may be deemed necessary, proper and desirable.”

Place: Chennai.
Date: 10th September, 2015


CHAIRMAN



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