

HATSUN AGRO PRODUCT LIMITED**CIN: L15499TN1986PLC012747****Regd. Office: Domaine, Door No.1/20A,****Rajiv Gandhi Salai (OMR),****Karapakkam, Chennai 600 097.****Ph: 044-24501622; Fax: 044-24501422****Email: secretarial@hatsun.com; Web: www.hatsun.com**

PROCEEDINGS OF THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF M/s. HATSUN AGRO PRODUCT LIMITED HELD ON THURSDAY, THE 31ST JULY, 2014 AT 11.00 A.M. AT P.OBUL REDDY HALL, SRI THYAGA BRAHMA GANA SABHA, VANI MAHAL, G.N.CHETTY ROAD, T.NAGAR, CHENNAI 600 017.

No. of Members present in person : 1157

No. of Members present by proxy : 3

Directors Present

Mr. R.G.Chandramogan - Managing Director
 Mr. K.S.Thanarajan - Joint Managing Director
 Mr. C.Sathyan - Executive Director
 Mr. P.Vaidyananthan - Director & Chairman of Audit Committee
 Mr. S.Thiagarajan - Director & Chairman of Shareholders'/Investors' Grievance Committee
 Mr. N.Chandrasekaran - Director
 Mr. B.Thenamuthan - Director

By invitation

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

In Attendance

Mr. S.Subramanian - Chief Financial Officer
 Mr. S.Chandrasekar - 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 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.



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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 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 29th Annual General Meeting of your Company.

The Annual Report of the Company for the year 2013-14 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 2013-14 has been a good year for your Company, which has resulted in increase in both topline and bottom line of the Company.

I am indeed happy to inform you that your Company has obtained the listing approval from the National Stock Exchange of India Limited (NSE) and our shares are admitted for trading in NSE w.e.f 20th June, 2014.

I am glad to report that your Company registered a total income of Rs.2502.03 Crores representing an increase of 15% over that of the previous year and a net profit of Rs.81.68 Crores, as compared to previous year's net profit of Rs.44.67 Crores, an increase of 83%.

The increase in the profitability is due to strengthening of our brands with higher market share and also favourable export market conditions, the availability of milk and the effective cost control measures taken by the Company.

During the year 2013-14, all our products have achieved considerable growth over that of previous year. Our premium brand "IBACO" Ice cream has crossed 100 outlets during the year.

With the dedicated and committed work of our people, we have achieved our vision of maximising the shareholders' wealth on a sustainable basis.

Your Company follows transparent policy with regard to its complete procurement process. We have Installed Eko Milk Analyzers at 4900 milk collection centres, and out of which 2100 were installed during the year 2013-14, to ensure accurate and reliable testing of FAT/SNF (Solid Non Fat) contents in the milk supplied. Farmers who supply milk to the Company is paid on daily basis as against the earlier one week credit enjoyed by the Company. The system has enthused overall confidence of the farmers to increase milch animals and focus more on dairying. This has resulted in increased milk production even during drought. The investment made will be much more helpful in the near future with more volume in the normal rainy season.



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Our growth plan is driven not only on strong foundation of farmers' development, infrastructure development, brand building and consumer preferences but also on the value system practiced by the Company.

In continuation with our expansion plan, during the year 2013-14, we have acquired a cattle feed plant in Karur, Tamil Nadu and also the dairy business of Jyothi Dairy Private Limited in Andhra Pradesh.

Tamil Nadu's main rainfall is from Northeast Monsoon from October to December. During the year 2013-14, Tamil Nadu has experienced its worst northeast monsoon in 18 years recording a deficit of 32%. Due to aftermath of the monsoon, there was shortage of milk which affected the cost of operations of the Company drastically between February and May, 2014. However, from end of May 2014, the milk availability has increased to better levels bringing the cost under control.

Plan

The major thrust areas in the current financial year would be to strengthen the operations and increase the presence in Andhra Pradesh and also the Cattle Feed business in the domestic market. This will help your Company to strengthen its presence and enable it to maintain its leadership position.

Dividend

The members may be aware that the Company has already declared and paid 2 interim dividends totaling Rs.2.50/- per equity share (250%) on equity share capital.

The total cash outflow on account of dividends excluding dividend tax for the year 2013-14, would aggregate to Rs.26.93 Crores resulting in a payout of 33% of the profits of the Company.


Community development and charitable work

Your Company has been extending help to villages where our plants are located, as part of our Corporate Social Responsibility. Financial assistance was extended for creating and developing basic infrastructure like laying of roads, water pipe connection, dust bin for Panchayat etc. Your Company has also organised free eye camps at Edapadi, Rasipuram and Mecheri Village.

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 the excellent operational performance of the staff of the Company 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.



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Auditors' Report

After concluding Chairman's address, the Company Secretary read the Report of the Auditors to the Members.

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 25th July, 2014 and ended on 6 p.m. on 27th July, 2014. Shri. S.Dhanapal, Senior 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. S.Dhanapal, Senior 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 29th Annual General Meeting.

Several members addressed the meeting, given their suggestions and raised queries on the Company's accounts and businesses, which were replied by the Chairman, Company Secretary and Chief Financial Officer 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.

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 1 p.m. on 1st August, 2014.

Thanking the members for their participation, suggestions and comments, the Chairman announced the formal closure of the 29th Annual General Meeting.



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Conduct of Poll

Shri. S.Dhanapal, 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 1 p.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 Thursday, the 31st July, 2014

On the basis of the Scrutinizers Report for the Electronic Voting dated 28th July, 2014 and the Scrutinizers Report for the Poll at the Annual General Meeting dated 1st August, 2014, the summary of which is mentioned hereunder, the results of the voting were announced on 2nd August, 2014 that all the resolutions for the Ordinary and Special Businesses as set out in item no.1 to 9 in the Notice of the 29th AGM have been duly passed unanimously/by requisite majority.

Resolution No. as given in the Notice of 29 th AGM	Particulars of Votes cast							Result Declared
		E-voting		Poll		Voting Result		
		Nos.(A)	%	Nos.(A)	%	Nos.(A)	%	
Ordinary Business								
1. Ordinary Resolution for adoption of financial statements for the year ended 31 st March, 2014	Votes cast in favour	82366314	100	522977	100	82889291	100	Passed Unanimously
	Votes cast against	0	0	0	0	0	0	
	Invalid votes	0	0	6	0	6	0	
2. Ordinary Resolution for ratification and confirmation of payment of interim dividends on equity shares for financial year 2013-14	Votes cast in favour	82366314	100	522971	99.998	82889285	99.9999	Passed with requisite majority
	Votes cast against	0	0	12	0.002	12	0.0001	
	Invalid votes	0	0	0	0	0	0	
3. Ordinary Resolution for re-appointment of Mr. K.S.Thanarajan, who retires by rotation.	Votes cast in favour	82366314	100	522540	99.92	82888854	99.9994	Passed with requisite majority
	Votes cast against	0	0	443	0.08	443	0.0006	
	Invalid votes	0	0	0	0	0	0	


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4. Ordinary Resolution for appointment of Auditors and fixing their remuneration.	Votes cast in favour	82366314	100	522540	99.92	82888854	99.9994	Passed with requisite majority
	Votes cast against	0	0	443	0.08	443	0.0006	
	Invalid votes	0	0	0	0	0	0	
Special Business								
5. Ordinary Resolution for appointment of Mr. Balasubramanian Thenamuthan as an Independent Director.	Votes cast in favour	82366314	100	522983	100	82889297	100	Passed Unanimously
	Votes cast against	0	0	0	0	0	0	
	Invalid votes	0	0	0	0	0	0	
6. Ordinary Resolution for appointment of Mr. P.Vaidyanathan as an Independent Director.	Votes cast in favour	82358318	99.99	522540	99.92	82880858	99.9898	Passed with requisite majority
	Votes cast against	7996	0.01	443	0.08	8439	0.0102	
	Invalid votes	0	0	0	0	0	0	
7. Ordinary Resolution for appointment of Mr. N.Chandrasekaran as an Independent Director.	Votes cast in favour	82366314	100	522540	99.92	82888854	99.9994	Passed with requisite majority
	Votes cast against	0	0	443	0.08	443	0.0006	
	Invalid votes	0	0	0	0	0	0	
8. Ordinary Resolution for retirement of a Director	Votes cast in favour	82366314	100	522540	99.92	82888854	99.9994	Passed with requisite majority
	Votes cast against	0	0	443	0.08	443	0.0006	
	Invalid votes	0	0	0	0	0	0	
9. Ordinary Resolution for approval for fixation of remuneration of Cost Auditors	Votes cast in favour	82366314	100	522528	99.92	82888842	99.9994	Passed with requisite majority
	Votes cast against	0	0	455	0.08	455	0.0006	
	Invalid votes	0	0	0	0	0	0	

The Resolutions for the Ordinary and Special Businesses as set out in Item Nos.1 to 9 in the Notice of the 29th AGM, duly approved by members as above, are recorded hereunder as part of the proceedings of 29th AGM of the members held on 31st July, 2014.



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ORDINARY BUSINESS:**1. ADOPTION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED THE 31ST MARCH, 2014.**

“RESOLVED THAT the Audited Balance Sheet as at 31st March, 2014 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 2013-14.

“RESOLVED THAT 2 interim dividends amounting to Rs.2.50/- (250%) (First Interim – 150% and Second Interim – 100%) per share for the year ended 31st March, 2014 declared and paid by the board of directors be and is hereby approved and ratified.”

3. RE-APPOINTMENT OF MR. K.S.THANARAJAN, WHO RETIRES BY ROTATION


“RESOLVED THAT Mr. K.S.Thanarajan, 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.”

4. 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 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), M/s. S.R.Batliboi & Associates, LLP, Chartered Accountants (Firm registration number 101049W), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the thirty second AGM of the Company to be held in the year 2017 (subject to ratification of the appointment by the members at every AGM by means of an Ordinary Resolution held after this AGM) on such remuneration as may be determined by the Board of Directors 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 SHRI. BALASUBRAMANIAN THENAMUTHAN 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


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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. Balasubramanian Thenamuthan, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd January, 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. Balasubramanian Thenamuthan 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 31st March, 2019.”

6. APPOINTMENT OF SHRI. P.VAIDYANATHAN 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. P.Vaidyanathan, Director of the Company 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. P.Vaidyanathan 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 31st March, 2019.”

7. APPOINTMENT OF SHRI. N.CHANDRASEKARAN 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. N.Chandrasekaran, Director of the Company 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. N.Chandrasekaran 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 31st March, 2019.”

8. RETIREMENT OF DIRECTOR

“RESOLVED not to fill for the time being the vacancy caused by the retirement of Shri. S. Thiagarajan, Director, who retires by rotation at the Annual General Meeting and does not seek re-appointment.”



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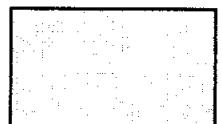
9. APPROVAL FOR FIXATION OF REMUNERATION OF COST AUDITORS

“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, 2015, be paid the remuneration amounting to Rs.5,00,000/- (Rupees Five Lakhs 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.”

Place: Chennai.
Date: 18th August, 2014

Neel Chandrasekhar
CHAIRMAN



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