

2017

32nd ANNUAL REPORT

HAP



It all begins with nature



Everything has a beginning. Be it a living creature or a plant, everything on this planet has an origin. A place of birth. A root from where life springs forth. And where do we find this root, this ground zero for life? Do we look long and wide, or do we find it in a place not far from where we are?



The answer is all around us. In the air we breathe, the water we drink, the earth we stand on and the fire we hold within. The answer is in nature.



At Hatsun Agro Product Limited (HAP), we believe in partnering with nature. We hold her in utmost reverence - our source of constant inspiration and innovation.

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Earth, the epitome of honesty.
The embodiment of trust, truth and integrity.
The root that keeps us grounded.

Hatsun Agro Product Limited

Over the decades, Hatsun Agro Product Limited (HAP) has been committed to providing customers a range of dairy products that enrich their lives. Our offerings cater to specific needs covering a wide range in the areas of cooking and consumption. They include milk, curd, ice creams, dairy whitener, skimmed milk powder, ghee, paneer and a host of others. We take pride in playing a part in the daily lives of a million Indian households through brands such as Arokya Milk, Hatsun Curd, Hatsun Paneer, Hatsun Ghee, Arun Icecreams, Ibaco and Hatsun Ghee has become a daily choice in many North Indian states, while Hatsun Dairy Whitener has become a popular household brand in the North Eastern part of the country.

Being a name with a foundation built on quality, we have a technically advanced system in place along with time-tested business processes across our 16 plants.

Hatsun Agro Product Limited also has a healthy global presence with dairy ingredients exported to 40 countries around the world – primarily to America, the Middle East and South Asian markets. Our popular Arun Icecreams is also a favourite brand in Seychelles and Brunei.

Being a name with a foundation built on quality, we have a technically advanced system in place along with time-tested business processes across our 16 plants.

HAP is continually on the lookout to spread its wings, thereby catering to the needs of a greater number of families. While our foothold in Tamil Nadu continues to be strengthened, we are working towards rapid expansion through the country this year, like Karnataka, Andhra Pradesh, Telangana, Kerala, Orissa and Maharashtra, thanks mainly to the overwhelming response from our consumers about the quality of our products. We recognise their appreciation, and as always will continue to make product developments and new product innovations aided by prolific Research & Development efforts. Our plans will include a foray into new brands featuring healthy, tasty and quality foods.

As always, the customer can look forward to the great levels of quality that we have always been known to deliver.

Board Of Directors



R.G. CHANDRAMOGAN
Chairman & Managing Director

Shri R.G. Chandramogan is the Promoter of the Company. He is the Chairman and Managing Director of the Company. He initially started the ice cream business in the early 1970s and later ventured into milk and milk-related products. He has more than 4 decades of experience in the industry.



C. SATHYAN
Executive Director

Shri C. Sathyan takes care of Business Management with specialisation in Marketing. He has held various executive positions during his career spanning over a decade.



K.S. THANARAJAN
Non-Executive Director

Shri K.S. Thanarajan has nearly in 4 decades of experience in various executive positions in his career, having specialisation in system management.



P. VAIDYANATHAN
Independent Director

Shri P. Vaidyanathan is a Fellow Member of The Institute of Chartered Accountants of India, Associate Member of The Institute of Company Secretaries of India and Associate Member of The Institute of Cost and Works Accountants of India. Shri P. Vaidyanathan has more than 32 years of experience in Finance functions.



B. THENAMUTHAN
Independent Director

Shri Balasubramanian Thenamuthan has 3 decades of experience in journalism. He is the Managing Director of Karnataka News Publications Private Limited, which publishes a Tamil daily outside Tamil Nadu.



N. CHANDRASEKARAN
Independent Director

Shri N. Chandrasekaran is a Mechanical Engineering with more than 4 decades of experience. He has held various executive positions during his career. He is also on the Board of different reputed companies.



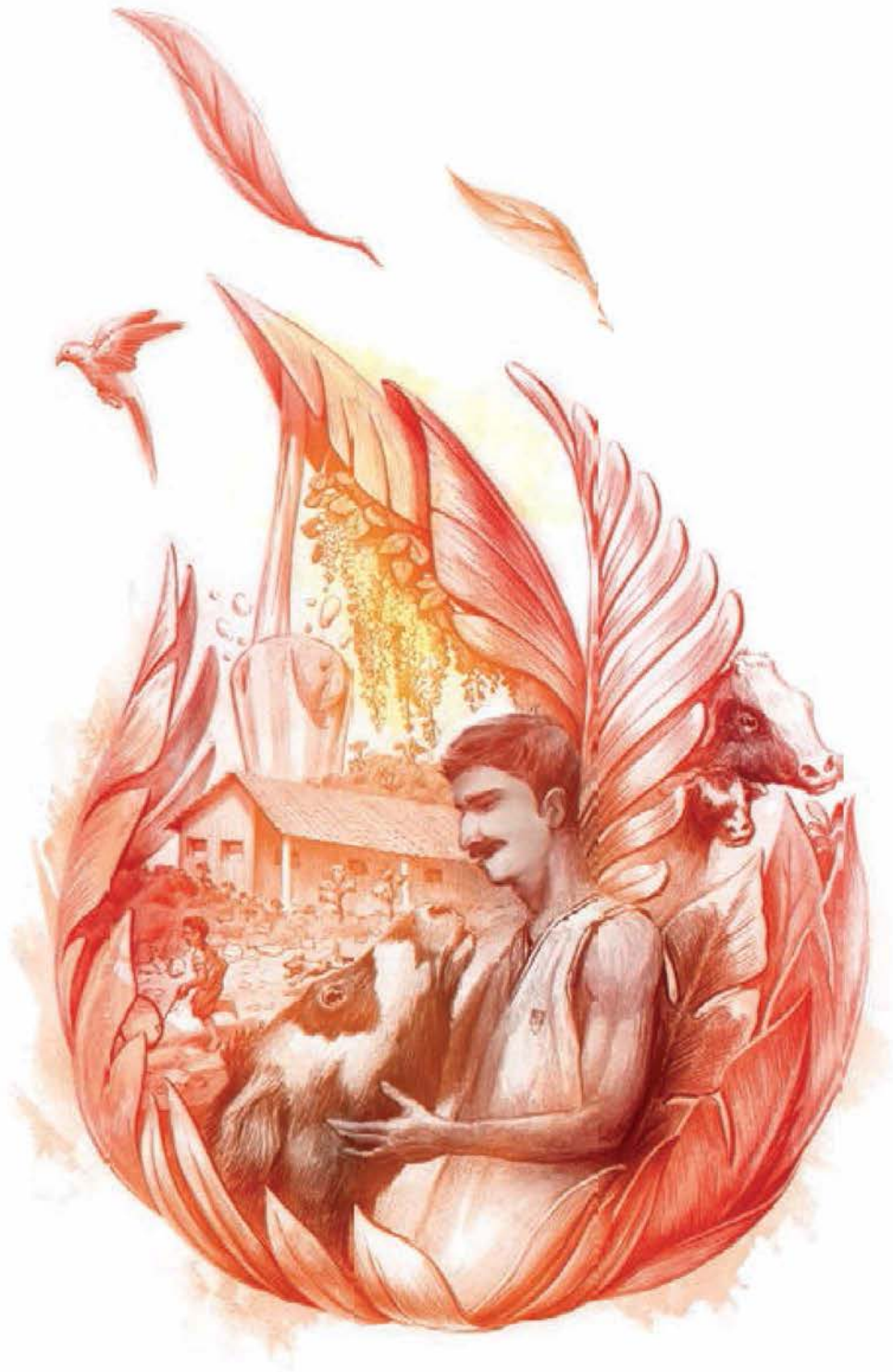
BALAJI TAMMINEEDI
Independent Director

Shri Balaji Tammineedi is an entrepreneur and has more than two decades of experience in the Dairy Industry. He is the Managing Director of M/s. Jyothi Steel Industries (India) Private Limited.

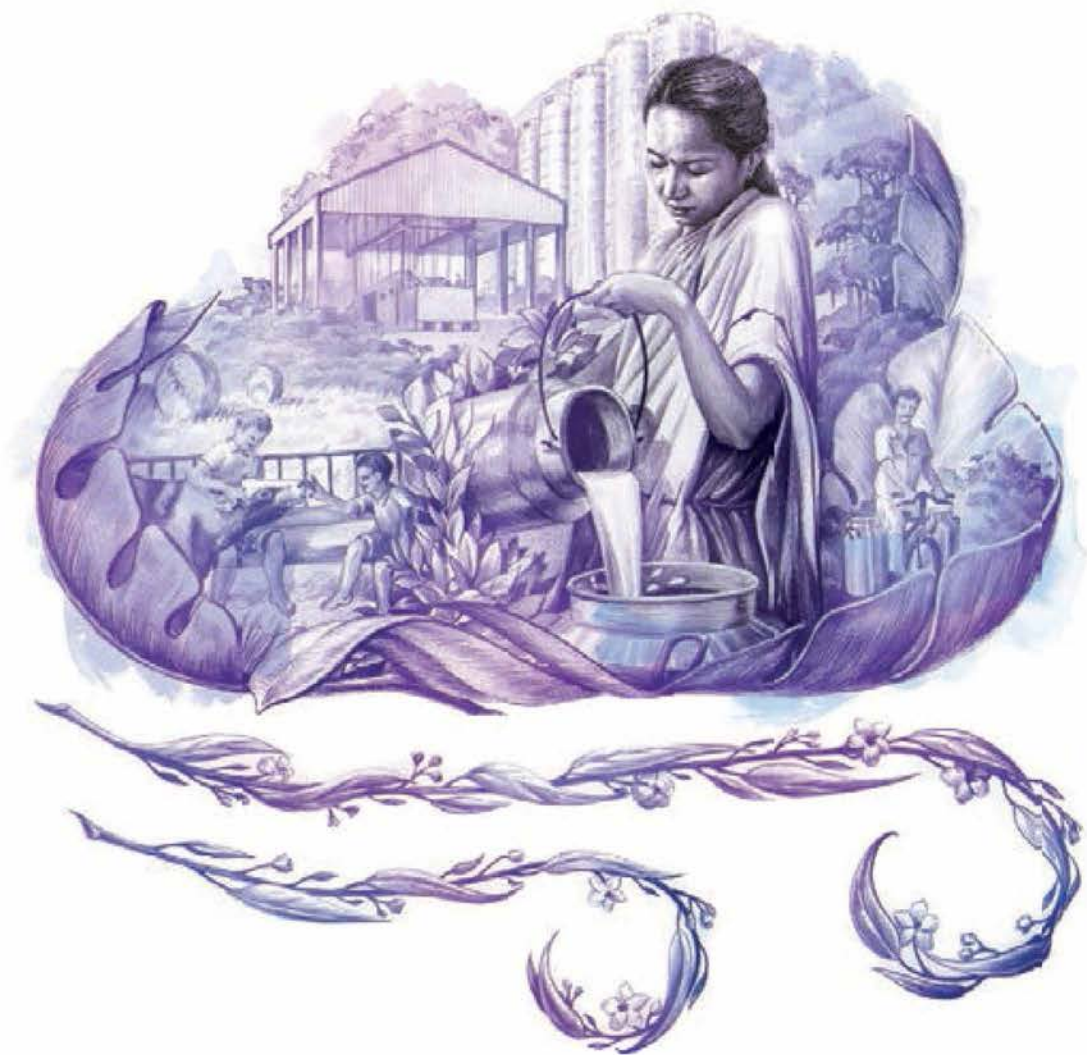


CHALINI MADHIVANAN
Independent Director

Dr. Chalini Madhivanan is a graduate from Madurai Medical College and a postgraduate in Ophthalmology at Regional Institute of Ophthalmology and Government Ophthalmic Hospital, Chennai. She underwent fellowship in refractive corrective procedures-LASIK LASER, at Kiryu Eye Institute, Japan & Paediatric Fellowship at Sankara Nethralaya, Chennai. She has presented more than 100 papers in state and international conferences and has conducted scientific workshops and conferences in the State and across the country. She holds the position of Vice-Chairman at M.N Eye Hospital Pvt. Ltd. She was the Editor of the prestigious journal of Tamil Nadu Ophthalmic Association & the Chairman of Academic & Research committee of the same.



Fire brings with it great power.
The energy to excel, the desire to do
and the drive to transform.



Air is the power shaft without which progress would be impossible.
The unseen constant that keeps us alive.
The engine that keeps us moving forward.

Milk Procurement Process

HATSUN MILK BANKS

HAP procures milk directly from the farmers. To facilitate it in this process HAP has around 10,000 plus Hatsun Milk Banks (HMBs) covering over 13,000 villages. Everyday 3.2 lakh plus farmers pour their milk at these HMBs. At the HMBs every farmer's milk is tested for its quality. Based on the quality, per litre price of milk is determined with the help of a two-way price chart.

QUALITY PARAMETERS

The two parameters tested for determining quality are Fat and SNF. Based on the quality and the number of litres poured by the farmer, his or her total amount is calculated. This process is done for each and every farmer who pours milk at the HMB. Based on the quality, the farmer is paid every 10 days.

FARMER MANAGEMENT

The entire farmers' database is managed through a state-of-the-art computer software system. It would not be out of place to mention that HAP has been paying the farmers on time once every 10 days without any exception – rain or shine. HAP takes great pride in maintaining this track record for more than two decades. The entire dairy farming community in the milk shed where HAP operates is aware of this unique track record.

LOGISTICS

HAP operates more than 1,100 rural milk procurement routes. These routes have a regular route plan with timing to pick up milk cans from each HMB/village in the morning and evening. After collecting milk from all the allotted HMBs, the milk procurement vehicle reaches the Hatsun Milk Chilling Center (CC) at its scheduled time.

TESTING

At the CC the milk is tested again for more parameters than at the HMB. Further samples are taken for detailed testing. Once the tests are completed and the suitability of the entire CCs milk is confirmed to meet HAP's strict quality norms, the milk is loaded into a road milk tanker and sent to the dairy. At the dairy, the milk is put through more tests before taking it up for further processing.

ACTIVE BULK COOLER

A new and advanced process of procuring and chilling the milk at the village level using ABC (Active Bulk Cooler) has been introduced in 400 plus locations. This helps us improve quality and retain freshness as the milk gets chilled right at the village.

ADVANTAGES OF ACTIVE BULK COOLER (ABC)

1. Farmers have flexibility in milking their animals.
2. Instant chilling at village level within 2 hours
3. Milk quality is increased
4. Avoiding milk spoilage and spillage
5. Improved MBRT hours

Animal Husbandry

The company is built on a foundation of trust and care. This is important to the farmers. The Animal Husbandry team plays a vital role in increasing profitability of dairy farms by increasing efficiency and reducing costs. The team works closely with the feed team to provide farmers with a complete package of forages and concentrates.

ANIMAL HEALTH CARE

HAP has assigned a team of veterinary doctors to take care of milch animals of all the farmers associated with the company and educate them about the best ways to prevent common ailments for their cattle.

ARTIFICIAL INSEMINATION

HAP has a team of trained inseminators to visit villages and provide AI services from quality bulls. The aim is to ensure that milch cows produce a calf every year and that those calves are of better genetic quality than their mothers.

FODDER

HAP has a team of agronomists to help cultivate fodder, the cheapest animal feed, in the most economical way to meet the nutritional requirements of the cow.

BALANCED CATTLE FEEDS

Under the brand name Santosa, HAP manufactures and sells cattle feed to the farmers based on their need.

ADVICE FOR LARGE FARMS

In an effort to produce milk more efficiently, HAP is working closely with large farms helping them source appropriate technology to reduce farm labour requirements. HAP has gone a step further to efficiently manage and monitor cattle, a first of its kind initiative in India. The company has brought into practice a herd management system, wherein every animal is tagged and all data is recorded. The QR code helps compile data of the particular animal. With an extensive data set, we have powerful tools to help farmers improve productivity, monitor bulls and improve genetics and most importantly, make dairy farmers more profitable. Data is shared with vets, para vets, and even farmers will be able to observe the data for their farm, ensuring that the animals get the best management.

Our Brand Stable

At HAP, we work towards one thing - offering our customer fine quality products. With a hard-working and dedicated team behind our processes, we have been able to satisfy and win the loyalty of our customers. In the coming years, we will continue to take the Hatsun name across the country and reach out to customers with a wider, more diverse portfolio of brands.

AROKYA MILK

Aroky Milk was launched in 1995 and since then, has won the trust of millions of customers across South India, and has now spread into the North starting with Maharashtra. That's what makes it one of the popular milk brands in the Indian private sector. Great care and refinement go into the processing of Aroky Milk.

Aroky Standardised Milk - One of the most popular of our milk products, Aroky Standardised Milk, with 4.5% fat, is the brand of choice for the whole family.

Aroky Full Cream Milk - This product has 6% fat content, and as the name suggests, is rich with cream. This makes it perfect for kids, be it with their breakfast cereal or as a drink.

Aroky Toned Milk - With 3% fat, Aroky Toned Milk is a healthy choice for families, providing a balanced mix of essential ingredients. It brims with the goodness of our villages.

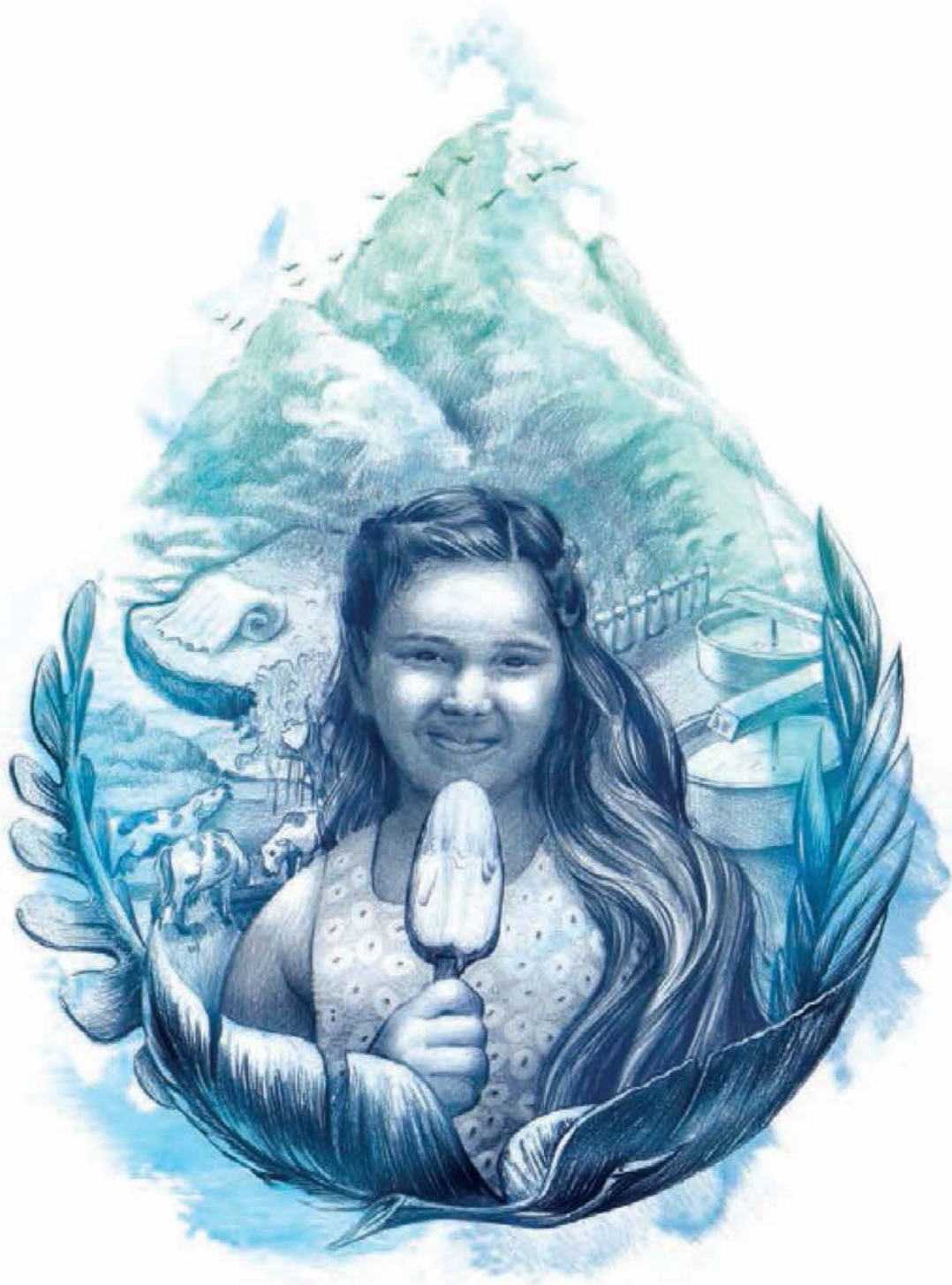
AROKYA CURD

Aroky Curd comes to you from the trusted Aroky Milk brand. Made from high quality milk, this curd is thick, delicious and guaranteed to be the perfect accompaniment to all your meals. It is now available in a convenient Ziploc pack which keeps the curd taste consistent till the last drop.

GOODNESS OF AROKYA

Goodness of Aroky is a parlour set up to promote the goodness of Aroky milk. The brand offers customers a host of milk-based refreshments like milkshakes, yogurt shakes, yogurt toppings, paneer snacks, coffee and other hot beverages made with Aroky milk based on customer preference. All products perfectly blend the goodness of milk with natural ingredients. Customers can also purchase Hatsun dairy products and Arun Icecreams at these parlours.

We pride ourselves on delivering high levels of quality to our customers. And it happens only through the dedication, hard work of our team, coupled with the loyalty of our customers.



Water, the essence of life.
A reservoir of all things good.
A source of goodness and vitality.

ARUN ICECREAMS

Arun Icecreams has been one of the most popular brands of ice cream for a number of decades. Driven by innovation, the brand always introduces new flavours and variants to give customers a lot to choose from.

Arun Icecreams iCone - Crunchy ice cream cones with a slender flavourful line running down the length of the cone, iCone offers customers something special in every bite. It's a treat for kids and adults alike.

Arun Icecreams iBar - There's nothing like the iBar to give consumers a bit of indulgence. This unique product comes in a range of flavours and also, in a smaller size - iBar Mini.

Bars – Children always love surprises, and that's exactly what our range of innovative, fun shaped bars aims to accomplish. With a series of ice cream bars in exciting shapes and sizes, these products are a reflection of the fun spirit of kids. Jolly Train, Yummy Bear, Spiral and Trio were the initial launches that went on to become popular with not just with children but consumers of all ages.

IBACO

After just 5 years of its launch, Ibaco has spread to over 122 parlours across India. The positive feedback from customers is leading to the launch of new parlours, product offerings and even more exotic flavours. Joining the usual favourites are Swiss Chocolate, Rocky Road, White Chocolate and Ecuadorian Arriba, with new toppings like Waffle Fan, Rice Crispies and Choco Crispies.

Ice Cream Cakes - Ibaco Ice Cream Cakes are a unique, delicious way to make life's moments even more memorable - be it birthdays, anniversaries, office parties and a number of special occasions. Now with new flavours including Swiss Choco Symphony, Mango Lychee Medley, and Dark Chocolate Twist is sure to create fonder memories.

Signature Cones - Keeping with the brand story, Ibaco lets you add a bit of magic and create Signature Cones. Customers can choose their own flavours, toppings and sauces to craft a cone that suits their taste. Also, indulge in our Chocolate and Blackcurrant flavoured cones.

Ice Cream Bars - Ibaco also lets customers indulge in ice cream bars of their own creation, by choosing their own ice cream flavour, toppings and sauces.

Ice Cream Pizza - Ice cream pizza is a new unique dessert made with a flat brownie base topped with vanilla ice cream, nuts and raisins. Perfect for sharing a little slice of happiness.

HATSUN CURD

The perfect companion for all meals, Hatsun Curd is made from cow's milk. The smooth and creamy nature of the product makes it ideal for consumption on hot summer days. The fact that Hatsun Curd shows incredible consistency in taste and texture irrespective of the weather has made the product an undisputed market leader. It is also a convenient choice for consumers who make their curd at home.

HATSUN PANEER

The succulent Hatsun Paneer is prepared using high quality milk to give you a product that feels soft and tastes great. The product is perfect for making delicious curries and scrumptious appetisers.

HATSUN GHEE

If you are looking for ghee that is consistent in texture and rich in aroma, look no further than Hatsun Ghee. This product is ideal for sweets and delicacies.

HATSUN BUTTER

Made from top quality cream churned from farm milk, Hatsun Butter is the ingredient of choice for a variety of dishes from butter dosa to pancake butter masala.

HATSUN DAIRY WHITENER

Hatsun Dairy Whitener is the perfect complement to your morning cup of tea and coffee. It dissolves easily and does not form unsightly lumps.

HATSUN SKIMMED MILK POWDER

Made from quality milk, Hatsun Skimmed Milk Powder is 99% fat-free. It is perfect for anyone who leads a hectic lifestyle and is in need of their daily dose of milk.

HATSUN BUTTERMILK

With temperatures going up, there's nothing like a cool glass of buttermilk to keep one refreshed and hydrated. Hatsun Buttermilk comes in a convenient pack to give consumers a respite from the searing heat.

HATSUN LASSI

One of the most refreshing traditional drinks in India, lassi is perfect to stay cool and is a good drink to follow up after a heavy lunch. Hatsun Lassi captures the essence of this traditional drink and offers it to customers in a convenient pack.

SANTOSA CATTLE FEED

One of the ways of ensuring high-quality milk is by taking care of the health and nutrition of the cattle. HAP's extensive background in animal nutrition has given rise to Santosa Cattle Feed which offers a balanced diet to the cattle, filled with natural ingredients and essential nutrients that improve the health, longevity and milk yield.

The plant at Palani manufactures 12,000 metric tonnes/month, with a further 10,000 metric tonnes to be added from June. The sales will be digitised (entered in tablets) before March 2018 in all Hatsun Milk Banks.



Stories from 2016 - 2017

HATSUN DAILY

Hatsun Daily stocks a range of dairy products from HAP in a clean, hygienic environment. Customers can shop for these products at their convenience. Within just one year of its launch, Hatsun Daily has seen over 1,379 outlets in being opened in and around Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Orissa and Maharashtra.

ARUN ICECREAMS FOR EVERYONE

Arun Icecreams range of unique fun shaped bars has come in for praise from all quarters, with more variants in the pipeline. In fact, the success of these bars led to the introduction of a new Trio variant - Cotton Candy, Banana & Caramel - an interesting combination by itself.

SMALL PLEASURES AND INSTANT CRAVINGS

Cravings can strike at any time, and it would be great to have a quick bite of a dessert. Arun Icecreams has a few new releases that have delighted customers: Ripple Log, a crunchy stick-less bar with almond coating and caramel-infused filling; Lil Bites, a one-bite dessert toffee with a chocolate surface and vanilla ice cream filling; and last but not least, Jackfruit Tub - the first in a series of fruit-based flavours in tubs.

IBACO

With customers walking into the stores irrespective of the season, Ibaco has experienced tremendous growth in the last one year. Ibaco has always delighted the customers with something new to offer everytime they walk into the outlet - be it new flavour or product. With a strong presence in Tamil Nadu, the brand has spread to other parts of the South including Karnataka, Andhra Pradesh, Telangana and Kerala, and a store in Goa.

IBACO ICE CREAM CAKES

People have taken to Ibaco Ice Cream Cakes as their dessert of choice to celebrate occasions. The brand has responded to this positive feedback by adding new variants like Swiss Choco Symphony, Mango Lychee Medley, and Dark Chocolate Twist.

ICE CREAM PIZZA

The ice cream pizza has proven to be a hit among consumers thanks to its unique concept. The fact that it is in the perfect format to share has made it a popular choice among groups of friends.

CORPORATE SOCIAL RESPONSIBILITY

HAP BADMINTON CENTRE OF EXCELLENCE

As an organisation, HAP believes in doing a part for the betterment of society. HAP has identified sport as a potential area that will let students explore their abilities and develop themselves into better individuals. With HAP Badminton Centre of Excellence, we look to transform the students of today into the champions of tomorrow.

Led by former badminton champion Shri. Ajith Haridas, the HAP Badminton Centre of Excellence has been established under HAP Sports Trust and created to carry out the CSR activity of HAP.

 HAP Badminton
Centre of Excellence,
believes in transforming
the students of today
into the champions
of tomorrow.



Arun[®]
ICECREAMS









AROKYA[®]
MILK

*Goodness with care,
from our villages.*





HATSUN[®]
Curd









HATSUN[®]
Paneer





HATSUN[®]
AGMARK
Ghee



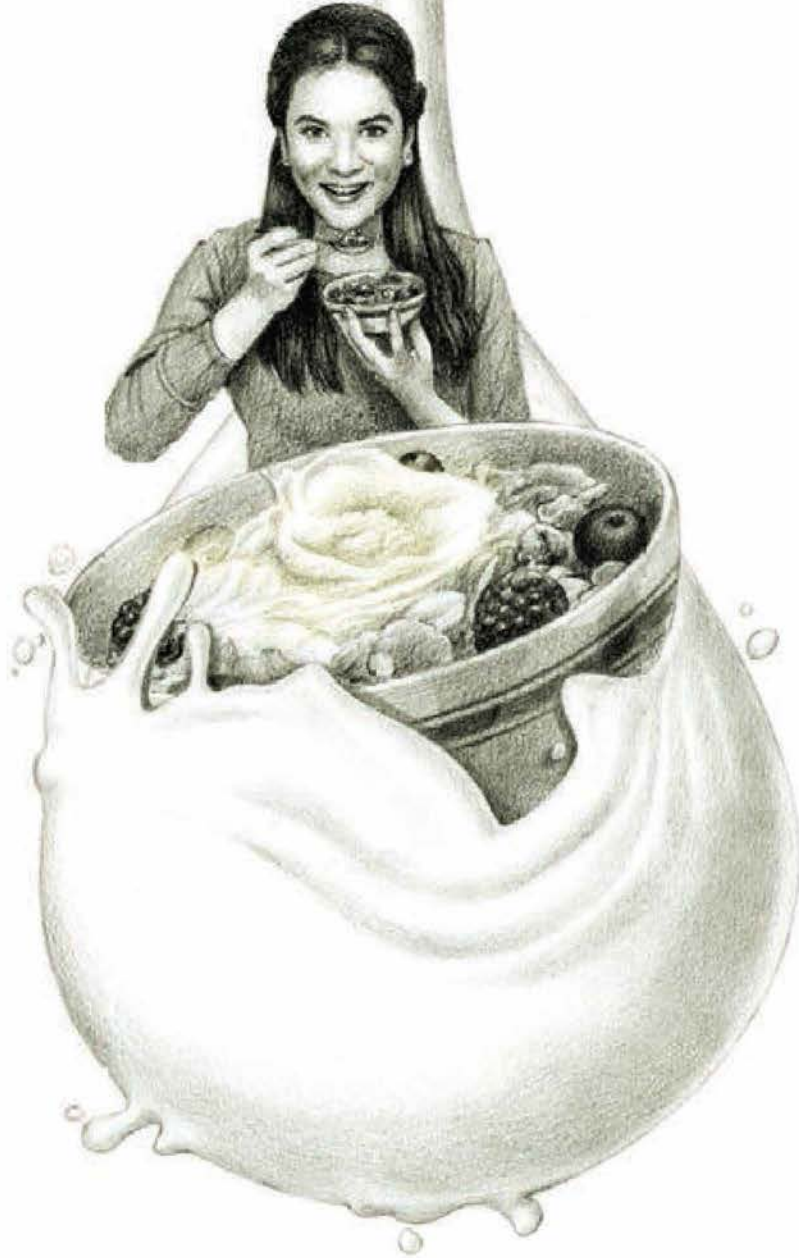






HATSUN[®]
Dairy Whitener





HATSUN[®]
Skimmed
Milk Powder









HATSUN[®]
PASTEURISED
Table Butter





HATSUN[®]
PASTEURISED
Cooking Butter









HATSUN[®]
FLAVOURED MILK















10 Years Financials

PARTICULARS	2016-17	2015-16	2014-15	2013-14
Operating Income / Turnover	4199.66	3444.68	2933.09	2493.54
Other Income	5.62	4.64	6.01	2933.09
Total Income	4205.28	3449.32	2939.10	2502.03
Operating Expenses	3820.20	3140.00	2734.77	2315.78
Earnings before Depreciation, Interest & Tax (EBITDA)	384.43	308.68	204.33	186.25
Depreciation	145.60	107.08	94.03	64.98
Interest	70.19	68.25	62.94	39.83
Profit before Tax (PBT)	169.27	133.97	47.36	81.44
Provision for Taxation	35.31	73.48	8.20	(0.24)
Profit after Tax (PAT)	133.96	60.49	39.16	81.68
Cash Profit (Post Tax)	279.56	167.57	133.19	144.66
Equity Dividend (%)	400	400	180	250
Dividend Payout	60.86	43.48	19.56	26.92
Dividend Payout Ratio (%)	45.43	71.88	49.95	32.96
No. of Equity Shares	152168307	108691648	108691648	107691648
Face Value of Equity Shares (Rs.)	1	1	1	1
Equity Share Capital	15.22	10.87	10.87	10.77
Preference Share Capital	0	0	0	0
Reserves & Surplus	331.89	219.79	210.59	168.62
Shareholders Funds/Networth	347.11	230.66	221.46	179.39
Long Term Debt	599.75	382.66	421.96	343.24
Gross Fixed Assets	1562.97	1132.19	1016.97	795.80
Net Fixed Assets	988.64	647.23	632.24	503.67
Earnings per Share (Rs.)	8.80	5.57	3.62	7.59
Cash Earnings per Share (Rs.)	18.37	15.42	12.25	13.62
Book Value per Share (Rs.)	22.81	21.22	20.38	16.66
Debt (Long term) Equity Ratio	1.73	1.66	1.91	1.91
EBITDA/Turnover (%)	9.15	8.96	6.97	7.47
Net Profit Margin (%)	3.19	1.76	1.34	3.28
RONW (%)	38.59	26.22	17.68	34.48

(Rs. in Crore)

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
2165.02	1603.54	1355.72	1140.60	1013.05	863.19
3.30	2.47	1.58	2.93	1.82	6.24
2168.32	1606.01	1357.30	1143.53	1014.87	869.43
2017.24	1494.42	1261.61	1077.36	951.95	807.95
151.08	111.59	95.70	66.18	62.92	61.48
50.32	41.84	37.06	26.81	21.68	18.50
43.98	37.58	35.47	27.83	21.32	15.03
56.79	32.17	23.16	11.54	19.92	27.95
12.12	5.57	4.42	8.85	7.95	10.62
44.67	26.60	18.75	2.69	11.97	17.33
94.99	68.44	55.81	29.50	33.65	35.83
170	130	55	15	30	60
18.31	10.05	3.83	1.02	2.04	4.07
40.99	37.79	20.44	37.87	17.02	23.51
107691648	107691648	35897216	33944090	33944090	6788818
1	2	2	2	2	10
10.77	10.77	7.18	6.79	6.79	6.79
0.00	0.00	0.00	0.00	5.08	5.08
118.79	96.94	85.61	46.73	45.40	36.29
129.56	107.71	92.79	53.52	57.27	48.16
274.29	174.87	173.04	193.85	155.70	67.96
621.30	548.65	499.54	438.17	257.15	233.26
391.76	361.20	348.68	322.13	166.42	153.16
4.15	2.47	5.42	0.74	3.39	24.82
8.82	6.36	15.55	8.69	9.91	52.78
12.03	10.00	25.85	15.77	15.37	63.45
2.12	1.62	1.86	3.62	2.98	1.58
6.98	6.96	7.06	5.80	6.21	7.12
2.06	1.66	1.38	0.24	1.18	2.01
34.48	24.69	20.20	22.93	22.93	40.22

32nd Annual General Meeting

BOARD OF DIRECTORS

R.G. CHANDRAMOGAN
Chairman and Managing Director

C. SATHYAN
Executive Director

K.S. THANARAJAN
Non-Executive Director

P. VAIDYANATHAN
Independent Director

N. CHANDRASEKARAN
Independent Director

B. THENAMUTHAN
Independent Director

BALAJI TAMMINEEDI
Independent Director

CHALINI MADHIVANAN
Independent Director

COMPANY SECRETARY
S. NARAYAN

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

P. Vaidyanathan
N. Chandrasekaran
B. Thenamuthan
Balaji Tammineedi
Chalini Madhivanan

STAKEHOLDERS' RELATIONSHIP COMMITTEE

P. Vaidyanathan
N. Chandrasekaran
Balaji Tammineedi
B. Thenamuthan
Chalini Madhivanan
K.S. Thanarajan

NOMINATION & REMUNERATION COMMITTEE

P. Vaidyanathan
B. Thenamuthan
Balaji Tammineedi
N. Chandrasekaran
Chalini Madhivanan
K.S. Thanarajan

SHARE TRANSFER COMMITTEE

R.G. Chandramogan
K.S. Thanarajan
P. Vaidyanathan

SUB COMMITTEE

R.G. Chandramogan
C. Sathyan
K.S. Thanarajan
B. Thenamuthan

CORE COMMITTEE

R.G. Chandramogan
C. Sathyan
K.S. Thanarajan

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

P. Vaidyanathan
C. Sathyan
K.S. Thanarajan

RISK MANAGEMENT COMMITTEE

R.G. Chandramogan
C. Sathyan
K.S. Thanarajan

CORPORATE INFORMATION

CIN : L15499TN1986PLC012747
Registered & Corporate Office:
No.1/20A, Domaine,
Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai - 600 097.
Phone: 91-44-24501622
Fax: 91-44-24501422
Website: www.hap.in
E-mail: secretarial@hatsun.com

STATUTORY AUDITORS M/S. S.R. BATLIBOI & ASSOCIATES LLP

6th & 7th Floor, "A" Block,
Tidel Park, (Module No. 601,701 & 702)
No.4, Rajiv Gandhi Salai,
Taramani, Chennai - 600 113.

BANKERS

State Bank of India
ICICI Bank Limited
The South Indian Bank Limited
Standard Chartered Bank
Yes Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
HDFC Bank Limited
Axis Bank Limited
IDFC Bank Limited
HSBC Bank
BNP Paribas
The Federal Bank Limited
Bank of Bahrain & Kuwait B.S.C

STOCK EXCHANGES

BSE Limited
National Stock Exchange of India Limited

REGISTRAR AND SHARE TRANSFER AGENT

M/s. INTEGRATED REGISTRY
MANAGEMENT SERVICES PRIVATE
LIMITED
30, Ramana Residency, 4th Cross,
Sampige Road, Malleswaram
Bangalore - 560 003.



DATE: 24th July, 2017 | DAY: Monday | TIME: 10.00 A.M.
VENUE: JD Mahal, Ground Floor,
No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117.

Notice To Shareholders

NOTICE is hereby given that the Thirty Second Annual General Meeting of HATSUN AGRO PRODUCT LIMITED will be held on Monday, the 24th day of July, 2017 at 10.00 A.M at JD Mahal, Ground Floor, No. 300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600117 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To ratify and confirm the payment of interim dividends on equity shares for the financial year 2016-17.
3. To appoint a Director in place of Shri C. Sathyan who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Auditors and 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), and pursuant to the recommendation of the Audit Committee vide its meeting held on April 27, 2017, the appointment of M/s. Deloitte Haskin & Sells LLP, Chartered Accountants (Firm registration number 117366W/W100018), as the auditors of the Company to hold office from the conclusion of 32nd Annual General Meeting of the Company till the conclusion of 37th Annual General Meeting of the Company to be held in the calendar year 2022 (subject to ratification of their appointment by the members at every intervening Annual General Meeting by means of an Ordinary Resolution to be held after this 32nd Annual General Meeting) be and is hereby approved and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2018 as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

5. Appointment of Mr. K.S.Thanarajan (DIN 00012285) as Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. K.S.Thanarajan (DIN 00012285) who was appointed as an Additional Director of the Company on 18th January 2017, pursuant to Section 161 (1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

6. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"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. Ramachandran & Associates, Cost Accountants (Firm Registration No. 000799) appointed as the Cost Auditors for the Financial year 2016-17 to fill the casual vacancy caused by the resignation of M/s. STR & Associates, Cost Auditors and as Cost Auditors for Financial Year 2017-18 by the Board of Directors of the Company, to audit the cost records of the Company for the financial year ending 31st March 2017 and 31st March 2018, be paid the remuneration amounting to Rs. 1,00,000/- (Rupees One Lakh Only) each for financial year 2016-17 and financial year 2017-18 respectively excluding applicable taxes and out-of-pocket expenses, if any, pursuant to the recommendation of the Audit Committee and as approved by the Board."

"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."

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The instrument appointing the proxy, duly completed must be deposited at the registered office of the Company at least 48 hours before the commencement of the meeting. A blank proxy form is attached.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the

meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. Members/Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd July, 2017 to 24th July, 2017 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2016-17.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting

8. The relevant details as required by Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards issued by the Institute of Company Secretaries of India of persons seeking appointment/re-appointment as Directors, is provided in the annexure attached to this notice.

9. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting

10. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrar and Share Transfer Agent (RTA), M/s. Integrated Registry Management Services Private Limited (IRMSPL), Bangalore. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and IRMSPL to provide efficient and better services.

11. Members holding shares in physical form are requested to send all correspondence with respect to the updation of their bank details, transfer of shares, change of address, conversion of physical shares into Demat form etc., to IRMSPL, Bangalore.

12. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or IRMSPL, for assistance in this regard.

13. Members may visit Company's website: www.hap.in and contact us at e-mail: secretarial@hatsun.com.

14. In compliance with Section 108 of the Companies Act, 2013, Rule 20

of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing a facility to its members to exercise their votes electronically through the remote e-voting facility arranged by National Securities Depository Limited for all items of business as set out in the notice of the AGM and confirms that the business can be transacted through e-voting in pursuance of the above provisions. The facility for voting through ballot/poll paper will also be made available at the AGM and the members who have not already cast their votes by remote e-voting will be able to exercise their right of voting at the AGM through voting by ballot/poll paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Notice of the Thirty Second Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent to all members by Registered Post/Speed Post.

15. The Company is concerned about the environment and utilises the natural resources in a sustainable way. We request you to update your email address with your Depository Participant or RTA to enable us to send Annual Report, Notices and all other communications via e-mail.

16. Members who are holding shares in more than one folio are requested to intimate to the Registrar and Share Transfer Agent, the details of all folio numbers for consolidation into a single folio.

17. Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with IRMSPL.

18. Members desiring any information as regards the financial statements are requested to write to the Company at least seven days before the date of the meeting

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or IRMSPL

20. Members are requested to check whether they have encashed Dividend Warrants for the earlier years. If the Dividend Warrants have become time-barred/lost, please apply for revalidation/fresh dividend warrant before the last dates indicated below:

DIVIDEND FOR THE YEAR	RATE OF DIVIDEND	DATE OF DECLARATION	DATE ON WHICH UNPAID AMOUNT IS REQUIRED TO BE TRANSFERRED TO IEPF	SHAREHOLDERS SHOULD APPLY LATEST BY
2009-10	15%	04/08/2010	11/09/2017	21/08/2017
2010-11	30%	02/11/2010	09/12/2017	19/11/2017
2010-11	25%	14/02/2011	23/03/2018	03/03/2018
2011-12	110%	13/02/2012	21/03/2019	01/03/2019
2011-12	20%	10/08/2012	17/09/2019	27/08/2019
2012-13	80%	14/11/2012	21/12/2019	01/12/2019
2012-13	50%	31/01/2013	09/03/2020	19/02/2020
2012-13	40%	30/05/2013	06/07/2020	16/06/2020
2013-14	150%	30/10/2013	06/12/2020	16/11/2020
2013-14	100%	23/01/2014	01/03/2020	10/02/2020
2014-15	60%	24/01/2015	02/03/2021	11/02/2021
2014-15	120%	28/05/2015	03/07/2022	13/06/2022
2015-16	150%	15/07/2015	20/08/2022	31/07/2022
2015-16	100%	20/10/2015	26/11/2022	06/11/2022
2015-16	150%	16/03/2016	22/04/2023	02/04/2023
2016-17	100%	06/08/2016	11/09/2023	22/08/2023
2016-17	300%	27/04/2017	03/06/2024	14/05/2024

During the year 2016-17, an amount of Rs.1,92,151/- being unclaimed dividend pertaining to the financial year 2008-09 (Interim dividend) was transferred to Investor Education & Protection Fund (IEPF).

In terms of the provisions of the Companies Act, 2013, all dividend amounts, which remain unclaimed and unpaid for a period of seven years, will be transferred to the Investor Education & Protection Fund (IEPF). Apart from the transfer of unpaid dividend amount remaining unclaimed for a period of seven years, pursuant to the notification issued by the Ministry of Corporate Affairs on 28th February 2017 amending the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the shares belonging to those shareholders who have not encashed any dividend warrants during the last seven or more years shall also be transferred to the DEMAT account of the IEPF authority within a period of thirty days of such shares becoming due to be transferred to the Fund. The details of shareholders who have not encashed their dividend warrants are available in Company's website www.hap.in.

21. A route map indicating the venue of the AGM and its nearest landmark is annexed to the notice for convenience of members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.5

On the recommendation of the Nomination and Remuneration Committee, Mr. K.S.Thanarajan (DIN 00012285) was appointed as an Additional Director of the Company, with effect from 18th January, 2017. In terms of Section 161(1) of the Companies Act, 2013, Mr. K.S.Thanarajan holds office as Additional Director up to the date of this Annual General Meeting. The Company has received a notice in writing from a Member along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company. The

brief resume and other information required to be furnished under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial standards are attached to this Notice convening the 32nd Annual General Meeting of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K.S.Thanarajan as a Director liable to retire by rotation, for the approval by the shareholders of the Company. Mr. K.S.Thanarajan being the appointee is interested in the resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No.5.

ITEM NO.6

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on April 27, 2017, the Board considered and approved the appointment of M/s. Ramachandran & Associates, Cost Accountants (Firm Registration No. 000799) as the Cost Auditor for the Financial years 2016-17 to fill the casual vacancy caused by the resignation of M/s. STR & Associates, Cost Auditors and as Cost Auditors for Financial Year 2017-18 at a remuneration amounting to Rs. 1,00,000/- (Rupees One Lakh Only) each for financial year 2016-17 and financial year 2017-18 respectively excluding applicable taxes and out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

The Board recommends the resolution set forth in Item No.6 for the approval of the members.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution.

By order of the Board

For HATSUN AGRO PRODUCT LIMITED

Sd/-

S. Narayan

Company Secretary

Place: Chennai

Date: May 25, 2017

Registered Office:

No.1/20A, Domaine,

Rajiv Gandhi Salai (OMR), Karapakkam, Chennai - 600 097.

CIN:L15499TN1986PLC012747.

PROFILE OF THE DIRECTORS BEING APPOINTED/RE-APPOINTED

The brief resume of each of the Directors who are proposed to be appointed/re-appointed is given below:

Name of the Director	Shri C. Sathyan	Shri K.S.Thanarajan
Director Identification Number (DIN)	00012439	00012285
Date of Birth and Age	05-10-1978 and 38 Years	20-03-1949 and 68 Years
Date of Appointment at current designation/Date of First Appointment on the Board	25th May 2011	18th January 2017 as an Additional Director
Profile/Qualifications & Experience	Shri C. Sathyan is a Bachelor of Business Management with specialisation in Marketing. He has held various executive positions during his career spanning over a decade.	Shri. K.S.Thanarajan has more than two decades of experience in handling Factory operations, receivable management, Internal Control Systems and Internal Audit function. He has held various executive positions during his career spanning over 4 decades.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	The term and conditions of appointment and remuneration are in accordance with the Special Resolution passed at the 31st Annual General Meeting of the Company held on 19th August 2016 and the details of the remuneration are disclosed in the Board's Report at appropriate places.	Mr. K.S.Thanarajan as being appointed as an Additional Non-Executive Director, he is eligible for only sitting fees of INR 20,000/- for every meeting of the Board and INR 5,000/- for every committee meeting attended by him. The details of the sitting fees received by him is being disclosed in the Board's Report at appropriate places.
Directorship in other Companies & Membership/Chairmanship of Committees of other Boards.	None	None
Shareholding in the Company	Holds 1,41,99,130 equity shares as on 31st March, 2017.	Holds 6,06,200 equity shares as on 31st March, 2017
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Son of Mr. R.G.Chandramogan, Managing Director	Not related with any Directors.
The number of Meetings of the Board attended during the year	Seven Meetings	Mr. K.S.Thanarajan as Joint Managing Director till 31st December 2016 attended six Board meetings. As an Additional Director with effect from 18th January 2017 has started attending Board Meetings held after Financial Year 2016-17.

INSTRUCTIONS FOR E-VOTING

The complete detail of the instructions for e-voting is annexed to this notice.

Registered Folio no./DP ID no./Client ID no.	Number of Shares held

Dear Member,

Subject: Instructions for e-voting

Pursuant to the provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, additionally, to the members to cast their votes electronically on all resolutions set forth in the Notice convening the Thirty Second Annual General Meeting to be held on Monday, the 24th Day of July, 2017 at 10.00 A.M. (IST). The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the 32nd Annual General Meeting to be held on 24th July 2017.

STEPS FOR REMOTE E-VOTING

1. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password provided in this document.
5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
7. Select "EVEN" of Hatsun Agro Product Limited.
8. Now you are ready for e-Voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolutions, you will not be allowed to modify your vote.
12. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
14. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

GENERAL INSTRUCTIONS:

1. The facility for voting through ballot/poll paper shall be made available at the AGM and the members attending the meeting who

have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

2. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

3. The remote e-voting period commences on 9.30 A.M. on Thursday, 20th July, 2017 and ends on 5.00 P.M. on Sunday, 23rd July, 2017. The remote e-voting will be blocked forthwith at the end of the remote e-voting period. During this period, the shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 17th July, 2017, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

4. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the 17th July, 2017 cut-off date (and who have not cast their vote electronically during currency of remote e-voting) may only cast their vote at the Annual General Meeting.

5. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e 17th July, 2017 may obtain the login ID and password by sending a request in writing at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

Those Shareholders who receive the Annual Report and are not members on the Cut Off date should treat the Annual Report as information only as they are not eligible to vote.

6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through poll/ballot paper.

7. Shri. N.Ramanathan, Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries (Membership No.F6665) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper"/"Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

9. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

10. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 17th July, 2017.

11. The results declared along with the consolidated Scrutinizer's Report shall be displayed on the notice board of the company at its Registered Office and shall be placed on the Company's website www.hap.in and on the website of the NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing and the same shall be communicated simultaneously to the Stock Exchanges.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the Thirty Second Annual General Meeting of the Company.

12. Contact details of the official responsible to address the grievances connected with voting by electronic means are given below

Mr. S.Narayan
Company Secretary
No.1/20A, Domaine, Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai - 600 097.
Phone No. : 091-044-24501622; Fax No. : 091-044-24501422
E-Mail: secretarial@hatsun.com; Website: www.hap.in

By order of the Board
For HATSUN AGRO PRODUCT LIMITED
Sd/-
S. Narayan
Company Secretary

Place: Chennai
Date: May 25, 2017

Registered Office:
No.1/20A, Domaine,
Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai - 600 097.
CIN:L15499TN1986PLC012747.

Board's Report

To the Members,

The Directors have great pleasure in presenting their 32nd Report along with the audited financial statement for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The financial results of the Company for the year ended March 31, 2017 are summarised below:

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR ENDED 31 ST MARCH, 2017	PREVIOUS YEAR ENDED 31 ST MARCH, 2016
Revenue from Operations (net)	4,19,966	3,44,468
Other Income	561	463
Total Income	4,20,527	3,44,931
Operating Expenditure	3,82,020	3,14,000
Profit before Interest, Depreciation and Amortisation and Tax	38,507	30,931
Finance Costs (net)	7,020	6,825
Depreciation and Amortisation	14,560	10,709
Profit before Taxes	16,927	13,397
Tax Expenses	3,681	3,646
Income tax pertaining to earlier years	(150.00)	3702
Net Profit for the Year	13,396	6,049
Balance Brought Forward from Previous Year	9,697	8,880
Amount Available for Appropriation	23,094	14,930
APPROPRIATIONS		
Interim Dividends on Equity Shares	1522	4,348
Tax on Dividends	309	885
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	21,262	9,697

PERFORMANCE OF THE COMPANY

During the year, your Company registered a total income of Rs. 4,20,527 Lakhs representing an increase of 21.92 % over that of the previous year. The PBDIT has also increased from Rs. 30,931 Lakhs (FY2015-2016) to Rs. 38,507 Lakhs (FY 2016-2017). The net profit during the year was Rs. 13,396 Lakhs in comparison with previous year which stood at Rs. 6,049 Lakhs representing a remarkable increase of 121% over that of the previous year.

During the financial year under review, your Company registered a healthy growth in revenues from Milk, Ice creams, Curd and other Milk Products over that of the previous year.

DIVIDEND

During the year, your Company on 6th August 2016 has declared and paid first interim dividend of Re.1/- per equity share and on 27th April 2017, your Company has declared and paid second interim dividend of Rs. 3.00/- per equity share thereby totalling to 400% on equity

share capital. The cash outflow on account of first interim dividend excluding dividend tax for the year 2016-17, aggregated to Rs.1,522 Lakhs and the cash outflow on account of second interim dividend for the year 2016-17 excluding dividend tax aggregated to Rs.4,565 Lakhs thereby resulting in a total payout of 45.43% of the net profits of the Company.

During the financial year 2016-17, an amount of Rs.1,92,151/- being unclaimed dividend pertaining to the financial year 2008-09 (Interim dividend) was transferred to Investor Education & Protection Fund (IEPF).

SHARE CAPITAL

During the year, on 15th July 2016, the Board of Directors has allotted 4,34,76,659 Equity Shares as Bonus Shares in the ratio of 2 (two) new equity shares of Re.1/- each for every 5 (five) existing equity shares of Re.1/- each to the Shareholders of the Company as on the record date fixed for the purpose of Bonus Issue. Post the allotment of Bonus Equity Shares the share capital of the Company as of 31st March 2017 stood at 15,21,68,307 Equity Shares of Re.1/- each.

TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

FINANCE

During the year, there has been an increase of 2.85 % in the finance costs on account of term loans availed from few Banks. The Company continues to focus on judicious management of its working capital and has taken care to ensure that the Company borrowings are obtained at very competitive rates. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

The total amount of fixed deposits (excluding interest on Cumulative Deposits) from public outstanding and unclaimed as at 31st March, 2017, was Rs. 1.53 Lakhs out of which a sum of Rs.0.92 Lakhs represents three accounts of Fixed/Non Cumulative Deposits and Rs. 0.61 Lakhs represents two accounts of Cumulative Deposits.

(a) Accepted during the Year	NIL
(b) Remained unpaid or unclaimed as at the end of the year (Including interest thereon)	Principal - Rs.1.53 Lakhs Interest - Rs. 0.15 Lakhs Total - Rs.1.68 Lakhs
(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: i. As at 1st April, 2016 ii. During April, 2016 to March, 2017 iii. As at 31st March, 2017	No deposits have been accepted by the Company during the year and there did not arise any default during the year. NIL NIL NIL
(d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act	NIL

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans and guarantees given by the Company falling under Section 186 of the Companies Act, 2013. Particulars of investments covered under Section 186 forms part of the notes on financial statements provided in this Annual Report.

BOARD'S APPRECIATION TO MR.K.S.THANARAJAN, ERSTWHILE JOINT MANAGING DIRECTOR OF THE COMPANY.

Your Board wish to record its appreciation in this report for the outstanding services rendered by Mr. K.S.Thanarajan, JMD during his tenure as Joint Managing Director who resigned from his said position with effect from 31st December 2016.

Mr. K.S.Thanarajan had served the Board as Joint Managing Director of the Company for more than two decades and was largely responsible for the success of Dairy Division of the Company. The dedicated effort and management of Dairy Division in all aspects by Mr. K.S.Thanarajan has steered the growth and brought greater economies of scale in the operations which benefitted the Company in its long run.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments and Resignations

During the year under review, Mr. K.S.Thanarajan resigned from his position as Joint Managing Director of the Company with effect from 31st December 2016. Subsequent to his resignation, the Board of Directors at their meeting held on 18th January 2017 inducted Mr. K. S.Thanarajan as an Additional Director (Non-Executive and Non Independent) with effect from 18th January 2017. As an Additional Director, Mr. K.S.Thanarajan shall hold office till the commencement of the 32nd Annual General Meeting.

Details of appointments and resignations of Directors and Key Managerial Personnel during the year are tabled below:

NAME OF DIRECTOR/ KEY MANAGERIAL PERSONNEL	DESIGNATION	DATE OF APPOINTMENT	DATE OF RESIGNATION
Mr. K.S.Thanarajan	Joint Managing Director	Re-appointed as Joint Managing Director with effect from 1st March 2014.	Resigned with effect from 31st December 2016.
	Additional Director (Non-Executive and Non Independent)	Appointed as an Additional Director with effect from 18th January 2017.	Not Applicable

RE-APPOINTMENTS

As per provisions of the Companies Act, 2013, Shri. C.Sathyan is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the financial year ended March 31, 2017.

WINDMILL AND SOLAR PROJECTS

During the year, your Company has successfully commissioned twelve (12) windmills with 24 MW capacity in Tuticorin District, Tamil Nadu and Solar plant with 550 KW capacity during March 2017 in Dindigul District, Tamil Nadu. These green energy projects will meet about 75% of the power requirements of the Company which will result in substantial savings in energy costs in the long term for the Company apart from contributing for building a greener India.

UPDATE ON SETTLEMENT COMMISSION

During the year 2015-16, your Company had filed an Application for settlement of cases under Income Tax Act, 1961 with the Settlement Commission relating to the claim for deduction under Section 80-IB of Income Tax Act 1961 in respect of its two units on 22nd March 2016. The application is under consideration with the Settlement Commission.

BUSINESS RESPONSIBILITY REPORT

Your Company being among the top 500 entities based on market capitalisation has to present the Business Responsibility Report as required under Regulation 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Business Responsibility Report forming part of this Annual Report elaborates on principles as prescribed by SEBI vide its Circular CIR/CFD/CMD/10/2015 dated November 04, 2015.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year eight (8) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARD COMMITTEES

The primary four committees of the Board are Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Other than above said primary committees, the Board also has the following additional committees viz., Sub Committee, Share Transfer Committee, Risk Management Committee and Core Committee. A detailed note on the committees is provided under the Corporate Governance Report forming part of this Board's Report. The Composition of the Primary Committees and their meeting dates are given below:

NAME OF THE COMMITTEE	COMPOSITION	DETAILS OF MEETINGS HELD DURING THE YEAR
Audit Committee	The Committee which earlier had three Non-Executive Independent Directors was reconstituted on 16th March 2016 to comprise five Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director.	Five meetings were held during the year on the following dates:- 27th May, 2016, 15th July, 2016 19th August, 2016 18th October, 2016 18th January, 2017
Nomination and Remuneration Committee	The Committee which earlier had five Non-Executive Independent Directors was reconstituted during the year on 18th January 2017 to comprise five Non-Executive Independent Directors and one Non-Executive and Non Independent Director. The Chairman of the Committee is an Independent Director	One meeting was held during the year on the following date:- 18th January 2017
Stakeholders' Relationship Committee	The Committee which earlier had five Non-Executive Independent Directors was reconstituted during the year on 18th January 2017 to comprise five Non-Executive Independent Directors and one Non-Executive and Non Independent Director. The Chairman of the Committee is an Independent Director	Four meetings were held during the year on the following dates:- 27th May 2016 15th July, 2016 18th October 2016 18th January 2017
Corporate Social Responsibility Committee	The Committee which earlier had two Executive Directors and one Independent Director was reconstituted during the year on 18th January 2017 to comprise one Executive Director, one Non-Executive Independent Director and one Non-Executive and Non Independent Director. The Chairman of the Committee is an Independent Director	One meeting was held during the year on following date:- 16th March 2017

Details of recommendations of Audit Committee which were not accepted by the Board along with reasons

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

DETAILS OF POLICIES DEVELOPED BY THE COMPANY

(i) Nomination and Remuneration Policy

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The objective of this policy is to ensure:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance with short and long-term performance objectives appropriate to the working of the Company and its goals

This policy is being governed by the Nomination and Remuneration Committee comprising of members of the Board, as stated above, comprising of five Independent Directors and one Non-Executive and Non Independent Director. The policy lays down the standards to be followed by the Nomination and Remuneration Committee with respect to the appointment, remuneration and evaluation of Directors and Key Management Personnel. The Nomination and Remuneration Policy is annexed herewith marked as **Annexure A** and forms part of this report.

Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy governs the criteria for deciding the remuneration for Directors and Key Management Personnel. It is affirmed that the remuneration to Directors and Key Management Personnel is being fixed based on the criteria and parameters mentioned in above mentioned policy of the Company.

BOARD DIVERSITY

The Company recognises and values the importance of a diverse board as part of its corporate governance and success. The Company believes that a truly diverse Board will leverage differences in ideas, knowledge, thought, perspective, experience, skill sets, age, ethnicity, religion and gender which will go a long way in retaining its competitive advantage. The Board has on the recommendation of the Nomination and Remuneration Committee, adopted a Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

(ii) Corporate Social Responsibility Policy (CSR)

Your Company recognises that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organisations.

Your Company endeavors to make CSR an important agenda and is committed to its stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Your Company satisfying the threshold as stipulated under Section 135 of the Companies Act, 2013 has established the CSR Committee comprising of members of the Board, as stated above, and the Chairman of the Committee is Non-Executive and Independent Director. The said Committee has formulated and approved the CSR Policy for the Company with its major focus on:-

- Devising meaningful and effective strategies for carrying out CSR activities and engaging with all stakeholders towards implementation and monitoring
- Make sustainable contributions to communities.
- Identify socio-economic opportunities to perform CSR activities.
- Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.

The Policy also focuses on the constitution of CSR Committee, roles and responsibilities of CSR Committee, CSR activities to be undertaken and allocation of funds for carrying out such CSR activities, implementation and monitoring the execution of CSR activities for the Company. The CSR Committee shall recommend to the Board of Directors to implement the CSR activities covering

any of the areas as detailed under Schedule VII of Companies Act, 2013. Annual Report on CSR activities as required under the provisions of Companies Act, 2013 is annexed herewith marked as **Annexure B** and forms part of this report.

(iii) Risk Management Policy

The Board of Directors of your Company has adopted a Risk Management Policy which details the procedures to be followed by the Company with regard to risk management. The Company has formed a Risk Management Committee comprising of three members of the Board who shall evaluate and review the risk factors associated with the operations of the Company and recommend to the Board the methods to mitigate the risk and advise from time to time various measures to minimising the risk and monitor the risk management for the Company.

The policy broadly defines the scope of the Risk Management Committee which comprises of:-

- Review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- Ensuring that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluating significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- Co-ordinating its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g internal or external audit issue relating to risk management policy or practice).
- Reporting and making regular recommendations to the Board.

(iv) Whistle-Blower Policy – Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle-Blower) mechanism provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The mechanism provides for adequate safeguards against victimisation of Employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/Chairman of the Audit Committee in exceptional cases.

In line with the statutory requirements, the Company has formulated a Whistle-Blower Policy/Vigil Mechanism, which covers malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules,

manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is or is likely to be affected and formally reported by whistle blowers concerning its employees.

The Managing Director is responsible for the administration, interpretation, application and review of this policy. The Managing Director is also empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee. The mechanism also provides for access to the Chairman of the Audit Committee in required circumstances.

(v) Dividend Distribution Policy

According to the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, your company falling under top 500 listed entities based on the market capitalisation (calculated as on March 31 of every financial year) has framed the Dividend Distribution Policy which is attached in this Annual Report marked as **Annexure F**.

EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of the Board Committees was carried out based on the criteria and framework adopted by the Board.

The evaluation process for measuring the performance of Executive/Non-Executive and Independent Directors is being conducted through a survey which contains a questionnaire capturing each Board and Committee Member's response to the survey which provides a comprehensive feedback to evaluate the effectiveness of the Board and its Committees as a whole and also their independent performance. Each Director who responded to the survey has graded their peers against each survey item from P1 to P3 with P1 marking the lower efficiency and P3 the highest efficiency which revealed more realistic data on measuring the effectiveness of the Board dynamics, flow of information, decision making of Directors and performance of Board and Committee as a whole.

The Independent Directors evaluation was done with main focus on their adherence to the Corporate Governance practices and their efficiency in monitoring the same. They are also being evaluated on various parameters viz., active participation in strategic planning, fiduciary responsibilities, participation in Board and Committee meetings, etc.

Apart from the above, the performance of Non Independent Directors and the Board as a whole in terms of prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in bona fide manner

in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company was also carried out to evaluate their performance. The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated) and they have expressed their satisfaction with the evaluation process which considered their commitment and the exercise of their responsibilities in the best interest of the Company.

The performance of the Chairman of the Company was reviewed by the Independent Directors who ensured during their review, that the Chairman conducted the Board proceedings in unbiased manner without any conflict with his personal interest at any point of time. It was further ascertained by the Independent Directors that the Chairman allowed the Board Members to raise any concerns on any businesses of the Board during their Meetings and addressed them at the best interest of the Company.

Training and familiarisation program for Independent Directors

Every Independent Director on being inducted into the Board attends an orientation program. To familiarise the new directors with the strategy, operations and functions of our Company, the Executive Directors/Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management.

Further, at the time of appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a Director. The detailed familiarisation program for Independent Directors is hosted on the website of the Company and the weblink for same is <http://www.hap.in/investors-policies.html>

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

Your Company has no subsidiaries, joint venture or associate companies and hence the disclosure does not arise.

AUDITORS

Statutory Auditors

The Statutory Auditors M/s. S.R.Batilboi & Associates LLP, Chartered Accountants will be completing their maximum permitted tenure of ten years as Statutory Auditors of the Company on conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2017. As the term of the present Statutory Auditors expires by the conclusion of the ensuing Annual General Meeting in accordance with provisions of Companies Act, 2013, the Company is required to appoint new auditors in their place in the 32nd Annual General Meeting on the recommendation of the Board.

The Board of Directors at its meeting held on 27th April 2017 and with the recommendations of the Audit Committee, recommended to the Shareholders the appointment of M/s. Deloitte Haskin & Sells, LLP Chartered Accountants as Statutory Auditors from the conclusion of this 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company subject to ratification of their appointment by the members at every intervening Annual General Meeting. In this regard, the Company has also received a certificate from the incumbent auditors confirming their eligibility and willingness to be so appointed and also that their appointment if approved by the shareholders, it would be in accordance with the provisions of Section 141.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S. Dhanapal, Senior Partner, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2016-2017 is annexed herewith marked as **Annexure C** and forms part of this report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) Details of top ten employees in terms of remuneration drawn:

Name of the Employee	Designation of the employee	Remuneration received (Amount in Rs. Per annum)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of such employee	Last employment held by such employee before joining the company	Percentage of Equity Shares held by the Employee in the Company by himself or along with his spouse and dependent children, being not less than two percent of the Equity Shares of the Company	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager.
John Henry Neizent	SPECIALIST -DAIRY HERD DEVELOPMENT	68,84,454	Permanent	PHD in Agronomy/Parasitology/Nutrition	19.01.2015	56	Brownes Dairy	Nil	None
Ramachandran H.	CHIEF FINANCIAL OFFICER	52,34,538	Permanent	ICWA, ACS	11.02.2015	53	Bay Forge Ltd.,	Nil	None
Ratnakar P. Sundara Rajan	AVP- SOURCING & COMMERCIAL	48,02,694	Permanent	B.Com., PG.D.R.M	04.06.2010	56	Nilgiris Dairy Farms Pvt Ltd.,	Nil	None
Anil Kumar PA.	ASSOCIATE VICE PRESIDENT - QA	46,77,738	Permanent	M.Sc., Dairy Microbiology	25.03.2009	58	Heritage Food India Ltd.,	Nil	None
Prasanna Venkatesh J.	AVP-MARKETING & SALES	43,37,748	Permanent	B.SC., PG.DBA	03.08.1998	52	Henkel SPIC	Nil	None
Ulhas Vasant Ambre	GENERAL MANAGER-PLANT	34,67,559	Permanent	IDD	02.06.2012	45	Delmote Food (UAE) Fze	Nil	None
Jerome J.	ASSOCIATE VICE PRESIDENT	30,25,542	Permanent	B.SC.,	05.08.2002	57	Rasna Pvt Ltd.,	Nil	None
Boopathy A.	JOINT GENERAL MANAGER- ACCOUNTS	26,08,977	Permanent	CA	15.03.2001	44	Hunter Snacks Pvt Ltd.,	Nil	None
Sam Joseph A.	SENIOR GENERAL MANAGER- SOURCING	25,10,913	Permanent	B.E	18.11.2009	43	Srinivasa Fine Arts Pvt Ltd.,	Nil	None
Shanmugapriyan J.	SENIOR GENERAL MANAGER -IA& PROCESS	23,94,675	Permanent	M.COM	07.03.2001	39	First Employment in HAISUN	Nil	None

Cost Auditor

Pursuant to the provisions of clause (g) of sub-section (3) of section 141 read with sub section (3) of section 148 of the Companies Act, 2013, the Company had appointed M/s. STR & Associates, Cost Accountants (Firm Registration No.000029) as Cost Auditor of the Company to conduct the audit of the cost accounting records maintained by the Company relating to Milk Powder in respect of all the units of the Company for the financial year 2016-17. As M/s. STR & Associates, Cost Accountants had expressed their unwillingness to continue as Cost Auditors owing to their personal decision on limiting their audits to few Clients; the Board of Directors at its meeting held on 27th April 2017 with the recommendations of the Audit Committee has filled the casual vacancy in the office of the Cost Auditor with the appointment of M/s. Ramachandran & Associates, Cost Auditors (Firm Registration No.000799) to conduct the audit of the cost accounting records maintained by the Company relating to those products as mandated by the Companies Act, 2013 and the Companies (Cost records and audit) Rules, 2014 as amended in respect of all the units of the Company for the financial years 2016-17 and 2017-18.

(ii) Details of the employees employed throughout the year and drawing remuneration which in the aggregate is not less than Rupees One Crore and Two Lakhs per annum, during the financial year. - NIL.

(iii) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, which, in the aggregate exceeds Rupees Eight Lakhs and Fifty Thousand per month, during the financial year.

Name of the Employee	Mr. K.S.Thanarajan
Designation of the Employee	Joint Managing Director
Remuneration received till 31st December 2016 (Amount in Rs. per annum).	3,60,01,331/-
Nature of employment, whether contractual or otherwise	Permanent
Qualifications and experience of the employee	Post Graduate in Economics and 22 years
Date of commencement of employment	18th July 1995
Age of such employee	68 years
Last employment held by such employee before joining the company	SPIC Limited
Percentage of equity shares held by the employee in the company by himself or along with his spouse and dependent children, being not less than two percent of the equity shares of the company	NIL
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

(iv) None of the employees except Managing Director and Executive Director employed throughout the financial year or part thereof, hold by himself/herself or along with his/her spouse and dependent children, more than two per cent of the equity shares of the Company.

Details required as per Section 197 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

NAME OF DIRECTOR/KMP	AMOUNT OF REMUNERATION PER ANNUM(IN RS.)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF EMPLOYEES FOR THE FY	% INCREASE IN REMUNERATION DURING THE FY
Mr. R.G.Chandramogan, Managing Director	66,81,200	57.10 times	Nil
Mr. K.S.Thanarajan*, Joint Managing Director.	3,60,01,331*	2481.49 times	Nil
Mr. C.Sathyan, Executive Director	60,81,200	53.09 times	Nil
Mr. H.Ramachandran Chief Financial Officer	52,34,538	36.88 times	7.50%
Mr. S.Narayan Company Secretary	14,91,096	10.51 times	7.50%

* Till 31st December 2016. The Life Term meritorious cash award of INR 3 Crore is also included during computation.

Percentage increase in the median remuneration of employees in the financial year

The median remuneration of Employees for the Financial Year 31st March, 2017 was arrived at Rs.12,480/- per month and the median remuneration of Employees for the previous financial year 31st March, 2016 was arrived at Rs.12,066/- per month and accordingly, there was an increase of 3.43% in the median remuneration of employees in the financial year.

Number of permanent employees on the rolls of the company as on 31.03.2017

The Number of permanent employees on the rolls of the Company as of 31st March 2017 stood at 4,962 employees.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentage increase was about 8.48 % for all employees who went through the compensation review cycle in the year. For the managerial personnel, the compensation levels remained same as that of previous year as they are in receipt of a fixed remuneration determined by the Shareholders for a defined term as stipulated under the Companies Act, 2013.

The compensation decisions are taken after considering at various levels of the benchmark data and the compensation budget approved for the financial year. The Nomination and Remuneration Committee recommends to the Board of Directors any compensation revision of the managerial personnel which is further approved by the Shareholders.

Details of pecuniary relationship or transactions of the Non-Executive directors vis-à-vis the company

There are currently six Non-Executive Directors of whom five are Independent Directors and one is Non Independent Director of the Company. They are entitled to only Sitting fees of Rs.20,000 for every board meeting they attend and Sitting fee of Rs.5000 for every committee meeting they attend as Members of respective committees.

Mr. P.Vaidyanathan, Non-Executive and Independent Director holds 10,50,000 Equity shares as of 31st March 2017 in the name of P. Vaidyanathan (SHUF).

Mr. K.S.Thanarajan, Non-Executive and Non Independent Director holds 6,06,200 Equity shares as of 31st March 2017.

Other than the Sitting fees, they do not have any pecuniary relationship or transactions with the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The term Internal Financial Controls has been defined as the policies and procedures adopted by the company to ensure orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

Your Company has adequate and robust Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Executive Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of Internal Control System in the

Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. The Audit Committee also conducts discussions about Internal Control System with the Internal and Statutory Auditors and the Management of the Company and satisfy themselves on the integrity of financial information and ensure that financial controls and systems of risk management are robust and defensible.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2017.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2017 TILL THE DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the Company which has occurred since 31.03.2017 till the date of this report.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in form MGT-9 is annexed herewith marked as **Annexure D** and forms part of this report.

RELATED PARTY TRANSACTIONS

As required under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has developed a policy on dealing with Related Party Transactions and such policy is disclosed on the Company's website. The weblink for same is <http://www.hap.in/investors-policies.html>

There were no related party transactions entered into during the financial

year by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large other than the remuneration paid to the Executive Directors and Dividend received by them from the Company in proportion to the shares held by them.

The details of Related Party Transactions are provided in the Notes to the Accounts.

CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance including Management Discussion and Analysis report under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from Mr. N. Ramanathan, Partner, Practising Company Secretaries, confirming the compliance is annexed herewith marked as **Annexure E** and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details on Conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed herewith as marked as **Annexure G** and forms part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.
5. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were

adequate and operating effectively.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradeable in electronic form and the Company has established connectivity with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the advantages of the Depository System, the members are requested to avail of the facility of dematerialisation of the Company's shares.

INDUSTRIAL RELATIONS

Industrial relations in all the units and branches of your Company remained cordial and peaceful throughout the year.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, members, customers, bankers, farmers and channel partners for the continued support given by them to the Company and their confidence reposed in the management. The Directors appreciate and value the contributions made by every member of Hatsun.

For and On behalf of the Board of Directors

Sd/-

R.G. Chandramogan

Chairman & Managing Director

Place: Chennai

Date: May 25, 2017



Annexure – A To Board's Report

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

1. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
2. Chief Financial Officer;
3. Company Secretary; and
4. such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVE:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance with short and long-term performance objectives appropriate to the working of the Company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

- To carry out evaluation of Director's performance.

- To recommend to the Board the appointment and removal of Directors and Senior Management.

- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- To devise a policy on Board diversity, composition, size.

- Succession planning for replacing Key Executives and overseeing

- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.

A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**Remuneration to Managing Director/Whole-time Directors:**

a) The Remuneration/Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

Remuneration to Non-Executive/Independent Directors:

a) The Non-Executive/Independent Directors may receive sitting

fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- (i) The Services are rendered by such Director in his capacity as the professional; and
- (ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may delegate any of its powers to one or more of its members.

Annexure – B To Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.

HAP recognises that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organisations. HAP endeavors to make CSR an important agenda and is committed to its stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society.

The objectives of Hatsun's CSR Policy are –

- Devise meaningful and effective strategies for carrying out CSR activities and engaging with all stakeholders towards implementation and monitoring.
- Make sustainable contributions to communities.
- Identify socio-economic opportunities to perform CSR activities.
- Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.

web link : <http://www.hap.in/investors-policies.html/CSR Policy.pdf>

2. Composition of the CSR Committee:-

The CSR Committee of HAP comprises of three directors of which, one is an Independent Director.

The current composition of the CSR Committee is:

- a. Mr. P.Vaidyanathan – Independent Director and Chairman
- b. Mr. K.S.Thanarajan – Non-Executive and Non Independent Director and Member
- c. Mr. C.Sathyan – Executive Director and Member

3. Average net profit of the Company for the last three financial years.

FINANCIAL YEARS	NET PROFITS (Rs.in Crores)
2015-2016	133.97
2014-2015	47.36
2013-2014	81.44
Average Net Profit	87.59

4. Prescribed CSR expenditure (2% of the average net profit as computed above - Rs.1.75 Crores)

5. Details of CSR spent during the financial year :-

PARTICULARS	(Rs.in Crores)
Details of CSR spent during the financial year	
Total amount to be spent for the financial year	1.75
Amount spent	1.93
Amount unspent	Nil

6. Manner in which the amount spent during the financial year is detailed below:

S. NO.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECT OR PROGRAMS 1. LOCAL AREA OR OTHER 2.SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WERE UNDERTAKEN	AMOUNT OUTLAY (BUDGET PROJECT OR PROGRAMS WISE)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB-HEADS: 1. DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS 2. OVERHEADS	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY (GIVE DETAILS OF IMPLEMENTING AGENCY)
1.	Contribution to HAP Sports Trust, a Charitable Sports Trust as approved by Shareholders by postal ballot on 6th October 2016.	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports Schedule VII (1) (vii)	Sivakasi, Virudhunagar District. Tamil Nadu (Local Area)	Rs.1,92,50,000	Rs.1,92,50,000	Rs.1,92,50,000	Through Contribution to HAP Sports Trust, a Charitable Sports Trust as approved by Shareholders by postal ballot on 6th October 2016.
2.	Flag Day Contributions	Benefit of Armed Forces, war widows and dependants Schedule VII (1)(vi).	NA	Rs.37,000	Rs.37,000	Rs.37,000	Directly Spent

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount.

Not Applicable

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company which is given below.

“The Company shall ensure that the implementation and monitoring of Corporate Social Responsibility Policy (CSR) is in compliance with CSR objectives and policy of the Company.”

Sd/-

R.G. Chandramogan
Managing Director

Date: May 25, 2017

Place: Chennai

Sd/-

P. Vaidyanathan
Chairman of CSR Committee



Annexure – C To Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hatsun Agro Product Limited
Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Hatsun Agro Product Limited**, (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2017, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2017 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.
- v) i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI ACT") to the extent applicable during the year:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:

- a) Food Safety And Standards Act, 2006 and the Rules made thereunder;
- b) The Prevention of Food Adulteration Act, 1954 and the Rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board

Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has sought the approval of its members for following main events:

- Appointment of Mr. C. Sathyan, as Executive Director of the Company for a period of five years with effect from June 1, 2016,
- Ratification of remuneration of Cost Auditor,
- Capitalisation of Reserves for Issue of Bonus Equity Shares
- Alteration of main object clause of Memorandum of Association of the company
- Borrowing money in excess of the paid up capital and free reserves
- Mortgaging/Charging of the Properties of the Company
- CSR Contribution to HAP Sports Trust, and
- Payment of Long Term Meritorious Cash Award to Mr. K.S.Thanarajan for his past services as Joint Managing Director of the Company

We further report that during the audit period, it was informed that one of the Directors Mr. K.S Thanarajan, has gifted portion of his shares to his family member outside the trading plan, though the same was disclosed to Stock Exchanges as per SEBI Regulations. Similarly it was also informed to us that another director, Mr. P. Vaidyanathan maintains demat account in the name of SHUF (Hindu Undivided Family) for which he is a Karta and has consolidated a portion of shares within SHUF.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Chennai
Date: May 22, 2017

For S Dhanapal & Associates

Sd/-
S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To
The Members,
Hatsun Agro Product Limited
Chennai

Our report of even date is to be read along with this supplementary testimony.

a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Chennai
Date: May 22, 2017

For S Dhanapal & Associates

Sd/-
S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure – D To Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017 of HATSUN AGRO PRODUCT LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

(I) REGISTRATION AND OTHER DETAILS:

i) CIN : L15499TN1986PLC012747

ii) Registration Date : 4th March 1986

iii) Name of the Company: Hatsun Agro Product Limited

iv) Category/Sub-Category of the Company: Indian Company Limited by shares/Indian Non-government Company

v) Address of the Registered office and contact details:

Domaine, No.1/20A, Rajiv Gandhi Salai (OMR)

Karapakkam, Chennai – 600 097

Email: secretarial@hatsun.com

Phone No.044-24501622

vi) Whether listed company Yes/No - YES

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED,

(Formerly known as Integrated Enterprises (India) Limited)

Regd.Office:

5A, 5th Floor, Kences Towers, No.1, Ramakrishna Street

North Usman Road, T.Nagar,

Chennai – 600 017.

Branch Office:

30, Ramana Residency, 4th Cross,

Sampige Road, Malleswaram

Bangalore – 560 003.

Tel: 091 - 080 - 23460815 – 818

Fax: 091 - 080 - 23460819

E-mail: alfint@vsnl.com

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY*
1.	Milk and Milk Products	105	87%

* No other single product exceed 10 % or more of the total turnover of the company

(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has no Holding, Subsidiary and Associate Companies.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

A. PROMOTER SHAREHOLDING

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR			NO. OF SHARES HELD AT THE END OF THE YEAR			% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	DEMAT	PHYSICAL	TOTAL	
A. PROMOTERS							
(1) INDIAN							
(A) INDIVIDUAL / HUF	812,05,372	NIL	812,05,372	11,36,87,519	NIL	11,36,87,519	74.71
(B) CENTRAL GOVT.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C) STATE GOVT.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(D) BODIES CORP.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(E) BANKS/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(F) ANY OTHER	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB-TOTAL (A)(1)	NIL	NIL	812,05,372	11,36,87,519	NIL	11,36,87,519	74.71
(2) FOREIGN							
(A) INDIVIDUAL / HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(B) CENTRAL GOVT.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C) STATE GOVT.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(D) BODIES CORP.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(E) BANKS/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(F) ANY OTHER	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB-TOTAL (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)	812,05,372	NIL	812,05,372	11,36,87,519	NIL	11,36,87,519	74.71
							0.00 (No changes as only bonus shares are issued)

(ii) SHAREHOLDING OF PROMOTERS

S.NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AS AT 1ST APRIL, 2016			SHAREHOLDING AS AT 31ST MARCH, 2017			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NUMBER OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEGDED / ENCUMBERED TO TOTAL SHARES	NUMBER OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEGDED / ENCUMBERED TO TOTAL SHARES	
1.	Chandramogan R G	62764622	57.74	9.14	87870470	57.74	0.00	0.00
2.	Sathyan C	10142236	9.33	0.00	14199130	9.33	0.00	0.00
3.	Lalitha C	1238695	1.14	0.00	1734173	1.14	0.00	0.00
4.	Dolly Sathyan	1184819	1.09	0.00	1658746	1.09	0.00	0.00
5.	Deviga Suresh	4900000	4.51	0.00	6860000	4.51	0.00	0.00
6.	Vivin Srinesh	975000	0.90	0.00	1365000	0.90	0.00	0.00
	TOTAL	81205372	74.71	9.14	113687519	74.71	0.00	0.00

* The Company has allotted bonus shares on 15th July 2016 in the ratio of 2 (two) new equity shares of Re.1/- each for every 5 (five) existing equity shares of Re.1/- each and hence there is no change in the shareholding percentage.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

S.NO	PARTICULARS	SHAREHOLDING AS AT 1ST APRIL, 2016		CUMULATIVE SHAREHOLDING DURING THE YEAR (1ST APRIL, 2016 TO 31ST MARCH, 2017)	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	CHANDRAMOGAN R. G.				
	At the beginning of the year	62764622	57.74	62764622	57.74
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease				
	15th July 2016 – Bonus Shares (2:5)			25105848	NA
	At the end of the year			87870470	57.74
2.	SATHYAN C				
	At the beginning of the year	10142236	9.33	10142236	9.33
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	15th July 2016 – Bonus Shares (2:5)			4056894	NA
	At the end of the year			14199130	9.33

S.NO	PARTICULARS	SHAREHOLDING AS AT 1ST APRIL, 2016		CUMULATIVE SHAREHOLDING DURING THE YEAR (1ST APRIL, 2016 TO 31ST MARCH, 2017)	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
3.	<u>LALITHA C</u>				
	At the beginning of the year	1238695	1.14	1238695	1.14
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).				
	15th July 2016 – Bonus Shares (2:5)			495478	N.A
	At the end of the year			1734173	1.14
4.	<u>DOLLY SATHYAN</u>	1184819	1.09	1184819	1.09
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).				
	15th July 2016 – Bonus Shares (2:5)			473927	N.A
	At the end of the year			1658746	1.09
5.	<u>DEVIGA SURESH</u>	4900000	4.51	4900000	4.51
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).				
	15th July 2016 – Bonus Shares (2:5)			1960000	N.A
	At the end of the year			6860000	4.51
6.	<u>VIVIN SRINESH</u>	975000	0.90	975000	0.90
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).				
	15th July 2016 – Bonus Shares (2:5)			390000	N.A
	At the end of the year			1365000	0.90

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

S.NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AS AT 1ST APRIL, 2016		DATE	INCREASE OR DECREASE	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (1ST APRIL, 2016 TO 31ST MARCH, 2017)	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Raju Kirti Shah	1853231	1.71	15th July 2016	741292	Bonus Shares	2594523	1.71
				31st March 2017			2594523	1.71
2.	Ravi K Shah	1554511	1.43	15th July 2016	621804	Bonus Shares	2176315	1.43
				31st March 2017			2176315	1.43
3.	HSBC Bank (Mauritius) Limited A/c Jwalamukhi Investment Holdings	1326003	1.22	15th July 2016	530401	Bonus Shares	1856404	1.22
				31st March 2017			1856404	1.22
4.	Malabar India Fund Limited	943131	0.87	15th April 2016	785	Transfer	943916	0.62
				13th May 2017	2017	Transfer	945933	0.62
				20th May 2016	1860	Transfer	947793	0.62
				03rd June 2016	8183	Transfer	955976	0.63
				15th July 2016	382390	Bonus Shares	1338366	0.88
				12th Aug 2016	2363	Transfer	1340729	0.88
				31st Mar 2017			1340729	0.88
5.	V V V And Sons Edible Oils Ltd	865375	0.80	15th July 2016	346150	Bonus Shares	1211525	0.80
				26th Aug 2016	9256	Transfer	1220781	0.80
				2nd Sep 2016	21146	Transfer	1241927	0.82
				9th Sep 2016	9548	Transfer	1251475	0.82
				16th Sep 2016	11500	Transfer	1262975	0.83
				14th Oct 2016	6472	Transfer	1269447	0.83
				11th Nov 2016	1000	Transfer	1270447	0.83
				18th Nov 2016	3601	Transfer	1274048	0.84
				13th Jan 2017	19477	Transfer	1293525	0.85
				20th Jan 2017	3801	Transfer	1297326	0.85
				27th Jan 2017	-20000	Transfer	1277326	0.84
				3rd Mar 2017	15964	Transfer	1293290	0.85
				10th Mar 2017	50808	Transfer	1344098	0.88
				17th Mar 2017	16361	Transfer	1360459	0.89
6.	Sriram V	0	0.00	8th July 2016	280000	Transfer	280000	0.18
				15th July 2016	400000	Transfer	680000	0.45
				22nd July 2016	272000	Bonus Shares	952000	0.63
				5th Aug 2016	-2000	Transfer	950000	0.62
				31st Mar 2017			950000	0.62
				15th July 2016	240000	Bonus Shares	840000	0.55
7.	Kotak Mahindra (International) Limited	600000	0.55	31st Mar 2017			840000	0.55
				15th July 2016	234000	Bonus Shares	819000	0.54
8.	Emblem FII	585000	0.54	31st Mar 2017			819000	0.54
				15th July 2016	230000	Bonus Shares	805000	0.53
9.	Madhumathi K S T	575000	0.53	31st Mar 2017			805000	0.53
				15th July 2016	220000	Bonus Shares	770000	0.51
10.	Vidhya Thanarajan	550000	0.51	31st Mar 2017			770000	0.51
				15th July 2016				

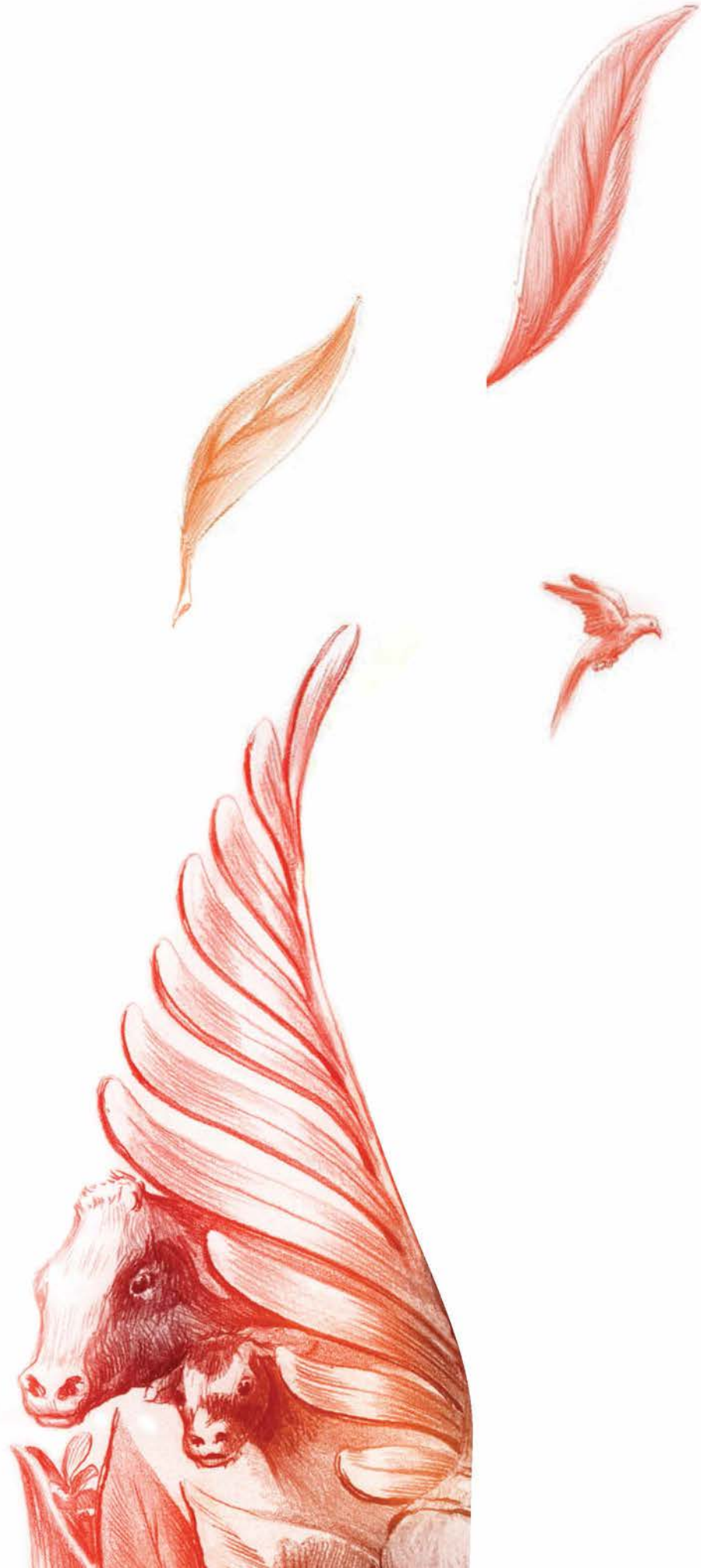
(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.NO	PARTICULARS	SHAREHOLDING AS AT 1ST APRIL, 2016		CUMULATIVE SHAREHOLDING DURING THE YEAR (1ST APRIL, 2016 TO 31ST MARCH, 2017)	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	CHANDRAMOGAN R G, Managing Director				
	At the beginning of the year	62764622	57.74	62764622	57.74
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	15th July 2016 – Bonus Shares			25105848	NA
	At the end of the year			87870470	57.74
2.	SATHYAN C, Executive Director				
	At the beginning of the year	10142236	9.33	10142236	9.33
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	15th July 2016 – Bonus Shares			4056894	NA
	At the end of the year			14199130	9.33
3.	K.S. THANARAJAN, Joint Managing Director 31st December 2016.				
	At the beginning of the year	633000	0.58	633000	0.58
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	7th June 2016 - Gifted the shares to Daughter in Law.			-200000	-0.18
	15th July 2016 – Bonus shares			173200	2.5
	At the end of the year			606200	0.40
4.	P. VAIDYANATHAN, Independent Director				
	At the beginning of the year (held in HUF account)	400000	0.37	400000	0.37
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	2nd July 2016*			100000	0.09
	12th July 2016*			240000	0.22
	22nd July 2016 – Bonus shares			296000	2.5
	5th Aug 2016*			14000	0.01
	At the end of the year (held in HUF account)			1050000	0.69
5.	N.CHANDRASEKARAN, Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year			NIL	NIL

*only consolidation of holdings within SHUF and no buy or sale of shares involved.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.NO	PARTICULARS	SHAREHOLDING AS AT 1ST APRIL, 2016		CUMULATIVE SHAREHOLDING DURING THE YEAR (1ST APRIL, 2016 TO 31ST MARCH, 2017)	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
6.	B.THENAMUTHAN, Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year			NIL	NIL
7.	BALAJI TAMMINEEDI, Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year			NIL	NIL
8.	DR.CHALINI MADHIVANAN, Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year			NIL	NIL
9.	H.RAMACHANDRAN, Chief Financial Officer				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year			NIL	NIL
10.	S.NARAYAN, Company Secretary				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus sweat equity etc):				
	At the end of the year			NIL	NIL



V) INDEBTEDNESS

Indebtedness Of The Company Including Interest Outstanding/Accrued But Not Due For Payment

	SECURED LOANS EXCLUDING DEPOSITS (RS IN LAKHS)	UNSECURED LOANS (RS IN LAKHS)	DEPOSITS (RS IN LAKHS)	TOTAL INDEBTEDNESS (RS IN LAKHS)
Indebtedness at the beginning of the financial year				
i) Principal Amount	53,154.36	13,997.28	1.98	67,153.62
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	53,154.36	13,997.28	1.98	67,153.62
Change in Indebtedness during the financial year				
• Addition	30,386.82	Nil	Nil	30,386.82
• Reduction	Nil	(5,515.34)	(0.30)	(5,515.64)
Net Change	30,386.82	(5,515.34)	(0.30)	24,871.18
Indebtedness at the end of the financial year				
i) Principal Amount	83,541.18	8,481.94	1.68	92,024.77
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	83,541.18	8,481.94	1.68	92,024.77

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration To Managing Director, Whole-time Directors and/or Manager:

(ALL AMOUNTS ARE IN RS.)

S.NO	PARITCULARS OF REMUNERAITON	NAME OF MD/WTD/MANAGER			TOTALAMOUNT
		MR.R.G.CHANDRAMOGAN MANAGING DIRECTOR	MR. K.S. THANARAJAN JOINT MANAGING DIRECTOR (Till 31st Dec 2016)	MR. C. SATHYAN EXECUTIVE DIRECTOR	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,81,200	3,60,01,331*	60,81,200	4,87,63,731
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
	TOTAL (A)	66,81,200	3,60,01,331	60,81,200	4,87,63,731

*The Life Term meritorious cash award of INR 3 Crores is also included during computation.

Ceiling as per the Act - INR 1,377 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

(ALL AMOUNTS ARE IN RS.)

S.NO	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT
		MR. PVAIDYANATHAN INDEPENDENT DIRECTOR	MR. CHANDRASEKARAN INDEPENDENT DIRECTOR	MR. B.THENAMUTHAN INDEPENDENT DIRECTOR	MR. BALAJI TAMMINEDI INDEPENDENT DIRECTOR	DR. CHALINI MADHIVANAN INDEPENDENT DIRECTOR	
1	Independent Directors • Fee for attending board/committee meetings • Commission • Others, please specify	1,80,000 Nil Nil	1,70,000 Nil Nil	1,10,000 Nil Nil	1,70,000 Nil Nil	1,50,000 Nil Nil	7,80,000 Nil Nil
2	Total (1)	1,80,000	1,70,000	1,10,000	1,70,000	1,50,000	7,80,000
3	Other Non-Executive Directors • Fee for attending board/committee meetings • Commission • Others, please specify	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
4	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
5	Total Managerial Remuneration (1+2)	1,80,000	1,70,000	1,10,000	1,70,000	1,50,000	7,80,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(ALL AMOUNTS ARE IN RS)

S.NO	PARTICULARS OF REMUNERATION	KEY MANAGEMENT PERSONNEL		TOTAL AMOUNT
		MR. H. RAMACHANDRAN CFO	MR. S. NARAYAN COMPANY SECRETARY	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	52,34,538 Nil Nil	14,91,096 Nil Nil	67,25,634
2	Stock Option	Nil	Nil	
3	Sweat Equity	Nil	Nil	
4	Commission - as % of profit - others, specify...	Nil Nil	Nil Nil	
	TOTAL (A)	52,34,538	14,91,096	67,25,634
	Ceiling as per the Act	Not Applicable	Not Applicable	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/COMPOUNDING FEES IMPOSED	AUTHORITY [RD/NCLT /COURT]	APPEAL MADE, IF ANY
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Place: Chennai

Date: May 25, 2017

For and On behalf of the Board of Directors

Sd/-

R.G. Chandramogan
Chairman & Managing Director

Annexure E To The Directors' Report

CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF HATSUN AGRO PRODUCT LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s. Hatsun Agro Product Limited ("the Company") for the year ended 31st March, 2017 as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in its Regulation 15(2) for the period 1st April, 2016 to 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the 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 Management, we certify that the Company has complied with the conditions of Corporate Governance as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st April, 2016 to 31st March, 2017.

We further 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 S.DHANAPAL & ASSOCIATES
A FIRM OF PRACTISING COMPANY SECRETARIES

N. RAMANATHAN
PARTNER
MEMBERSHIP NO: F6665
CP NO: 11084
Place: Chennai
Date: May 25, 2017

Annexure – F To Board's Report

DIVIDEND DISTRIBUTION POLICY

1. Objective

This Dividend Distribution Policy (Hereinafter referred to as “DDP” or “Policy”) is being formulated to strike right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Our Board of Directors at the time of taking decision towards declaration or recommendation of Interim or Final Dividend from time to time shall consider the parameters laid down under this Policy.

2. Philosophy

The DDP is driven by the philosophy to maximise the shareholders' wealth and shareholder value in the Company through various means. By virtue of this Policy, the Company would give priority to utilise its profits towards working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India (“SEBI”) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 whereby Regulation 43A has been inserted after Regulation 43 in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy.

Hatsun Agro Product Limited being one of the top five hundred listed companies as per the market capitalisation as on the last day of the immediately preceding financial year, (31.03.2016) frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Definitions

4.1. Unless repugnant to the context:

4.1.3 “Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

4.1.3 “Applicable Laws” shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for declaration and distribution of Dividend.

4.1.4 “Company” or “HAPL” shall mean Hatsun Agro Product Limited.

4.1.5 “Chairman” shall mean the Chairman of the Board of Directors of the Company.

4.1.6 “Compliance Officer” shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.1.7 “Board” or “Board of Directors” shall mean Board of Directors of the Company.

4.1.8 “Dividend” shall mean Dividend as defined under Companies Act, 2013.

4.1.9 “MD & CEO” shall mean Managing Director of the Company.

4.1.10 “Policy or this Policy” shall mean the Dividend Distribution Policy.

4.1.11 “SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.2. Interpretation

4.2.1 In this Policy, unless the contrary intention appears:

- a. the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b. a reference to a clause number includes a reference to its sub-clauses;
- c. words in singular number include the plural and vice versa;
- d. Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. Parameters for declaration of Dividend

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 Financial Parameters/Internal Factors:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- a. Net operating profit after tax;
- b. Working capital requirements;
- c. Capital expenditure requirements;
- d. Fund acquisitions and/or new businesses
- e. Cash flow required to meet contingencies;
- f. Outstanding borrowings;
- g. Past Dividend Trends

5.1.2 External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- a. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- b. Dividend pay-out ratios of companies in the same industry.

5.2 Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- a. Whenever a significant expansion project requiring higher allocation of capital is envisaged by the Company;
- b. When higher working capital requirements adversely impact free cash flow;
- c. When any acquisitions or joint ventures requiring significant allocation of capital is envisaged by the Company;
- d. Whenever Company proposes to utilise surplus cash for buy-back of securities; or
- e. In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 Utilisation of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy and applicable laws.

5.4 Parameters adopted with regard to various classes of shares:

- i. Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 1 each and Preference shares of Rs. 100 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

- ii. The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

- iii. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

6 Procedure

- a. The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/recommended as Dividend to the Board of Directors of the Company.

- b. The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

- c. Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.

- d. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

7 Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations.

8 General

- a. This Policy would be subject to revisions/amendments in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.

- b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

- c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure G To The Board's Report

CONSERVATION OF ENERGY

1. POWER & FUEL CONSUMPTION

ELECTRICITY	2016-2017	2015-2016
a) Purchased		
Units	810,64,142	712,82,038
Total Amount (Rs.)	571,760,368	521,617,660
Rate/Unit (Rs.)	7.05	7.32
b) Through Diesel Generation		
Quantity of Diesel consumed (Litres)	16,09,534	17,21,957
Units	44,86,049	50,81,842
Total Amount (Rs.)	891,56,203	862,26,249
Cost/Unit (Excluding Overhead and Depreciation)	19.87	16.97
Units per Litre of Diesel Oil	2.79	2.95

2. FIREWOOD

	2016-17	2015-16
Quantity (Kg)	169,89,790	145,39,920
Total Amount (Rs.)	614,22,837	529,77,453
Average Rate (Rs./Kg)	3.62	3.64

3. COAL

	2016-17	2015-16
Quantity (Kg)	220,63,159	225,78,513
Total Amount (Rs.)	122,813,758	119,021,593
Average Rate (Rs./Kg)	5.57	5.27

CONSUMPTION PER UNIT OF PRODUCTS I.E PER LITRE OF MILK

PERIOD	UoM	UNITS IN LAKHS	PROCESSED QTY IN LAKHS	UNIT/LITRE
2015-16	KwH	564	9423	0.060
2016-17	KwH	639	10739	0.059

RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R & D IS BEING CARRIED OUT BY THE COMPANY

a) Process Development

- (i) Conducting of Somatic Cell Counter Test to detect animal udder health.
- (ii) Installation of Eco Milk Analyzers at various chilling/collection centres to ensure accurate and reliable testing of Fat/SNF content in the milk supplied.
- (iii) Installation of IQF for quick hardening of Ice creams to improve Ice cream quality.
- (iv) Developed world class fruit preparations, fruit toppings, chocolate toppings and in-house chocolate coatings recipes for ice cream stick bars and Ice cream cakes.
- (v) In the process of developing new international standard recipes for ice creams, sorbets, yoghurt ice creams and extruded ice cream products.

b) Product Diversification

c) Quality enhancement to achieve International Standards.

d) Assurance on Food Safety: Installation of New instruments like 1) ICP-OES Cost (Inductively Coupled Plasma Optical Emission Spectroscopy) used for detection of trace metals with focus on heavy metals, the control of which will go long way in assuring safety of milk & milk products 2) Gas Chromatography used for detection of traces of major Pesticides & other harmful volatile chemicals in milk, milk products, water etc. 3) UV Carry - 60 Spectrophotometer for detection of metals, amino-acids, vitamins etc., which can help in improving the nutritive value of milk & milk products.

As mentioned in the note below under Expenditure on R&D, expenditures incurred on R&D are merged with appropriate expenditure/capital accounts.

2. BENEFITS DERIVED

Continuous upgradation of the quality of products has resulted in better acceptance of the products by all classes of consumers.

3. FUTURE PLAN OF ACTION

More importance will be given on product/process development/innovation, to bring down cost without compromising on product quality and to achieve international standards in quality and taste.

4. EXPENDITURE ON R & D*

- (a) Capital : Nil
- (b) Recurring : Nil
- (c) Total : Nil
- (d) Total R & D Expenditure as a percentage of Total Turnover : Nil

*The expenditures incurred on R&D are merged with the appropriate expenditure/capital accounts.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts Made

The Company has undertaken efforts to absorb the best available technology for processing of milk and manufacturing milk-related products like replacement of existing reciprocating compressor with scroll compressor in the refrigeration unit of our Bulk Coolers, VFD installation for scroll compressor and also energy generation from Windmill

2. Benefits

Absorption of the best technology reflects in the Company's products, which are clearly differentiated from its competitors and its processes that consistently deliver more with less expenditure. Due to the measures taken above, there were considerable improvement in compressor efficiency coupled with reduction in power consumption and power cost.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

S.NO.	PARTICULARS	YEAR ENDED 31ST MARCH, 2017	YEAR ENDED 31ST MARCH, 2016
1.	Foreign exchange earnings	522.89	593.77
2.	CIF Value of Imports	4046.87	2037.61
3.	Expenditure in foreign currency	449.94	702.03
4.	Dividend paid in foreign currency	NIL	NIL

For and On behalf of the Board of Directors

R.G. Chandramogan
Chairman & Managing Director

Place: Chennai

Date: May 25, 2017

Report On Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to the highest standards of integrity, transparency and accountability across all levels of the Organisation in the conduct of its business. It acknowledges the importance of good corporate governance in carrying out its corporate mission of creating long-term value to its stakeholders. Our success is grounded in our value system. The Company's Board of Directors, Management and employees commit themselves to serve the best interests of the investing public – individually and as a team. Your Directors perceive their role as a trustee to the stakeholders in particular and the society at large.

Your Company will continue to focus its resources, strengths and strategies to achieve its vision of brand building, maximising stakeholders' return and developing people to deliver the same, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the running of the Company's business.

Your Company has a strong legacy of fair, transparent and ethical governance practices. Your Company has adopted a Code of Conduct for Directors and Senior Management Personnel. These codes are available on the Company's website. Your Company keeps its corporate governance policies under constant review to conform, where applicable, with best practices and principles. Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS

(1) As on 31st March, 2017, the Company had eight Directors with five Non-Executive and Independent Directors and one Non-Executive and Non Independent Director and two Executive Directors. The Chairman & Managing Director is an Executive and Promoter Director. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(2) Mr. R.G.Chandramogan, Managing Director and Mr. C.Sathyam, Executive Director are relatives in terms of Section 2(77) of the Companies Act, 2013 read with the relevant Rules made thereunder. None of the other Directors are related to each other.

(3) None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all Companies in which he is a Director. The Directors have disclosed to the Company about the committee positions they occupy in other Companies and have notified changes as and when they take place.

(4) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given herein below. Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committees).

Table 1:- COMPOSITION OF BOARD OF DIRECTORS

NAME AND DESIGNATION OF THE DIRECTOR	CATEGORY	NUMBER OF BOARD MEETINGS DURING 2016-17		WHETHER ATTENDED LAST AGM	NO. OF DIRECTORSHIPS IN OTHER COMPANIES		NO. OF COMMITTEE POSITIONS HELD IN OTHER PUBLIC COMPANIES	
		HELD	ATTENDED		YES/NO	CHAIRMAN	MEMBER	CHAIRMAN
R.G. CHANDRAMOGAN (CHAIRMAN AND MANAGING DIRECTOR)	Promoter - Executive Director	8	7	YES	Nil	Nil	Nil	Nil
C. SATHYAN (EXECUTIVE DIRECTOR)	Promoter -Executive Director	8	7	YES	Nil	Nil	Nil	Nil
K.S. THANARAJAN (JOINT MANAGING DIRECTOR TILL 31 st DECEMBER 2016, ADDITIONAL DIRECTOR SINCE 18 th JANUARY 2017)	Non-Executive & Non Independent Director	8	6	YES	Nil	Nil	Nil	Nil
P. VAIDYANATHAN (DIRECTOR)	Non-Executive & Independent Director	8	7	YES	Nil	4	1	Nil
N. CHANDRASEKARAN (DIRECTOR)	Non-Executive & Independent Director	8	6	YES	1	Nil	Nil	Nil
BALASUBRAMANIAN THENAMUTHAN (DIRECTOR)	Non-Executive & Independent Director	8	4	YES	1	Nil	Nil	Nil
TAMMINEEDI BALAJI (DIRECTOR)	Non-Executive & Independent Director	8	6	YES	Nil	2	Nil	Nil
CHALINI MADHIVANAN (WOMEN DIRECTOR)	Non-Executive & Independent Director	8	5	YES	Nil	1	Nil	Nil

(5) The Board has met 8 (eight) times during the year and the gap between two meetings did not exceed 120 Days. The said Meetings were held on 27th May 2016, 15th June 2016, 2nd July 2016, 15th July 2016, 6th August 2016, 19th August 2016, 18th October 2016 and 18th January 2017. The necessary quorum was present for all the meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(6) The minimum information as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the board.

The Board has complete access to all information pertaining to the Company. Inter-alia, the following information is regularly provided to the Board, whenever applicable and materially significant, either as a part of the agenda papers well in advance of the Board meetings or tabled in the course of the Board meeting or tabled before the appropriate Committees of the Board.

- Annual Operating plans & budgets and any updates thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company, operating divisions and business segments.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.

- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.

- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

Equity Shares held by Non-Executive Directors

Mr. P.Vaidyanathan as Karta of P. Vaidyanathan (SHUF) holds 10,50,000 equity shares of the Company. Mr. K.S.Thanarajan holds 6,06,200 equity shares of the Company. None of the other Non-Executive Directors hold shares in the Company as on 31st March, 2017.

Risk Management

The Company has established robust risk assessment and minimisation procedures, which are reviewed by the Board periodically. The Company has a structure in place to identify and mitigate the various risks that would be faced by it from time to time. The risks are reviewed periodically, new risks if any, are identified, assessed, and control measures are designed to put in place fixed timeline for mitigating the risk.

III. AUDIT COMMITTEE

The Audit Committee plays an important role in overseeing the internal control and the financial reporting system of the Company. The Company has an independent audit committee constituted in line with the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Audit Committee which earlier had three Non-Executive Independent Directors was reconstituted on 16th March 2016 to comprise five Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director.

The Audit Committee at present comprises of Mr. P.Vaidyanathan, who is a Fellow member of the Institute of Chartered Accountants of India, as its Chairman, Mr. Tammineedi Balaji, Mr. Balasubramanian Thenamuthan, Mr. N.Chandrasekaran, and Dr. Chalini Madhivanan as its Members. All the members of the Committee have excellent financial and accounting knowledge. The Company Secretary acts as the Secretary of the Committee.

The Committee met 5 (five) times during the year on 27th May, 2016, 15th July, 2016, 19th August, 2016, 18th October, 2016 and 18th January, 2017. The time gap between any two meetings was less than four months. Necessary quorum was present for all the meetings.

NAME OF THE DIRECTOR	CATEGORY	STATUS	NO. OF MEETINGS	
			HELD	ATTENDED
P. Vaidyanathan	Independent	Chairman	5	4
N. Chandrasekaran	Independent	Member	5	5
Balasubramanian Thenamuthan	Independent	Member	5	3
Tammineedi Balaji	Independent	Member	5	5
Chalini Madhivanan	Independent	Member	5	5

The functions of the Audit Committee include the following:

- Supervising of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.

- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.

-Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

-Reviewing with the management, the statement of uses/application of funds, raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

-Review and monitor of auditor's independence and performance and effectiveness of audit process.

-Approval or any subsequent modification of transactions of the Company with the related parties, if any

-Scrutiny of inter-corporate loans and investments.

-Valuation of undertakings or assets of the Company, wherever it is necessary.

-Evaluation of internal financial controls and risk management systems.

-Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

-Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

-Discussion with internal auditors on any significant findings and follow up thereon.

-Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

-Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

-To look into the reasons for substantial defaults in the payment to the

depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

-To review the functioning of the Whistle Blower mechanism.

-Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

-Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered to:

- Investigate any activity within its terms of reference.
- Seek information from any employee.
- Obtain outside legal or other professional advice.
- Secure attendance of outsiders with relevant expertise, if it considers necessary.

The company has systems in place to ensure that the audit committee reviews:

-Management discussion and analysis of financial condition and results of operations.

-Statement of significant related party transactions (as defined by the audit committee), submitted by the management.

-Management letters/letters of internal control weaknesses issued by the statutory auditors.

-Internal audit reports relating to internal control weaknesses.

-The appointment, removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee

IV. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

The Nomination and Remuneration Committee (formerly Remuneration Committee) which earlier had five Non-Executive Independent Directors was reconstituted during the year on 18th January 2017 to comprise five Non-Executive Independent Directors and one Non-Executive and Non Independent Director. The Chairman of the Committee is an Independent Director. After the reconstitution, the said committee comprises of Mr. P.Vaidyanathan (Chairman), Mr. Balasubramanian Thenamuthan, Mr. N.Chandrasekaran, Mr. Tammineedi Balaji, Dr. Chalini Madhivanan and Mr. K.S.Thanarajan. The Company Secretary acts as the Secretary of the Committee.

The role of the Remuneration Committee is

a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with

the criteria laid down

b) To recommend to the Board the appointment and removal of such identified persons

c) To carry out evaluation of every director's performance

d) To formulate the criteria for determining qualifications, positive attribute, and independence of director

e) To formulate a policy relating to remuneration for Directors, Key Managerial Personnel and other employees

f) To devise a policy on Board Diversity.

The Committee has met 1 (once) time during the financial year on 18th January, 2017.

NAME OF THE DIRECTOR	CATEGORY	STATUS	NO. OF MEETINGS	
			HELD	ATTENDED
P. Vaidyanathan	Independent	Chairman	1	1
Balasubramanian Thenamuthan	Independent	Member	1	-
N. Chandrasekaran	Independent	Member	1	1
Tammineedi Balaji	Independent	Member	1	1
Chalini Madhivanan	Independent	Member	1	1
K.S. Thanarajan*	Non-Independent	Member	1	.*

*Mr. K.S.Thanarajan, Non-Executive and Non Independent Additional Director was inducted as member of Nomination and Remuneration Committee with effect from 18th January, 2017 and he has started attending meetings of Nomination and Remuneration Committee held after the financial year 2016-2017.

NAME & DESIGNATION OF THE EXECUTIVE DIRECTOR	SALARY & ALLOWANCES (RS.)	CONTRIBUTION TO PF & OTHER FUNDS(RS)	OTHER PERQUISITES OR BENEFITS INCLUDING MEDICAL EXPENSES REIMBURSED AND CAR FACILITY PROVIDED (RS.)	TOTAL
Mr. R.G.Chandramogan Managing Director	64,70,000	21,600	1,89,600	66,81,200
Mr. C.Sathyan Executive Director	58,70,000	21,600	1,89,600	60,81,200
Mr. K.S.Thanarajan Joint Managing Director (Till 31st Dec 2016)	50,65,000	3,24,000	306,12,331*	360,01,331

* The Life Term meritorious cash award of INR 3 Crores is also included during computation.

Note:

1. All the Executive Directors are covered under the Company's Leave Encashment Policy and Group Gratuity Scheme along with the other employees of the Company. Contribution to Gratuity is based on the actuarial valuation made on an overall Company basis and hence individual figures for the Directors are not available.

2. The remuneration of managerial persons as mentioned above is being summarised under three major groups viz., Salary and Allowances, Contribution to PF and other funds and Other perquisites and benefits.

3. The remuneration of managerial persons as mentioned above are fixed components which is in accordance with the approval of the Shareholders obtained during their appointments.

4. Mr. R.G.Chandramogan, Managing Director and Mr. C.Sathyan, Executive Director hold office for a period of 5 years from the respective date of appointment by the Shareholders and shall be renewed in accordance with the provisions of Companies Act, 2013. Mr. K.S.Thanarajan resigned from his office as Joint Managing Director with effect from 31st December 2016.

5. None of the above managerial personnel are entitled to any Stock options.

Compensation Philosophy in respect of compensation to Non-Executive Directors:

The objective of the Compensation Philosophy is to attract and retain high caliber individuals and motivate them towards the achievement of exceptional performance that enhances the value of the Company.

At present a sitting fee of Rs.20,000/- (Rupees Twenty Thousand only) is being paid to each Non-Executive Director for attending a Board meeting. Also, a sitting fee of Rs.5,000/- (Rupees Five Thousand Only) is being paid to attend a committee meeting.

(in Rs.)

TABLE 5: SITTING FEE PAID TO NON-EXECUTIVE DIRECTORS						
NAME OF THE DIRECTOR	BOARD MEETING	AUDIT COMMITTEE	STAKE HOLDER RELATIONSHIP COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	SHARE TRANSFER COMMITTEE	TOTAL
Mr. P.Vaidyanathan	1,40,000	20,000	15,000	5,000	-	1,80,000
Mr. N.Chandrasekaran	1,20,000	25,000	20,000	5,000	-	1,70,000
Mr. Balasubramanian Thenamuthan	80,000	15,000	15,000	-	-	1,10,000
Tammineeli Balaji	1,20,000	25,000	20,000	5,000	-	1,70,000
Chalini Madhivanan	1,00,000	25,000	20,000	5,000	-	1,50,000
TOTAL	5,60,000	1,10,000	90,000	20,000	-	7,80,000

POLICY ON SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his /her appointment, as per Company's Policy.

b) The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

REMUNERATION:-

1) Remuneration to Managing Director/Whole-time Directors:

a) The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

2) Remuneration to Non-Executive/Independent Directors:

a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Remuneration Policy of the Company is attached with Board's Report and the same can be referred.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of the Board Committees was carried out based on the criteria and framework adopted by the Board.

The evaluation process for measuring the performance of Executive/Non-Executive and Independent Directors is being conducted through a survey which contains questionnaire capturing each Board and Committee Member's response to the survey which provides a comprehensive feedback to evaluate the effectiveness of the Board and its Committees as a whole and also their independent performance. The methodology adopted by each Director who responded to the survey has graded their peers against each survey item from P1 to P3 with P1 marking the lower efficiency and P3 the highest efficiency which revealed more realistic data on measuring the effectiveness of the Board dynamics, flow of information, decision making of Directors and performance of Board and Committee as a whole.

The Independent Directors evaluation was done with main focus on their adherence to the Corporate Governance practices and their efficiency in monitoring the same. They are also being evaluated on various parameters viz., active participation in strategic planning, fiduciary responsibilities, participation in Board and Committee meetings, etc.

Apart from the above, the performance of Non Independent Directors and the Board as a whole in terms of prudent business practices adopted by them towards governance of the operations of the Company, adherence to the highest standards of integrity and business ethics, exercising their responsibilities in bona fide manner in the best interest of the Company and not allowing any extraneous consideration that shall impede their decision making authority in the best interest of the Company was also carried out to evaluate their performance

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process which considered their commitment and the exercise of their responsibilities in the best interest of the Company.

The performance of the Chairman of the Company was reviewed by the Independent Directors who ensured during their review, that the Chairman conducted the Board proceedings in unbiased manner without any conflict with his personal interest at any point of time. It was further ascertained by the Independent Directors that the Chairman allowed the Board Members to raise any concerns on any businesses of the Board during their Meetings and addressed them at the best interest of the Company.

Training and familiarisation program for Independent Directors

Every Independent Director on being inducted into the Board attends an orientation program. To familiarise the new Directors with the strategy, operations and functions of our Company, the Executive Directors/Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product offerings, organisation structure, human resources, technologies, facilities and risk management.

Further, at the time of appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a Director. The detailed familiarisation program for Independent Directors is hosted on the website of the Company and the weblink for same is <http://www.hap.in/investors-policies.html>.

V. STAKEHOLDERS GRIEVANCE COMMITTEE

(FORMERLY KNOWN AS SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)

The Company has a Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

During the year, the Stakeholders Grievance Committee (formerly known as Shareholders'/Investors' Grievance Committee) was reconstituted once on 18th January, 2017. After the reconstitution, the said committee comprises of six members of the Board, namely Mr. P. Vaidyanathan (Chairman), Mr. Tammineedi Balaji, Mr. N.Chandrasekaran, Mr. B.Thenamuthan, Dr. Ms.Chalini Madhivanan and Mr. K.S.Thanarajan,. Among the members, five of them are Non-Executive and Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the year, 4 (four) meetings of the Committee were held on 27th May, 2016, 15th July, 2016, 18th October, 2016 and 18th January, 2017.

NAME OF THE DIRECTOR	CATEGORY	STATUS	NO. OF MEETINGS	
			HELD	ATTENDED
P. Vaidyanathan	Independent	Member	4	3
N. Chandrasekaran	Independent	Member	4	4
B. Thenamuthan	Independent	Member	4	3
Tammineedi Balaji	Independent	Member	4	4
Chalini Madhivanan	Independent	Member	4	4
K.S. Thanarajan*	Non-Executive	Member	4	3

*Mr. K.S.Thanarajan was previously a member of Shareholder Grievance Committee till 31st December 2016. With his resignation from his position as Joint Managing Director on 31st December 2016 he also ceased to be the member of the Committee on 31st December 2016.

During his tenure as Joint Managing Director and being the member of the Committee he has attended Stakeholders Grievance Committee Meetings held on 27th May, 2016, 15th July, 2016 and 18th October, 2016. On 18th January 2017 Mr. K.S.Thanarajan was again inducted as member of the Committee by virtue of his appointment as an Additional Director (Non-Executive and Non Independent) by the Board of Directors on 18th January 2017.

The Committee supervises the mechanism for redressal of shareholders'/investors' grievances and ensures cordial investor relations. The Committee takes care of the following matters:

-Redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.

-Scrutiny of the performance of the Registrar & Share Transfer Agent recommending measures for overall improvement of the quality of service.

-Any allied matter(s) out of and incidental to these functions and not here in above specifically provided for.

Details of Complaints received during the year

Number of complaints received from investors	- 15
Number of complaints resolved	- 15
Number of complaints remaining unresolved and pending	- Nil

TABLE 7

S.NO	NATURE OF COMPLAINTS	RECEIVED & REDRESSED DURING THE YEAR
1.	Correspondence regarding demat/general	1
2.	Correspondence regarding non-receipt of share certificate, transfer/transmission of shares	5
3.	Revalidation of dividend warrants/ non-receipt of dividend warrants/ status of dividend payment	9

Compliance Officer

The Name and designation of the Compliance Officer of the Company:

Mr. S.Narayan , Company Secretary & Compliance Officer
Domaine, Door No.1/20A, Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai 600 097.

Phone No. : 091-044-24501622

Fax No. : 091-044-24501422

E-mail ID : secretarial@hatsun.com

VI. OTHER COMMITTEES

A. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of three members of the

Board, namely Mr. R.G.Chandramogan (Chairman), Mr. K.S.Thanarajan and Mr. P.Vaidyanathan. The Company Secretary acts as the Secretary of the Committee.

Mr. K.S.Thanarajan was previously a member of Share Transfer Committee till 31st December 2016. With his resignation from his position as Joint Managing Director on 31st December 2016 he also ceased to be the member of the Committee on 31st December 2016. During his tenure as Joint Managing Director and being the member of the Committee he has attended Stakeholders Grievance Committee Meetings held on 11th April 2016, 6th June 2016 and 14th October 2016. On 18th January 2017 Mr. K.S.Thanarajan was again inducted as member of the Committee by virtue of his appointment as an Additional Director (Non-Executive and Non Independent) by the Board of Directors on 18th January 2017.

The Committee takes care of the following matters:

- Transfer/Transmission/Split/Sub-division/Consolidation of shares.
- Issue of duplicate share certificates.
- Registration of Power of Attorneys, Probate Letters of transmission or similar other documents.
- Dematerialisation/Rematerialisation of shares.

Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respects.

Number of Share Transfers pending as on 31st March, 2017 - Nil

During the year, the Committee met 7 (seven) times on the following dates namely, 11th April 2016, 6th June 2016, 14th October 2016, 18th January 2017, 27th January 2017, 4th March 2017 and 27th March 2017.

B. SUB-COMMITTEE

The Sub-Committee comprises of three members of the Board, namely Mr. R.G.Chandramogan (Chairman), Mr. C.Sathyan and Mr. Balasubramanian Thenamuthan. During the year Mr. K.S.Thanarajan ceased to be the member of the Sub Committee by virtue of his resignation as Joint Managing Director with effect from 31st December 2016. The Company Secretary acts as the Secretary of the Committee.

The Committee looks after the following:

-To review the funds position of the Company, borrow monies required for the purpose of business, negotiate and finalise the terms of borrowings with the lenders, approve borrowings, look into its

repayments and also to make loans when there is surplus money available in hand.

-Reviewing, with the management, the risk management policy of the Company, with particular reference to:

- a) oversee the operation of an enterprise-wide risk management system;
- b) review, analyse and recommend the policy, framework, strategy and method to be used by the company to manage risks or threats;
- c) review with management the corporate performance in the areas of legal risks and crisis management; and
- d) identify, review and assess the likelihood and magnitude of the impact of material events on the company and to recommend measures to avoid or mitigate risks.
- e) To exercise generally all such powers and to do all such acts and things as the Board of Directors may delegate from time to time.

During the year, the Committee met 10 (ten) times on the following dates: 19th September 2016, 26th September 2016, 29th September 2016, 4th November 2016, 28th November 2016, 7th December 2016, 5th January 2017, 1st March 2017, 17th March 2017 and 30th March 2017.

C. CORE COMMITTEE

The Core Committee for implementation of SEBI (Prohibition of Insider Trading) Regulations comprises of three members of the Board namely, Mr. R.G.Chandramogan (Chairman), Mr. K.S.Thanarajan and Mr. C.Sathyan. The Company Secretary acts as the Secretary of the Committee.

Mr. K.S.Thanarajan was previously a member of Core Committee till 31st December 2016. With his resignation from his position as Joint Managing Director on 31st December 2016 he also ceased to be the member of the Committee on 31st December 2016. On 18th January 2017 Mr. K.S.Thanarajan was again inducted as member of the Committee by virtue of his appointment as an Additional Director (Non-Executive and Non Independent) by the Board of Directors on 18th January 2017.

During the year, the Committee met once on 16th March, 2017. There were no cases involving insider trading in the Company during the year.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, your Company has constituted Corporate Social Responsibility Committee comprising of three members of the Board, namely, Mr.P .Vaidyanathan

(Chairman), Mr. K.S.Thanarajan and Mr. C.Sathyan. The Chairman of the Committee is Non-Executive and Independent Director. The Company Secretary acts as the Secretary of the Committee.

Mr. K.S.Thanarajan was previously a member of Corporate Social Responsibility till 31st December 2016. With his resignation from his position as Joint Managing Director on 31st December 2016 he also ceased to be the member of the Committee on 31st December 2016. On 18th January 2017 Mr. K.S.Thanarajan was again inducted as member of the Committee by virtue of his appointment as an Additional Director (Non-Executive and Non Independent) by the Board of Directors on 18th January 2017.

During the year, the Committee met once on 16th March, 2017

The Corporate Social Responsibility Committee is formed to carry out the following duties:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013.

Activities relating to:—

- i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) promoting education, including special education and employment
- iii) enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- ii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;

- vi) measures for the benefit of armed forces, veterans, war widows and their dependants;
- vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x) rural development projects.
- xi) slum area development.

b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) To monitor the Corporate Social Responsibility Policy of Company from time to time.

E. RISK MANAGEMENT COMMITTEE

The Company has formed Risk Management Committee comprising of three member of the Board namely Mr. R.G.Chandramogan (Chairman), Mr. K.S.Thanajaran and Mr. C.Sathyan. The Committee is formed to assess the risk associated with the operations of the Company, to implement measures to minimise the risk and to monitor the risk management plan of the Company.

Mr. K.S.Thanarajan was previously a member of Risk Management Committee till 31st December 2016. With his resignation from his position as Joint Managing Director on 31st December 2016 he also ceased to be the member of the Committee on 31st December 2016. On 18th January 2017 Mr. K.S.Thanarajan was again inducted as member of the Committee by virtue of his appointment as an Additional Director (Non-Executive and Non Independent) by the Board of Directors on 18th January 2017.

During the year, the Committee met once on 16th March, 2017

The objectives and scope of the Risk Management Committee broadly comprises of :-

-Review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.

-Ensuring that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

-Evaluating significant risk exposures of the Company and assess

management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).

-Co-ordinating its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

-Reporting and making regular recommendations to the Board.

VII. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met once on March 16, 2017, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting

VIII. GENERAL BODY MEETINGS

(i) Annual General Meeting

TABLE 8: DATE, TIME AND VENUE OF THE LAST THREE AGM'S			
FINANCIAL YEAR	DATE	TIME	VENUE
2013-14	31st July, 2014	11.00 A.M	P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vani Mahal, T-Nagar, Chennai - 600 017.
2014-15	28th August, 2015	10.15 A.M	JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117.
2015-16	19th August, 2016	10.00 A.M	JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117.

(ii) Extra-Ordinary General Meeting

There was no Extra-Ordinary General Meeting of the Company held during the year 2016-2017.

(iii) Special Resolutions

No Special Resolution was passed at the Annual General Meeting of the Company held on 4th September, 2013 and 31st July, 2014.

At the Annual General Meeting of the Company held on 28th August, 2015, 1 (one) Special Resolution was passed for approval of payment of donation to Raja KSP Ganesan Charities for carrying out Corporate Social Responsibility Activities.

At the Annual General Meeting of the Company held on 19th August, 2016, 1 (one) Special Resolution was passed for Re-appointment of Mr. C.Sathyan as Executive Director of the Company.

(iv) Postal Ballot

During the year, three postal ballots were conducted by the Company to seek the approval of its members as required under the provisions of Section 110 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 and one postal ballot result was declared by the Company on 6th May 2016.

I) At the postal ballot conducted on 16th March 2016 the results of which was declared by the Company during the year on 6th May 2016, the following Special Resolution was passed:

Voting pattern as per Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is being provided for the above special resolution passed through the postal ballot on 6th May, 2016 as below:-

RESOLUTION NO. 1 - ALTERATION OF THE MAIN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY (SPECIAL RESOLUTION)						
	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	84187827	4259268	88447095	73	299	372
Less: Invalid votes	-	108657	108657	-	80	80
Net Valid votes cast	84187827	4150611	88338438	73	219	292
Votes cast in favour	84187103	4148001	88335104	70	215	285
Votes cast against	724	2610	3334	3	4	7

% of total votes cast in favour of the resolution: 99.996%

% of total votes cast against the resolution: 0.004%

II) At the postal ballot conducted on 27th May 2016 the results of which were announced by the Company on 1st July, 2016, the following Special Resolution was passed:

1. Capitalisation of Reserves for Issue of Bonus Equity Shares.

Voting pattern as per Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is being provided for the above special resolution passed through the postal ballot on 1st July, 2016 as below:-

RESOLUTION NO. 1 - CAPITALISATION OF RESERVES FOR ISSUE OF BONUS EQUITY SHARES (SPECIAL RESOLUTION)						
	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	86044512	4612613	90657125	118	367	485
Less: Invalid votes	26000	5276	31276	1	7	8
Net Valid votes cast	86018512	4607337	90625849	117	360	477
Votes cast in favour	86018397	4607262	90625659	115	359	474
Votes cast against	115	75	190	2	1	3

% of total votes cast in favour of the resolution: 99.99979%

% of total votes cast against the resolution: 0.00021%

Mr. S.Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, who was appointed as Scrutinizer for the aforesaid Postal Ballot process submitted his report dt: 1st July, 2016 to the Chairman of the Company. In accordance with the said report, the above results were declared by Mr. C.Sathyan, Executive Director of the Company, in terms of notice of postal ballot, at the registered office of the Company on 1st July 2016.

III) At the postal ballot conducted on 19th August, 2016 the results of which were announced by the Company on 6th October, 2016, the following Special Resolutions were passed:

1. Borrowing Powers of the Company
2. Mortgaging/Charging of the Properties of the Company
3. CSR Contribution to HAP Sports Trust

Voting pattern as per Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-is being provided for the above special resolution passed through the postal ballot on 6th October, 2016 as below:-

RESOLUTION NO. 1 - BORROWING POWERS OF THE COMPANY (SPECIAL RESOLUTION)						
	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	122506089	3224454	125730543	124	279	403
Less: Invalid votes	0	35589	35589	0	33	33
Net Valid votes cast	122506089	3188865	125694954	124	246	370
Votes cast in favour	122501149	3186730	125687879	118	244	362
Votes cast against	4940	2135	7075	6	2	8

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

% of total votes cast against the resolution: 0.01%

RESOLUTION NO. 2 - MORTGAGING / CHARGING OF THE PROPERTIES OF THE COMPANY (SPECIAL RESOLUTION)						
	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	122506121	3218154	125724275	130	285	415
Less: Invalid votes	0	35589	35589	0	33	33
Net Valid votes cast	122506121	3182565	125688686	130	252	382
Votes cast in favour	122498668	3176881	125675549	118	244	362
Votes cast against	7453	5684	13137	12	8	20

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

% of total votes cast against the resolution: 0.01%

RESOLUTION NO. 3 - CSR CONTRIBUTION TO HAP SPORTS TRUST (SPECIAL RESOLUTION)						
	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	122505764	3218154	125723918	135	286	421
Less: Invalid votes	113687519	35589	113723108	8	33	41
Net Valid votes cast	8818245	3182565	12000810	127	253	380
Votes cast in favour	8810462	3166591	11977053	117	244	361
Votes cast against	7783	15974	23757	10	9	19

% of total votes cast in favour of the resolution: 99.80%

% of total votes cast against the resolution: 0.20%

Mr. S.Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, who was appointed as Scrutinizer for the aforesaid Postal Ballot process submitted his report dt: 6th October, 2016 to the Chairman of the Company. In accordance with the said report, the above results were declared by Mr. R.G.Chandramogan, Managing Director of the Company, in terms of notice of postal ballot, at the registered office of the Company on 6th October 2016.

IV) At the postal ballot conducted on 18th January 2017 the results of which were announced by the Company on 2nd March 2017, the following Special Resolution was passed:

1. Payment of Long Term Meritorious Cash Award to Mr.K.S.Thanarajan for his past services as Joint Managing Director of the Company.

Voiting pattern as per Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-is being provided for the above special resolution passed through the postal ballot on 2nd March, 2017 as below:-

Resolution No. 1 – Payment of Long Term Meritorious Cash Award to Mr.K.S.Thanarajan for his past services as Joint Managing Director of the Company. (Special Resolution)

	NO. OF SHARES			NO. OF MEMBERS		
	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL	E-VOTING (ELECTRONIC)	PHYSICAL BALLOT FORMS	TOTAL
Total votes cast	114456114	5055235	119511349	106	332	438
Less: Invalid votes	Nil	19834	19834	Nil	36	36
Net Valid votes cast	114456114	5035401	119491515	106	296	402
Votes cast in favour	114444447	5002426	119446873	90	270	360
Votes cast against	11667	32975	44642	16	26	42

% of total votes cast in favour of the resolution: 99.96%

% of total votes cast against the resolution: 0.04%

Mr. S.Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, who was appointed as Scrutinizer for the aforesaid Postal Ballot process submitted his report dt: 2nd March, 2017 to the Chairman of the Company. In accordance with the said report, the above results were declared by Mr. R.G.Chandramogan, Managing Director of the Company, in terms of notice of postal ballot, at the registered office of the Company on 2nd March 2017.

Postal Ballot Process:-

The Postal Ballot process is conducted as per the procedures laid down under Rule 22 of Companies (Management and Administration) Rules 2014 and Section 110 of the Companies Act,

2013. The process involves sending of postal ballot notice containing the subject matter of resolutions with explanatory statement for which the shareholders approval is being sought to all the shareholders through registered post or electronic mail to registered email ID's or through courier service facilitating the communication of assent or dissent of the shareholders to the resolutions mentioned in the Postal Ballot Notice. The notice of the postal ballot is also placed in the website of the Company. To conduct the postal ballot in a fair and transparent manner, the Board of Directors appoints one Scrutinizer who is not in the employment of the Company. The Scrutinizer after the closing date of the receipt of postal ballot forms, records the results and submits his consolidated report to the Chairman of the Company within the specified timeline as mentioned in the above rules. The Chairman on receipt of the report declares the results and the resolution is deemed to have been duly passed at the general meeting convened in that behalf.

The Board of Directors at their meeting held on 27th April 2017 decided to seek the approval of the Shareholders through Postal Ballot towards raising of funds through Qualified Institutional Placement (QIP) upto INR 500 Crores and the postal ballot shall be conducted to seek the approval of Shareholders for passing Special Resolution towards raising of funds through QIP at appropriate time.

VIII. DISCLOSURES

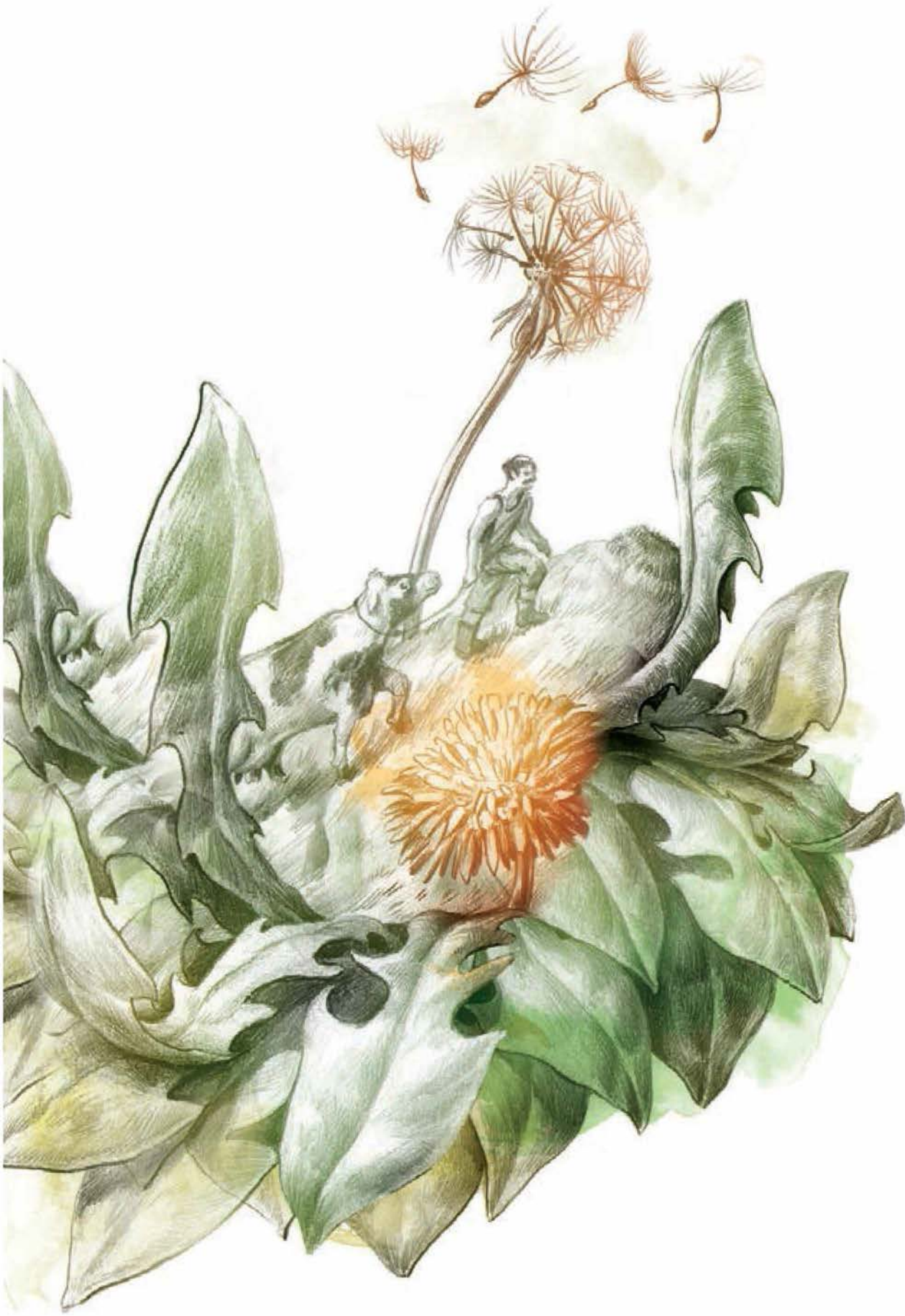
(i) There are no materially significant related party transactions of the Company which may have potential conflict with the interests of the Company at large.

(ii) The Company has complied with all the requirement of regulatory authorities. No penalties/strictures were imposed on the Company by National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed or by SEBI or by any other statutory authority on any matter related to capital market during the last three years except in the year 2013-14, a compounding notice was issued by Reserve Bank of India and levied a Compounding Fee of Rs.1,20,000/- for the delay in reporting of inward remittances received from a person resident outside India by 4 to 5 days with regard to issue and allotment of 6% Unsecured Compulsorily Convertible Debentures during the year 2008-09.

(iii) Whistle-Blower Policy

The Company has adopted the Whistle-Blower Policy through which employees and business associates may report unethical business practices at work place without the fear of reprisal. The Company has set up a direct contact initiative under which all employees/business associates have direct access to the Chairman of the Audit Committee and affirms that no personnel has been denied access to the Audit Committee.

The "Whistle-Blower Protection Policy" aims to:



- Allow and encourage employees and business associates to bring to the management's notice concerns about suspected unethical behaviour, malpractice, wrongful conduct, fraud, violation of policies etc.
- Ensure timely and consistent organisational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimisation.

(iv) Details of compliance of mandatory requirements:

PARTICULARS	REGULATION NUMBER	COMPLIANCE STATUS (YES/ NO/N.A)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16 (1) (b) & 25 (6)	YES
Board composition	17(1)	YES
Meeting of Board of Directors	17(2)	YES
Review of Compliance Reports	17(3)	YES
Plans for orderly succession for appointments	17(4)	YES
Code of Conduct	17(5)	YES
Fees/compensation	17(6)	YES
Minimum Information	17(7)	YES
Compliance Certificate	17(8)	YES
Risk Assessment & Management	17(9)	YES
Performance Evaluation of Independent Directors	17(10)	YES
Composition of Audit Committee	18(1)	YES
Meeting of Audit Committee	18(2)	YES
Composition of Nomination & Remuneration Committee	19(1) & (2)	YES
Composition of Stakeholder Relationship Committee	20(1) & (2)	YES
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	YES
Vigil Mechanism	22	YES
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	YES
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	N.A – There are no related party transactions.
Approval for material related party transactions	23(4)	N.A – There are no material related party transactions.
Composition of Board of Directors of unlisted material Subsidiary	24(1)	N.A – There are no subsidiaries.
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	N.A – There are no subsidiaries.
Maximum Directorship & Tenure	25(1) & (2)	YES – Our Independent Directors do not serve on more than seven listed entities and none of our Independent Directors are serving as whole time directors in any listed entity. All our Independent Directors are serving the tenure as prescribed by the Companies Act, 2013.
Meeting of Independent Directors	25(3) & (4)	YES
Familiarisation of Independent Directors	25(7)	YES

(iv) The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II as mentioned under Regulation 27 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. THE BOARD

The Chairman of the Board is an Executive Director who is entitled to managerial remuneration as approved by the Shareholders.

2. SHAREHOLDER RIGHTS

The Company regularly does statutory filings as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: with the Stock Exchanges and also update the website of the Company on regular basis. The financial results as when approved by the Board are hosted in the investor column of the Company's website from which any shareholders can easily access and obtain the requisite information on the Company.

3. AUDIT QUALIFICATIONS

There are no Audit qualifications during the year under review.

4. SEPARATE POSTS OF CHAIRMAN AND CEO

Mr. R.G.Chandramogan is the Chairman and Managing Director of the Company.

5. REPORTING OF INTERNAL AUDITOR

The Company has appointed Internal Auditors who have full access to the Audit Committee to report any findings during their audit.

(IV) RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practicing Company Secretary carried out reconciliation of share capital to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The reconciliation of share capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(V) CODE OF CONDUCT

The Board has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company, www.hap.in. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

The CEO has affirmed to the Board that this Code of Conduct has been complied by all the Board Members and Senior Management Personnel.

(VI) CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

SEBI vide its Circular No. LD-NRO/ GN/ 2014-15/21/85 dated 15th January, 2015 has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from 15th May 2015. Regulation 8 contained under Chapter

IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as "Code") and Regulation 9 (1) contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a Code of Conduct (hereinafter referred to as "Code") to regulate, monitor and report trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations. In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Dealings in Company's shares by the Board Members and Senior Management Personnel have been reported to the Committee periodically.

(VII) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

(VIII) CEO & CFO CERTIFICATION

CEO and CFO certification on the financial statements and the cash flow statement for the year is enclosed and forms part of this report.

IX. MEANS OF COMMUNICATION

The Company has its own website and all vital information relating to the Company and its performance including quarterly results, quarterly shareholding pattern are posted on that website, namely www.hap.in

The quarterly, half-yearly and annual results of the Company are published in leading English and Vernacular newspapers like The Financial Express and Maalai Sudar (Tamil).

No separate presentations were made to institutional investors or to the analysts.

A Management Discussion and Analysis Report have been included and forms part of the Annual Report.

The Business Responsibility Report has been included and forms part of the Annual Report.

X. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date : 24th July, 2017

Time : 10.00 A.M.

Venue : JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117.

As required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 24th July 2017 .

FINANCIAL CALENDAR

Financial Year : 1st April to 31st March

For the year ended 31st March, 2017, results were announced on

First Quarter : 15th July, 2016

Half Year : 18th October, 2016

Third Quarter : 18th January, 2017

Annual : 27th April, 2017

For the year ending 31st March, 2018 results will be announced as follows

First Quarter : within 45 days from the end of first quarter

Half Year : within 45 days from the end of half year

Third Quarter : within 45 days from the end of third quarter

Annual : within 60 days from the end of financial year

(ii) Date of Book Closure/Record Date

The date of book closure is as mentioned in the Notice of the AGM i.e., from 22nd July 2017 to 24th July, 2017 (both days inclusive)

(iii) Dividend Payment Date

During the year, 1 (one) Interim Dividend was declared by the Board of Directors and on 27th April 2017 second Interim Dividend was declared. The details of dividend payment date are as follows;

Table: 9

Date of Declaration	Rate of Dividend %	Record Date/Book Closure	Dividend Payment Date
6th August, 2016	100%	17.08.2016 to 19.08.2016	On or before 25th August, 2016
27th April, 2017	300%	08.05.2017	On or before 16th May 2017

(i) Listing on Stock Exchanges

At present, the Equity Shares of the Company are listed on National Stock Exchange of India Limited having its address at Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 - 051 and BSE Limited having its address at 2nd Floor, New Trading Ring, P.J.Towers, Dalal Street, Mumbai - 400 001. The annual listing fees for the financial year 2016-17 has been paid.

(i) Stock Code

ISIN No. : INE473B01035

BSE Stock Code : 531531

NSE Stock Code : HATSUN

HATSUN AGRO PRODUCT LIMITED										
Month	NSE			BSE			NSE - NIFTY		BSE - SENSEX	
	High Price	Low Price	No. of Shares traded	High Price	Low Price	No. of Shares traded	High Price	Low Price	High Price	Low Price
Apr-16	460.00	410.00	50833	456.80	403.00	52158	7,992	7,517	26,100	24,523
May-16	464.94	423.10	137377	468.15	422.00	60905	8,214	7,678	26,837	25,058
Jun-16	491.70	422.55	158343	490.00	430.00	61690	8,308	7,927	27,105	25,911
Jul-16	507.10	314.00	385868	509.00	300.00	57963	8,675	8,288	28,240	27,034
Aug-16	379.00	307.05	166587	370.50	305.20	63814	8,819	8,518	28,532	27,628
Sep-16	359.85	321.00	204408	360.25	326.00	58614	8,969	8,555	29,077	27,717
Oct-16	365.00	330.10	210206	363.70	332.15	56649	8,807	8,506	28,478	27,488
Nov-16	356.00	317.50	151350	354.00	319.95	60162	8,670	7,916	28,030	25,718
Dec-16	367.90	342.00	85287	366.05	343.55	64660	8,275	7,894	26,804	25,754
Jan-17	469.85	359.95	913557	470.00	360.10	58795	8,673	8,134	27,980	26,447
Feb-17	475.00	435.25	250134	474.95	435.00	60491	8,982	8,538	28,964	27,590
Mar-17	550.00	444.30	518245	540.00	445.00	60928	9,218	8,860	29,825	28,716

(vii) Performance in comparison with BSE Sensex and NSE Nifty.

CHART 1: PERFORMANCE OF HATSUN SHARE PRICE IN COMPARISON WITH NSE NIFTY

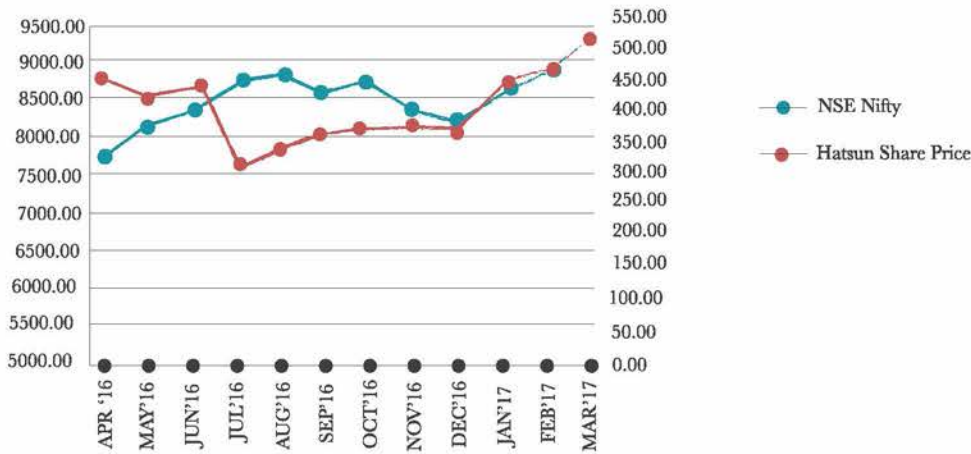
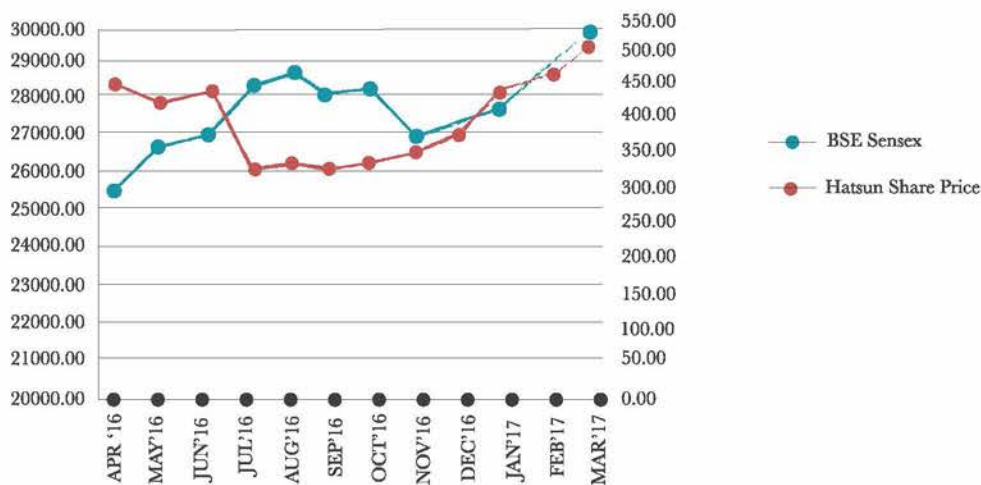


CHART 2: PERFORMANCE OF HATSUN SHARE PRICE IN COMPARISON WITH BSE SENSEX.



(viii) Registrar and Share Transfer Agent

As per the requirement of Securities and Exchange Board of India, M/s. Integrated Registry Management Services Private Limited (Formerly known as Integrated Enterprises (India) Limited) have been appointed as the Registrar and Share Transfer Agent to take care of all works related to Share Registry. The contact details of the Registrar and Share Transfer Agent are given below:

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED

(Formerly known as Integrated Enterprises (India) Limited)

30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram

Bangalore - 560 003. Tel: 091 - 080 - 23460815 - 818

Fax: 091 - 080 - 23460819 | E-mail: alfint@vsnl.com

All communications relating to share transfers, share certificates, change of address, dividends and any other query relating to shares should be addressed to the above Registrar and Share Transfer Agent.

(ix) Share Transfer System

The share transfers in physical form are presently processed and the share certificates are returned within the stipulated time, subject to the documents being clear in all respects. The transfer of shares in physical mode is approved by the Share Transfer Committee.

(x) Distribution of Shareholding**a. Distribution of Shareholding as at 31st March, 2017**

Table 11: Distribution of Shareholding as at 31st March, 2017

NO. OF SHARES HELD	NO. OF FOLIOS/SHAREHOLDERS	NO. OF FOLIOS/SHAREHOLDERS (%)	NO. OF SHARES	SHARE HOLDING (%)
1 - 100	4347	56.78	1,04,257	0.069
101 - 200	540	7.05	78,336	0.051
201 - 300	249	3.25	61,304	0.040
301 - 400	122	1.59	43,011	0.028
401 - 500	144	1.88	64,668	0.042
501 - 1000	294	3.84	2,17,679	0.143
1001 - 5000	1517	19.81	37,72,876	2.479
5001 - 10000	151	1.97	10,85,899	0.714
10001 & above	292	3.81	14,67,40,277	96.43
Total	7656	100.00	15,21,68,307	100.00

b. Category of Shareholders as at 31st March, 2017

Table 12: Category of Shareholders as at 31st March, 2017

CATEGORY	NO. OF FOLIOS / SHAREHOLDERS	NO. OF SHARES HELD	SHARE HOLDING (%)
Promoters	8	11,36,87,519	74.71
Directors and their relatives	16	60,54,753	3.98
Bodies Corporate	134	20,29,957	1.33
NRIs	163	57,65,288	3.79
Others	7,335	2,46,30,790	16.19
Total	7,656	15,21,68,307	100.00

(xi) Dematerialisation of shares

About 98.22% of the shares are being held in dematerialized form as at 31st March, 2017.

Table 13: Distribution of shares with break-up of Physical and Electronic form as at 31st March, 2017

S.NO	NO. OF EQUITY SHARES	NO. OF FOLIOS/ SHAREHOLDERS			NO. OF FOLIOS/ SHAREHOLDERS (%) TO TOTAL			NO. OF SHARES			SHAREHOLDING (%)		
		PHY.	ELECT.	TOTAL	PHY.	ELECT.	TOTAL	PHY.	ELECT.	TOTAL	PHY.	ELECT.	TOTAL
1	1 - 100	66	4,281	4,347	0.86	54.52	55.38	602	1,03,655	1,04,257	0.00	0.07	0.07
2	101 - 200	3	537	540	0.04	7.01	7.05	515	77,821	78,336	0.00	0.05	0.05
3	201 - 300	17	232	249	0.22	3.03	3.25	3,584	57,720	61,304	0.00	0.04	0.04
4	301 - 400	1	121	122	0.01	1.58	1.59	350	42,661	43,011	0.00	0.03	0.03
5	401 - 500	3	141	144	0.04	1.84	1.88	1,420	63,248	64,668	0.00	0.04	0.04
6	501 - 1000	15	279	294	0.20	3.64	3.84	10,800	2,06,879	2,17,679	0.01	0.14	0.14
7	1001 - 5000	649	868	1,517	8.48	11.34	19.81	17,48,520	20,24,356	37,72,876	1.15	1.33	2.48
8	5001 - 10000	26	125	151	0.34	1.63	1.97	1,85,700	9,00,199	10,85,899	0.12	0.59	0.71
9	10001 & above	36	256	292	0.47	3.24	3.71	7,58,000	14,59,82,277	14,67,40,277	0.50	95.93	96.43
TOTAL		816	6,840	7,656	10.66	87.84	98.50	27,09,491	14,94,58,816	15,21,68,307	1.78	98.22	100.00

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2017. The Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

(xiii) Plant Locations:

1. Salem Plant: Attur Main Road, Karumapuram Village, Salem - 636 106, Tamil Nadu.
2. Kancheepuram Plant: No.144, Timmasamudram Village (White Gate), Chennai Bangalore Highway, Kancheepuram Taluk, Kancheepuram - 631 502, Tamil Nadu.
3. Tirunelveli Plant: NH-7, Tirunelveli - Nagercoil Road, Poolam Village, Ayaneri, Moondradaippu (Post), Tirunelveli - 627 152, Tamil Nadu.
4. Redhills Plant: No.114, Angadu Road, Nallur Village, Redhills, Chennai - 600 067, Tamil Nadu.
5. Belgaum Plant: No.277/2, Desur Village, Kanapur Road, Belgaum - 590 014, Karnataka.
6. Honnali Plant: No.109/2, Melbenmur Road, Kundur Village, Honnali Taluk, Davangere District, Honnali - 577 219, Karnataka.
7. Kolasanahalli Plant: Sengan Pasuvanthalave Village, Kolasanahalli Panchayat, Palacode Taluk, Dharmapuri District - 636 805, Tamil Nadu.
8. Madurai Plant: No.76/2b, Dindigul Madurai Main Road, Thiruvazhavayanallur, Vadipatti Taluk, Madurai - 625 221, Tamil Nadu.
9. Thalaivasal Plant: V Koottu Road Pirivu, Attupannai, Periyeri Post, Attur Taluk, Thalaivasal, Salem District 636 102, Tamil Nadu.
10. Vellisandhai Plant: No.142/1b&1c, Hosur Main Road, Vellisandhai, Thandukaranahalli (Po), Palacode, Dharmapuri 636 808, Tamil Nadu.
11. Salem Milk Product Plant: Attur Main Road, Ramalingapuram Village, Salem 636 107, Tamil Nadu.
12. Karur Plant: Ayyampalayam, No.871/1, Aravakurichi Taluk, Karur 639 111, Tamil Nadu.
13. Hyderabad Plant: Sy.No.32/Part, Suraram Industrial Area, Quthbullapur Mandal, Hyderabad 500 055, Telengana.
14. Chittoor Plant: Sy.No.821 & 822, M.Badapalli Village, Puthalapattu Mandal, Chittoor 517 127, Andhra Pradesh.
15. Guduvancherry Plant: No.344/2A2D, Nellikuppam Road, Karanaipuduchery, Guduvancherry - 603 202, Tamil Nadu.
16. Palani Plant : Melkaraipatti Village, Palani Taluk, Dindigul District, Dindigul - 624213, Tamil Nadu.

(xiv) Address for Correspondence

For share transfers, share certificates, change of address, dividends and any other query relating to shares:

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED

(Formerly known as Integrated Enterprises (India) Limited)
30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram
Bangalore - 560 003. Tel: 091 - 080 - 23460815 - 818
Fax: 091 - 080 - 23460819 | E-mail: alfint@vsnl.com

For Investors' Assistance

Mr. S.Narayan

Company Secretary

Hatsun Agro Product Limited

No.1/20A, Domaine, Rajiv Gandhi Salai (OMR),

Karapakkam, Chennai 600 097.

Phone No. : 091-044-24501622;

Fax No. : 091-044-24501422

E-Mail: secretarial@hatsun.com

Website: www.hap.in

DECLARATION

**REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board and the Senior Management Personnel and these Codes are available on the Company's website www.hap.in. I confirm that the members of the Board and the Senior Management Personnel have complied with the Code of Conduct in respect of the financial year ended March 31, 2017.

Place: Chennai
Date: May 25, 2017

For HATSUN AGRO PRODUCT LIMITED
Sd/-
R.G. CHANDRAMOGAN
CHAIRMAN AND MANAGING DIRECTOR

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, R.G. Chandramogan, Chairman and Managing Director and H. Ramachandran, Chief Financial Officer of M/s. Hatsun Agro Product Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of our knowledge and belief:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles, including accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or isolative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and to the Audit Committee

a) significant changes in internal control over financial reporting during the year;

b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

However, during the year, there were no such changes or any such instances.

Sd/-

R.G. Chandramogan
Chairman & Managing Director

Sd/-

H. Ramachandran
Chief Financial Officer

Place: Chennai

Date: 27th April, 2017

Management Discussion & Analysis

OVERVIEW

Hatsun Agro Product Limited (“HAP” or “the Company”) is in the business of manufacture and sale of Milk, Milk products and Ice creams.

The Financial Statements are prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 2013 (“the Act”) read with Section 133 of the Companies Act, 2013. Our Management accepts responsibility for the integrity and objectivity of the Financial Statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statement reflects in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profit and cash flows for the year

GENERAL ECONOMIC SCENARIO & INDUSTRY STRUCTURE

The Financial Year 2016-17 witnessed two major policy developments with one paving the way for the implementation of transformational Goods and Service Tax (GST) and the other action packed move to demonetise the two highest denomination notes. The GST is expected to create a big boost to the Indian market and also a bold experiment to improve tax compliance and governance. The GST is also expected to boost the twin objectives of investment and growth in the Indian Economy. Though demonetisation has an impact on the common man it holds the potential for long term benefits to the nation, greater digitalisation of the economy, increased flows of financial savings, and greater formalisation of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues.

The GDP growth in the first half of the financial year 2016-17 was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16. The stressed balance sheets in the corporate sector continued to take a toll on firms’ spending plans. However the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation.

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower, the entire banking system will benefit from a higher level of deposits. Thus, market interest rates on deposits, lending, and yields on Government Securities should become lower in 2017-18 compared to 2016-17. This will provide a boost to the economy. India has managed to maintain export competitiveness despite capital inflows and inflation that has been greater than in trading partners.

India is the largest producer of milk. The Indian Dairy Industry presently contributes about 15 per cent to the total milk production of the world. Dairy Industry in India presents a plethora of opportunities. Earlier, Dairy Industry was dominated by co-operatives but since last 20 years with the entry of private players, we have seen a sharp

rise in demand for milk and milk products. The private sector having overtaken the cooperatives today.

Going by the budget announcement for the year 2017, the Finance Ministry has proposed to set up Rs 8,000-crore Dairy Processing and Infrastructure Development Fund under the NABARD, with an initial corpus of Rs 2,000 Crores and expected to be quadrupled in three years. This fund is being proposed to be used to enable expansion of milk processing capacity in the country. This proposal is being welcomed by entrepreneurs of Dairy Industry and expects that the benefit might extend to private dairies and not limited to co-operatives.

The demonetisation move by the Government which impacted Dairy farmers in India at large as they are saddled with a payment crisis as majority of Dairy farmers are in the unorganised sector. Some in the organised sector do not have bank accounts but did not affect much our farmers who supply milk to us on regular basis because of our remarkable initiative of facilitating more than 99.2% farmers to open bank accounts in their names and making payment to their bank accounts directly by the Company.

India's estimated demand for milk is likely to be about 155 million tonnes by 2016-17 and around 200 million tonnes in 2021-22. Accordingly to the National Dairy Development Board to meet the growing demand, there is a need to increase the annual incremental milk production from 4 million tonnes per year in past 10 years to 7.8 million tonnes in the next 8 years (210 million by 2021-22).

Dairying has become an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities particularly for marginal and women farmers. Most of the milk is produced by animals reared by small, marginal farmers and landless labourers. The success of the dairy industry depends on the integrated system of milk collection, transportation, processing and distribution, conversion of the same to milk powder and products.

Dairy sector has huge potential for employment generation. Whilst the Milk production in India is increasing the milk processing capabilities and infrastructure required for the same has not increased accordingly. Hence, dairy processing sector requires fresh infusion of funds and the Government of India is proposing to create a new Dairy Infrastructure Development Fund for this purpose.

Your Company is well aware of the industrial scenario and being alert, focuses mainly on long-term goals, steady and profitable development. Its strong brand coupled with the varied product portfolio enables it to meet adverse conditions confidently and overcome it. Your Company remains confident of its long term business prospects and its ability to sustain a fair return to the shareholders.

BUSINESS-WISE PERFORMANCE OF THE COMPANY MILK

Milk constitutes major revenue segment of Hatsun as 68% of its total revenue is derived from its liquid milk business. The Company markets its milk through its popular brand name “Arokya” in three different variants viz., standard, full cream and toned which is a prominent preferred milk among households in India. Hatsun has formidable presence across five states viz., Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Maharashtra by its wide distribution network and state of art logistics infrastructure capabilities.

Over the last two decades, Hatsun through its milk procurement network has built a reputation as a brand that stands for trust and transparency amongst farmers in South India. Building on its reputation and advocacy of transparency in its milk procurement process, farmers look forward towards Hatsun entering their village for milk procurement which has made the Company to create the largest direct milk procurement network of ~2.7mn litres per day amongst private dairy companies.

The Company has been growing at 18% CAGR for the past 5 years and is anticipated to grow at the same level for the next three financial years due to deeper penetration into new markets. As the Company is on the verge of expansion to commensurate with the increased milk handling facilities the existing capacity will be adequately increased with adequate investments across all our Dairy plants.

It is also further planned to increase the capacity level by March 2018 with the proposed addition of one milk processing unit at Dharapuram, Tamil Nadu and another in the State of Andhra Pradesh. The growth in Milk augmentation is mostly expected to happen in the new areas viz., Andhra Pradesh, Telangana and Maharashtra apart from further penetration in Tamil Nadu and Karnataka.

The Company has also planned to install more number of Active Bulk Coolers (ABC), Chilling Centres and Milk Collection Centres across various milk collecting locations during 2016-17 and 2017-18 to handle higher inflow of milk from nearby villages. With these installations of additional ABC's and Milk Collection Centres, the Company will attain the maximum benefit of supplying fresh chilled milk from villages to our Dairy Plants directly.

MILK PRODUCTS

A. CURD

Hatsun being primarily engaged in milk production, also has significant presence in the Curd market. The Company markets its curd through its popular brand name “Hatsun” and “Arokya” in form of pouches ranging from 180 grams to 1 kg and cups ranging from 50 grams to 400 grams. There has been very strong consumer demand for our branded Curd amongst other brands in terms of its thickness, creaminess and freshness which is being widely preferred among households in India. Hatsun has multiplied its market reach for its curd business utilising the distribution network of its liquid milk business. Hatsun currently holds approximately 14% market share in the curd market in South India.

B. GHEE, PANEER, BUTTER, SKIMMED MILK POWDER AND DAIRY WHITENER.

Hatsun is also making strides in capturing niche market for its milk products viz., Ghee, Paneer, Butter, Skimmed Milk Powder and Dairy Whitener. With Hatsun's model of direct milk procurement from farmers, the milk products manufactured out of fresh milk has splendid taste and high levels of hygiene using only freshest of milk. The Company markets its Ghee, Paneer, Butter, Skimmed Milk

Powder and Dairy Whitener through its popular brand name “Hatsun”. There has been strong consumer demand for our branded milk products mentioned above amongst other brands in terms of its quality and taste, and freshness which is being widely preferred among households in India.

Our retail sales of Ghee, Paneer, Butter, SMP and Dairy Whitener from depots have increased substantially to cover various markets in India. The Company has built cold storage at Palacode which will be utilised to store Butter during lean season thereby making significant reduction in procurement costs.

ICE CREAMS

Hatsun is the market leader in Ice Cream in Tamil Nadu through its popular brands “Arun” and “IBACO”. Both its brands have established strong hold in the Ice cream business with its significant presence within and outside Tamil Nadu. The Company leverages its access to quality milk from its own procurement network to offer the best quality premium Ice Creams.

The Company through its premium and established brand “Arun” holds ~60% market share of the Tamil Nadu Ice Cream market and ~30% market share in South India. The Company utilises its state of art technology to produce innovative Ice creams ranging from Bars to Cones in various mouthwatering flavours.

The Company has commissioned two mega cold storages at Karur and Palacode during FY 2016-17 with huge capacity to store ice cream inventory. This storage capacity will help the Company to store more ice cream variants and also undertake longer production runs for one variant. This is also expected to lower cost of ice cream production and help sales growth due to Hatsun's ability to supply more variants in the peak season.

FEED

The Company have been using third party facilities to produce 3,500 to 4,000 tons a month so far apart from 5,000 tons in our own plant. Capacity addition has been taken place in the new plant purchased in December 2015 in Palani to produce 15,000 tons a month to feed the present & future demands. Company has withdrawn from all third party facilities by end of October 2016 which resulted in considerable savings and from 1st November 2016, Palani plant has started production in full swing. In view of increased inflow of Milk procurement the capacity of this feed plant is expected to be utilised optimally.

As the Company sells its Feed only to its own farmers directly avoiding any middlemen and the recoveries are made against supply of milk, the cash transactions are totally avoided with zero receivables.

READY TO EAT

In keeping with our goal of diversifying our product portfolio, Hatsun has introduced wide varieties of vegetarian Pizzas for those craving for a slice of mouth watering tasty pizzas at an affordable cost in the brand name of Oyalo. Within a few months of the launch, the product garnered a lot of positive feedback from the customers - a sure sign that our expansion plans are on track.

The pizzas from Oyalo offers a sumptuous spread of ready to eat pizzas which promises to bring the taste and convenience to the consumers ranging from children to office goers. Rest assured that Oyalo pizzas contain toppings of wide range of freshest of vegetables and spices. The pizzas are instantly packed to seal in the freshness making it as aromatic and tasty as freshly made food when the pack is cut for consumption.

ANIMAL HUSBANDRY

Hatsun has 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. The 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. The Company has also commissioned a team of agronomists to help farmers cultivate fodder in the most economical way to meet the nutritional requirement of the cows.

FINANCIAL PERFORMANCE

The financial performances are covered in the Directors' Report and the same can be referred to in the said Report.

OPPORTUNITIES

Milk is a regular part of the dietary programme, which results in steady rise in milk consumption and hence demand is likely to rise continuously and there is substantial growth potential for your Company

There is a phenomenal scope for innovations in product development, packaging and presentation. With technological advancement and availability of balancing equipment, the flexibility of product mix is tremendous and the Company can keep on adding to its product line.

Your Company is already in the forefront of these initiatives which is reflected by the increasing turnover of the Company. There is enormous scope seen ahead before the dairy industry for value-added products including custards, desserts, puddings, sauces, mousse, stirred yogurt and nectars and the increasing demand for processed and packaged dairy produce in urban centres due to growing population with higher disposable income and greater health consciousness will definitely create a positive impact on your Company's line of business.

The main advantage of your Company's strength lies in its efficient and effective supply and cold chain management and this allows it wide reach and targeted coverage in its markets. Your Company has a professionally-trained, technical human resource pool, built over years to meet the challenges in the dairy industry and who work as a team to the attainment of organisational objectives.

THREATS

Today the challenges that Indian dairy industry predominantly face is the clean milk production, preservation of raw milk, adoption of newer processing methods, mechanisation of indigenous dairy based products, new product development with value-addition, cost reduction of dairy products, storage and packaging technologies, promoting export of dairy products, energy saving, environment-friendly effluent treatment methods, reducing carbon foot print etc.

The quality of milk produced needs upgradation to avoid the wastage from spoilage of the perishable dairy commodities. The Indian dairy industry is becoming very competitive to compete in the global market, especially with the advent of "Foreign Direct Investment" (FDI).

There is a gross lack of awareness among farmers about the quality parameters, including microbiological and chemical contaminants as

well as residual antibiotics. Milk, being a highly perishable commodity, needs efficient cold chain management that can be provided only by organised players as the same involves more capital investments. Your Company is continuously developing and applying scientific methods to improve the quality of milk processed and extend its shelf life. Lack of proper infrastructure facilities like good roads, continuous power supply and adequate transport support is another major deterrent faced by the Dairy Industry.

Your Company has been leveraging on the improvement given its economies of scale and with its inherent ability to adopt new technologies, which involves large investment in the production and distribution infrastructure affordable only by bigger companies like us.

Your Company is focusing on the consistent availability and procurement of quality milk throughout the year by improving the per capital yield of animals by applying scientific methods, genetic improvement, scientific feeding, properly managed animal husbandry practices etc.. Your Company constantly educates the farmers on how to maintain quality and improve milk yield by arranging supply of good quality feeds to farmers.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The CEO and CFO certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

INFORMATION TECHNOLOGY

Successful implementation of SAP ERP facilitates an effective online MIS system, which helps in centralised control of operations at all the units of the Company. Your Company constantly upgrades and reconfigures this application to effectively monitor the increasing scale of operations of the Company. The hardware and network infrastructure is being constantly reviewed to increase the bandwidth and reduce operational costs. This is an ongoing process and your Company is committed to leverage the benefits of IT to enhance and optimise benefits to itself and its customers. Constant training and guidance has been provided to all the end users.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company values its human resource as the most significant asset and the key focus is to attract, retain and develop talent as a resource. Your Company provides a congenial working atmosphere which will foster creative thinking. As part of manpower development and to enhance operational efficiency, training programmes have been organised for employees at all levels, wherever necessary.

The HR programmes of the Company focus on building capabilities and engaging employees through various initiatives to help the organisation consolidate and achieve sustainable future growth for the business.

Industrial Relations remained cordial at all manufacturing locations during the year.

Effective employee communication through various channels ensured that all the employees are kept abreast of the current business situation. This has helped your Company to build mutual trust and confidence with the employees. The total strength of the Company as on 31st March, 2017 was 4,962.

OUTLOOK AND RISKS & CONCERNS ARE COVERED UNDER OPPORTUNITIES AND THREATS.

FORWARD LOOKING STATEMENTS

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.



BUSINESS RESPONSIBILITY REPORT (BRR)

Your Company being among the top 500 entities based on market capitalisation presents this Business Responsibility Report as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This report has been prepared on the basis of the following Principles which are prescribed by SEBI vide its Circular CIR/CFD/CMD/10/2015 dated November 04, 2015.

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details	
1	Corporate Identity Number (CIN) of the Company	L15499TN1986PLC012747	
2	Name of the Company	HATSUN AGRO PRODUCT LIMITED	
3	Registered address	No.1/20A, Domaine, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai 600 097.	
4	Website	www.hap.in	
5	E-mail id	secretarial@hatsun.com	
6	Financial Year reported	2016-2017	
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Dairy Industry (covered under various codes as specified under NIC 1987 covering Dairy Industry) NIC 10501 – Pasteurised Milk NIC 10502 – Milk Powder NIC 10504 – Butter, Curd and Ghee NIC 10505 – Ice Cream NIC 10509 – Other Dairy Products	
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Milk	Standardised, Toned, Full Cream
		Milk Products Products	Curd, Ghee, Dairy Whitener, Paneer
		Ice Cream	Broad range of Ice Cream varieties sold in form of Cones, Cups, Tubs, Sticks and Scoops.
9	Total number of locations where business activity is undertaken by the Company	The Company's businesses and operations are spread across the country. Please refer to "Corporate Governance Report – Plant Locations" of the Annual Report 2017 for details on business locations of the Company.	

	(a) Number of International Locations	Not Applicable
	(Provide details of major 5)	
	(b) Number of National Locations	Please refer to “Corporate Governance Report – Plant Locations” of the Annual Report 2017 for details on business locations of the Company.
10	Markets served by the Company: Local/State/National/International	Company’s products have a national presence and its wide range of products is being sold across geographies in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1	Paid up Capital (INR) (As on 31.03.2017)	INR 15.22 Crore
2	Total Turnover (INR) (As on 31.03.2017)	INR 4,205.28 Crore
3	Total profit after taxes (INR) (As on 31.03.2017)	INR 133.97 Crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (For FY 2016-2017)	INR 1.93 Crore (3.19% of PAT and 2.20% of PBT)
5	List of activities in which expenditure in 4 above has been incurred:-	The entire amount has been given as contribution to HAP Sports Trust, a Charitable Sports Trust set up with the objective of undertaking charitable and socially relevant activities in the field of Sports including establishment of and operation of a sports development centre which is in the interest and the wellbeing of the people, as approved by Shareholders by postal ballot on 6th October 2016. For detailed report on CSR, please refer to Annexure B of Board’s Report.

SECTION C: OTHER DETAILS

S. No.	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies?	The Company is a standalone entity and does not have any subsidiary companies.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Suppliers, distributors etc. are critical to our operations and supply chain sustainability issues can impact our operations. We engage with suppliers through various channels for operational issues. The suppliers and vendors are provided awareness on environmental and social issues. Vendor Meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company. While it is difficult to estimate the percentage, the Company actively encourages adoption of BR initiatives by our Business Partners.

9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why. (Tick up to 2 options): Not Applicable										
3.	Governance related to BR									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board will review the BR performance at least annually.								
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first year of publishing the Business Responsibility Report and it is available on the company's website as part of the Annual Report 2016-2017. http://hap.in/annual-report.html								

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

Hatsun's Code of Conduct provides guidelines on ethics, bribery and corruption. The Code of Conduct is binding on Hatsun's employees only. However, the guidelines are communicated to most of our key associates like vendors, suppliers and it is expected that they will follow it in their interactions with Hatsun. Hatsun has taken significant steps to ensure that our members understand and practice our Code of Conduct.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has internal and external mechanism for investigation of all complaints as these have significant bearing on individuals as well as the organisation. The Company invests a lot of resources in maintaining its Code of Conduct.

During the year, 15 complaints were received from shareholders and investors. All complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the end of the year.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All of our products are based on bountiful produce that nature generously provides to us and the Company constantly strives to ensure that all the products and services are designed to address social and environmental concerns. Our dairy products are dependent on nature to a large extent and the Company has been continuously advocating on efficient and prudent use of natural resources, especially that of encouraging and educating farmers to take care of milch animals and teaching them best ways to prevent common ailments for their Cattle. Resource efficiency is integrated into our product and process design and is a critical component in the creation of physical infrastructure, operations, logistics management. Our products being dairy products fulfill the nutrition requirement of all age groups providing the benefit of milk protein along with goodness of calcium.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? and****(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

All of our processes are directed towards efficient utilisation of resources and the Company constantly strives to ensure that all the products are produced with optimum use of energy and other natural resources.

The Company has been consistently increasing its milk procurement volumes in various regions and geographies in order to bring down the supply chain and processing costs. The sustainable principles adopted by Hatsun in its milk procurement process has increased the

savings in terms of bringing down the freight cost and banking on higher utilisation of processing facilities which has led to creation of an eco system in its process.

The quantitative details on reduction in energy consumption are detailed in Annexure F to the Board's Report.

Bio Gas Power Generation:

The Company uses both aerobic and anaerobic treatment at our Effluent Treatment Plant (ETP) process. The Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) is let down to the lower level keeping flora and fauna healthy. During the anaerobic process, the COD and BOD are converted to methane and other organic gases which are being used to generate power. This year we have generated 66,000 Units of power which has saved 31 tons of fossil fuel which could emit 93 tons of Carbon Dioxide into atmosphere.

Solar Hot Water Generation:

At our Salem Plant, Solar Hot Water generation has been placed to save energy. The hot water obtained from the Solar panels is catering our CIP as well to the boiler at 800°C. We have commissioned this Solar Hot Water Generation system in September 2016 and energy saved from then is 160 Million K Cal in a short span of 150 days having saved 29 tons of coal and reduced 87 tons of Carbon Dioxide in to the environment.

Solid Waste Disposal

On a trial basis, one of the Plants was engaged to make natural manure from our waste resources like, fly ash from boiler, sludge milk, waste ice cream mix and waste curd and other microbial ingredients. The wastes mentioned were made into compost and converted to natural manure which has rich NPK values analysed by one of the reputed Agricultural University.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Milk being most susceptible to contamination, it is very essential that it has to be moved to the chilling centre within hours of procurement to avoid spoilage of this natural resource. Hatsun focuses on direct milk procurement from farmers and has state-of-art logistics infrastructure to transport the milk to the nearest chilling centre.

Hatsun has crafted extensive strategies to ensure that sustainable methods are being put in place in the procurement process, that the fresh milk from the farmers reaches the hands of millions of people in quick turnaround time.

Considering these efforts, milk procurement is done in a sustainable way which contributes to 75% of overall procurement.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company works with farmer communities to ensure sustainable production in the long-term. The Company procures its total raw material indigenously and touches the lives of millions of farmers, and practices a strong preference for local procurement of raw materials. Over the last two decades, Hatsun through its milk procurement network has built a reputation as a brand that stands for trust and transparency amongst farmers in South India. Building on its reputation and advocacy of transparency in its milk procurement process, farmers look forward towards Hatsun entering their village for milk procurement which has made the Company to create the largest direct milk procurement network of ~2.7mn litres per day amongst private dairy companies.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, & >10%)? Also, provide details thereof, in about 50 words or so.

Since we are dairy based company, our products are of perishable nature (consumption base) they are not meant to be recycled. However during our production process we recycle effluent water used in our production facilities to the extent of 10% which is used for washing milk storage tankers and crates. The rejected packing materials by our quality control team is disposed to an authorised recycling dealer and it is ensured that it is being disposed of in compliance with Plastic Waste (Management and Handling) Rules, 2011.

Solid Waste Disposal

On a trial basis, one of the Plants was engaged to make natural manure from our waste resources like, fly ash from boiler, sludge milk, waste ice cream mix and waste curd and other microbial ingredients. The wastes mentioned were made into compost and converted to natural manure which has rich NPK values analysed by one of the reputed Agricultural University. The Company plans to pursue these waste recycling/disposal practices across all our Plants in near future.

Principle 3

S.No.	Particular	Details
1	Please indicate the Total number of employees	4,962
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	4,409
3	Please indicate the Number of permanent women employees.	140
4	Please indicate the Number of permanent employees with disabilities.	NIL
5	Do you have an employee association that is recognised by management?	None
6	What percentages of your permanent employees are members of this recognised employee association?	Not Applicable
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment are pending as of 31.03.2017
8	What percentage of your under mentioned employees were given safety and skill upgradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	80% 86% 100% employees receive training as part of their induction. Not Applicable

Principle 4**1. Has the Company mapped its internal and external stakeholders?**

Yes, as a result of regular and extensive stakeholder engagement, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

Dairying has become an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities particularly for marginal and women farmers. Hatsun through its milk procurement network has built a reputation as a brand that

stands for trust and transparency amongst farmers in South India. Building on its reputation and advocacy of transparency in its milk procurement process, farmers look forward towards Hatsun entering their village for milk procurement which has made the Company to create the largest direct milk procurement network of ~2.7mn litres per day amongst private dairy companies.

As the Company sells its Feed only to its own farmers directly avoiding any middlemen and the recoveries are made against supply of milk, the cash transactions are totally avoided with zero receivables.

The 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. The Company has also commissioned a team of agronomists to help farmers cultivate fodder in the most economical way to meet the nutritional requirement of the cows.

Principle 5**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

Hatsun's Code of Conduct covers the guidelines on Human rights and it is applicable to all employees of Hatsun. The Code of Conduct, Whistle-Blower Policy and Policy on Prevention and Redressal of Sexual Harassment at work place provides many options to speak up fearlessly and to report any violations of the Code/Policies, or share their concerns confidentially through various modes such as email, website, helpline, complaint drop box and access to Committee members and to the management.

The Code/Policies of Hatsun is binding to all Hatsun employees only. However, the guidelines are communicated to most of our key associates like vendors, suppliers and they are encouraged to follow it in their interactions with Hatsun.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During FY 2016-2017, the Company did not receive any complaints with regard to human rights.

Principle 6**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company is committed towards environmental sustainability and takes pride in tapping the resources in all forms solid, liquid and gaseous towards protection of environment. The Company has contributed in various ways towards environmental protection and sustainability by not only ensuring efficient use of resources but also implementing methods to preserve natural resources.

At present, our Code/Policies of Hatsun are binding to all Hatsun employees only. However, the guidelines are communicated to most of our key associates like vendors, suppliers and they are encouraged to follow it in their interactions with Hatsun.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, Hatsun has been working on climate change issues by improving its process efficiency and taking initiatives in energy efficiency, developing green zones at units and water conservation etc. In order to streamline the efforts and set common objective, a Safety, Health and Environment Policy (SHE Policy) has been prepared. The same can be viewed at www.hap.in/investors.html/Policies/SHEpolicy.

3. Does the Company identify and assess potential environmental risks?

Yes, potential aspects related to environment are identified and evaluated for their impact on the basis of severity, scale and probability. All the significant aspects have operational control procedure in place.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. For eg. Hatsun has taken other initiatives for energy efficiency by setting up Solar Panels at our Salem Plant, which generates hot water through Solar panels to save energy. The hot water obtained from the Solar panels is catering our CIP as well to the boiler at 800°C. This will be extended to in all possible plants to protect the environment.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All the units are complying with the norms of CPCB and SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During FY 2016-2017, the Company did not receive any show cause/ legal notices from CPCB/SPCB which are pending as on 31.03.2017.

Principle 7**1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Hatsun ensures that its policy is with the highest degree of responsible and ethical behaviour and works with collective platforms such as trade and industry chambers and associations to raise matters with the relevant government bodies. Hatsun is a member of

- (a) Indian Dairy Association (IDA)
- (b) Indian Ice Cream Association (IICMA)
- (b) Tamil Nadu Chamber of Commerce (TNCC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Hatsun is associated with above institutions with an intention of mutual learning and contribution in development of processes.

Principle 8**1. Does the Company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company considers the Society as one of the most important stakeholder as it moves with the local community namely the farmers who are the main contributor to the business of the Company. The Company takes care of sustaining the secured livelihoods of the farmers as they not only get paid honestly for the quality of milk they supply which encourages them to be the long standing supplier to us but also improve their milk yield from their cattle by arranging supply of quality feeds.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The Company employs a thoroughly professional Animal Husbandry team. For farmers who do not have access to reliable irrigation, Hatsun is initiating a trial on the feasibility of producing and feeding silage to the cattle. With an aim to maximise farmers' profits, the animal husbandry team works closely with the cattle feed team to provide farmers with a complete nutrition package of forages and concentrates. Hatsun has also commissioned a team of agronomists to help farmers cultivate fodder in the most economical way to meet the nutritional requirement of the cows.

3. Have you done any impact assessment of your initiative?

So far no formal impact assessment has been carried out as these initiatives were introduced on trial basis.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

As part of Company's CSR initiative the Company has made contribution to HAP Sports Trust, a charitable Sports Trust formed to promote nationally recognised sport in rural communities the contribution details of which are available under Annexure-B of Board's Report.

Apart from its CSR activities the Company has gone further in terms of 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 and also a team of agronomists to help farmers cultivate fodder in the most economical way to meet the nutritional requirement of the cows.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The HAP Sports Trust, a charitable trust formed by the Company to carry out its CSR activities in the field of sports among rural communities is in the process of building a badminton stadium with state-of-art facilities and is expected to be operational in the financial year 2017-2018. As the activities of the Trust is in nascent stage, the out-reach of the Trust initiatives towards community development will evolve from next financial year onwards.

Principle 9**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

As of March 31, 2017, the Company has no pending consumer complaints.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Hatsun adheres to all the applicable regulations regarding product labelling and displays relevant information on it to enable safe and effective usage of its products.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case filed by any stakeholder related to the mentioned subject is pending as at the end of financial year ended on March 31, 2017.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Consumer satisfaction is important for business. Hatsun connects with consumer with multiple touch points. The Company has set up a dedicated help line toll free number to address all consumer complaints and to receive feedbacks.

Independent Auditor's Report

To the Members of Hatsun Agro Product Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hatsun Agro Product Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being

appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education & Protection Fund by the Company; and

iv. The Company has provided disclosures in Note 43 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures relating to opening cash balance and permitted expense are in accordance with books of account maintained by the Company and as produced to us by the Management. However, we are unable to obtain sufficient appropriate audit evidence to report on whether the disclosures relating to collection in cash as permitted receipts is appropriate and on whether direct deposits of cash by customer in the Company's bank accounts aggregating Rs. 5,932.58 Lakhs included in permitted receipts and amount deposited in banks reported as other denomination receipts is appropriate.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Shankar Srinivasan

Partner

Membership Number: 213271

Place of Signature: Chennai

Date: April 27, 2017

ANNEXURE 1 REFERRED TO UNDER PARAGRAPH 1 OF THE REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF THE AUDITORS' REPORT

Re: Hatsun Agro Product Limited ("the Company")

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

(b) All fixed assets have not been physically verified by the management during the year but 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 were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of milk powder and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT UNPAID (RS IN LAKHS)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Income Tax Act, 1961	Income Tax	150	1995-96	High Court of Judicature, Madras

The Company has received favourable order on the above dispute subsequent to the year end.

(viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues to government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer/further public offer/debt instruments during the year. In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purpose for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance

with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and accordingly, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Shankar Srinivasan

Partner

Membership No: 213271

Place: Chennai

Date: April 27, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
HATSUN AGRO PRODUCT LIMITED

Report on the Internal Financial Controls under Clause (i) of
Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Hatsun Agro Product Limited

We have audited the internal financial controls over financial reporting of
Hatsun Agro Product Limited ("the Company") as of March 31, 2017 in
conjunction with our audit of the financial statements of the Company for
the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and
maintaining internal financial controls based on the internal control over
financial reporting criteria established by the Company considering the
essential components of internal control stated in the Guidance Note on
Audit of Internal Financial Controls Over Financial Reporting issued by the
Institute of Chartered Accountants of India. These responsibilities include
the design, implementation and maintenance of adequate internal financial
controls that were operating effectively for ensuring the orderly and efficient
conduct of its business, including adherence to the Company's policies, the
safeguarding of its assets, the prevention and detection of frauds and errors,
the accuracy and completeness of the accounting records, and the timely
preparation of reliable financial information, as required under the
Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal
financial controls over financial reporting based on our audit. We conducted
our audit in accordance with the Guidance Note on Audit of Internal
Financial Controls Over Financial Reporting (the "Guidance Note") and
the Standards on Auditing as specified under section 143(10) of the
Companies Act, 2013, to the extent applicable to an audit of internal
financial controls, both applicable to an audit of Internal Financial Controls
and, both issued by the Institute of Chartered Accountants of India. Those
Standards and the Guidance Note require that we comply with ethical
requirements and plan and perform the audit to obtain reasonable
assurance about whether adequate internal financial controls over financial
reporting was established and maintained and if such controls operated
effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about
the adequacy of the internal financial controls system over financial
reporting and their operating effectiveness. Our audit of internal financial
controls over financial reporting included obtaining an understanding of
internal financial controls over financial reporting, assessing the risk that a
material weakness exists, and testing and evaluating the design and operating
effectiveness of internal control based on the assessed risk. The procedures
selected depend on the auditor's judgement, including the assessment of the
risks of material misstatement of the financial statements, whether due to

fraud or error.

We believe that the audit evidence we have obtained is sufficient and
appropriate to provide a basis for our audit opinion on the internal financial
controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process
designed to provide reasonable assurance regarding the reliability of
financial reporting and the preparation of financial statements for external
purposes in accordance with generally accepted accounting principles. A
company's internal financial control over financial reporting includes those
policies and procedures that (1) pertain to the maintenance of records that,
in reasonable detail, accurately and fairly reflect the transactions and dispos-
itions of the assets of the company; (2) provide reasonable assurance that
transactions are recorded as necessary to permit preparation of financial
statements in accordance with generally accepted accounting principles, and
that receipts and expenditures of the company are being made only in
accordance with authorisations of management and directors of the
company; and (3) provide reasonable assurance regarding prevention or
timely detection of unauthorised acquisition, use, or disposition of the
company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial
Reporting

Because of the inherent limitations of internal financial controls over
financial reporting, including the possibility of collusion or improper
management override of controls, material misstatements due to error or
fraud may occur and not be detected. Also, projections of any evaluation of
the internal financial controls over financial reporting to future periods are
subject to the risk that the internal financial control over financial reporting
may become inadequate because of changes in conditions, or that the
degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate
internal financial controls system over financial reporting and such internal
financial controls over financial reporting were operating effectively as at
March 31, 2017, based on the internal control over financial reporting
criteria established by the Company considering the essential components of
internal control stated in the Guidance Note on Audit of Internal Financial
Controls Over Financial Reporting issued by the Institute of Chartered
Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Shankar Srinivasan

Partner

Membership Number: 213271

Place of Signature: Chennai

Date: April 27, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share capital	3	1,522.02	1,087.25
Reserves and surplus	4	<u>33,188.52</u>	<u>21,979.39</u>
		34,710.54	23,066.64
(2) NON-CURRENT LIABILITIES			
Long-term borrowings	5	36,993.49	23,038.26
Deferred tax liabilities, net	6	6,293.58	2,612.65
Other long-term liabilities	7	<u>80.56</u>	<u>43.76</u>
		43,367.63	25,694.67
(3) CURRENT LIABILITIES			
Short-term borrowings	8	32,048.53	28,885.17
Trade payables	9		
• Total Outstanding dues of micro enterprises and small enterprises		-	-
• Total Outstanding dues of creditors other than micro enterprises and small enterprises		17,002.74	13,678.25
Other liabilities	10	34,784.96	23,518.94
Short-term provisions	11	<u>343.89</u>	<u>904.28</u>
		<u>84,180.12</u>	<u>66,986.64</u>
TOTAL		<u><u>162,258.29</u></u>	<u><u>115,747.95</u></u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
Property, plant & equipment	12	97,991.68	63,719.99
Capital work-in-progress		9,027.44	3,252.58
Intangible assets	13	<u>872.67</u>	<u>1,003.18</u>
		107,891.79	67,975.75
Non-current investments	14	25.06	26.49
Long-term loans and advances	15	7,778.52	849.54
Other non-current assets	16	<u>94.33</u>	<u>79.74</u>
		115,789.70	68,931.52
(2) CURRENT ASSETS			
Inventories	17	29,653.23	34,676.94
Trade receivables	18	4,095.51	1,491.26
Cash and bank balances	19	5,531.95	2,944.65
Short-term loans and advances	15	6,957.24	7,353.29
Other current assets	16	<u>230.66</u>	<u>350.29</u>
		46,468.59	46,816.43
TOTAL		<u><u>162,258.29</u></u>	<u><u>115,747.95</u></u>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report attached of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004
sd/-

per Shankar Srinivasan
Partner
Membership No: 213271

Place: Chennai
Date: April 27, 2017

For and on behalf of the Board of Directors of Hatsun Agro Product Limited

sd/-
R.G. Chandramogan
Chairman &
Managing Director

sd/-
H. Ramachandran
Chief Financial Officer

Place: Chennai
Date: April 27, 2017

sd/-
C. Sathyan
Executive Director

sd/-
S. Narayan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	NOTE NO.	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
REVENUE			
Revenue from operations	20	419,966.02	344,468.38
Other income	21	561.86	463.66
Total revenue (I)		420,527.88	344,932.04
EXPENSES			
Cost of raw materials consumed	22	299,671.99	253,061.31
Purchases of traded goods	23	62.18	14.68
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	24	5,163.82	(4,185.62)
Employee benefits expenses	25	12,685.90	11,022.63
Finance costs	27	7,019.64	6,825.34
Depreciation and amortisation expense	12 & 13	14,560.46	10,708.89
Other expenses	26	64,436.37	54,087.47
Total expenses (II)		403,600.36	331,534.70
Profit before tax (I-II)		16,927.52	13,397.34
TAX EXPENSES			
Current tax expense			
- Tax payable		3,612.60	4,513.29
- MAT credit entitlement		(3,612.60)	(631.27)
Net current tax expense		-	3,882.02
Income tax pertaining to earlier years		(150.00)	3,701.59
Deferred tax charge/(credit)		3,680.93	(235.97)
Profit after tax		13,396.59	6,049.70
Earnings per equity share (Refer Note : 39)			
- Basic earnings per share (in Rs.)		8.80	3.98
- Diluted earnings per share (in Rs.)		8.80	3.98
- Nominal value per equity shares Re. 1(March 31, 2016 - Re. 1)			
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report attached of even date

For S.R. BATLIBOI & ASSOCIATES LLP
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Chairman &
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H. Ramachandran
Chief Financial Officer

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S. Narayan
Company Secretary

Place: Chennai
Date: April 27, 2017

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Cash flows from operating activities		
Net profit before taxation	16,927.52	13,397.34
Adjustments for:		
Depreciation on tangible assets	14,172.79	10,266.40
Amortisation on intangible assets	387.67	442.49
(Profit)/loss on sale of fixed assets-net	(121.94)	(205.94)
Deferred Income recognised	(6.54)	(4.38)
Amortisation of expenditure	110.06	69.78
Interest income	(64.05)	(63.93)
Unrealised exchange loss/(gain)	76.74	3.45
Interest Expenses	6,691.77	6,596.05
Operating profit before working capital changes	38,174.02	30,501.26
(Increase)/Decrease in inventories	5,023.71	(8,823.91)
(Increase)/Decrease in trade receivables	(2,603.30)	(227.67)
(Increase)/Decrease in loans and advances	396.05	(1,474.93)
(Increase)/Decrease in current asstes	61.84	(87.80)
Increase/(Decrease) in current liabilities	6,819.16	4,955.21
Increase/(Decrease) in provisions	(297.53)	284.57
Cash generated from operations	47,573.95	25,126.73
Direct taxes paid (net of refunds)	(3,717.70)	(3,266.63)
Net cash from/(used in) operating activities	43,856.25	21,860.10
Cash flows (used in) / from investing activities		
Purchase of fixed assets (including capital work in progress)	(57,890.65)	(14,026.35)
Purchase of investments	-	(14.49)
Receipt of Subsidy	45.50	-
Proceeds from sale of Investment	0.72	67.98
Proceeds from sale of fixed assets	211.94	494.95
Deposits placed with banks during the year	(1.86)	(1.49)
Public deposits repaid during the year	(0.30)	(0.66)
Interest received	64.05	63.93
Net cash from/(used in) investing activities	(57,570.60)	(13,416.13)
Cash flows (used in) / from financing activities		
Term loans availed during the year	40,713.00	17,200.00
Term loans repaid during the year	(18,780.13)	(21,402.45)
Short term loans availed during the year	141,421.00	40,095.95
Short term loans repaid during the year	(134,520.03)	(41,252.19)
Increase/(decrease) in Other short term borrowing availed from banks	(3,737.60)	10,867.16
Dividends paid	(1,543.71)	(5,597.04)
Tax on dividends paid	(309.78)	(1,150.60)
Interest and finance charges paid	(6,942.96)	(6,618.53)
Net cash (used in)/from financing activities	16,299.79	(7,857.70)
Net (decrease)/increase in cash and cash equivalents	2,585.44	586.27
Cash and cash equivalents at the beginning of the year	2,920.09	2,333.82
Cash and cash equivalents at the end of the year	5,505.53	2,920.09

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
a) Components of cash and cash equivalents		
Cash and cheques on hand	11.51	12.31
Balances with Scheduled Banks		
- in current accounts	5,423.88	2,815.61
- Deposits with original maturity less than 3 months	-	-
- in unpaid dividend accounts (restricted)*	70.14	92.17
	<u>5,505.53</u>	<u>2,920.09</u>

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report attached of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

sd/-

per Shankar Srinivasan
Partner
Membership No: 213271

Place: Chennai
Date: April 27, 2017

For and on behalf of the Board of Directors of Hatsun Agro Product Limited

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R.G. Chandramogan
Chairman &
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sd/-

H. Ramachandran
Chief Financial Officer

Place: Chennai
Date: April 27, 2017

sd/-

C. Sathyan
Executive Director

sd/-

S. Narayan
Company Secretary



Notes To Financial Statement

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

1. BASIS OF PREPARATION, PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (the "Indian GAAP"). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Change in accounting policy

Pre-revised AS 10, "Accounting for Fixed Assets" required that stand-by and servicing equipment should normally be capitalised as property, plant and equipment. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalised. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

According to AS 10 (R), all spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the Company intends to use these during more than a period of 12 months. The spare parts capitalised in this manner are depreciated as per AS 10 (R)

The Company has changed its accounting policy of property, plant and equipment to comply with AS 10 (R). The company has applied transitional provisions, which requires previously recognised stores and spares as inventory should be capitalised as a PPE at its carrying amount and depreciated prospectively over its remaining useful life.

Had the Company continued to use the earlier policy of classifying stores and spares as inventories, its financial statements for the period would have been impacted as given below:

Inventories would have been higher by Rs. 2,434.33, property, plant and equipment would have been lower by Rs. 3,279.76, depreciation would have been lower by Rs. 1,816.52, and other expense would have been higher by Rs. 2,551.34. Profit for the current period would have been lower by Rs. 480.51 (net of tax impact of Rs. 254.31).

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues,

expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and includes freight, duties and taxes and other incidental expenses related to the acquisition. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if recognition criteria of property, plant and equipment are met. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Capital work-in-progress represents cost of assets not ready for intended use as at the balance sheet date.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

e. Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Impairment of fixed assets

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g. Depreciation and Amortisation

Depreciation on assets is provided using the straight-line method based on rates specified in Schedule II to the Companies Act, 2013 or on estimated useful lives of assets estimated by the management, whichever is higher. Individual assets costing less than Rs. 0.05 are depreciated fully in the year of purchase.

The estimated useful lives considered for depreciation/ amortisation of fixed assets are as follows:

ASSET CATEGORY	ESTIMATED USEFUL LIFE (YEARS)
Tangible assets	
Buildings	30
Plant and machinery	4-15
Cans, crates and puff boxes (included in plant and machinery)	1
Windmill	22
Furniture & Fixtures	5-10
Office Equipment	5
Vehicles	8-10
Leasehold improvements	3 -5 years or over the lease period if lower than the estimated useful life
Intangible assets	
Software	5

The management has estimated based on technical assessment, the useful life of certain plant & machinery ranging from 4 to 5 years and certain Furniture & Fixtures as 5 years. These useful lives are lower than those indicated in Schedule II to the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives of assets acquired as part of the business acquisition from Jyothi Dairy Private Limited

ASSET CATEGORY	ESTIMATED USEFUL LIFE (YEARS)
Tangible assets	
Buildings	5
Plant and machinery	5
Vehicles	3
Intangible assets	
Goodwill	5

h. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Leased assets**Finance Lease**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease

Leases, where the lessor, effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

j. Inventories

Raw materials, packing materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods and work in progress includes excise duty and is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. Revenue recognition

Revenue from sale of goods is recognised on dispatch of goods to customers which corresponds with transfer of all significant risks and rewards of ownership. The amount recognised as sale is exclusive of sales tax, and trade and quantity discounts.

Export benefits on Vikhesh Krishi Gram Upaj Yojana (VKGUY) are recognised based on the recognition of related export revenue.

Rental income on freezers are recognised on a straight line basis over the period of rental as per agreements.

Interest income on deposits is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable.

Royalty income is recognised on accrual basis.

l. Foreign currency transactions and balances

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

m. Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflects the impact of current year timing

differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of a credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be

realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. Government grants related to depreciable fixed assets are treated as deferred income which is recognised in the statement of profit and loss over the useful life of the asset in the proportion in which the depreciation on those assets is charged.

p. Retirement and other employee benefits

i. Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the statement of profit and loss.

ii. Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined Benefit Plan

The Company has an arrangement with Life Insurance Corporation of India (LIC) to administer its gratuity scheme. The contribution paid/payable is debited to the statement of profit and loss. Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the statement of profit and loss. Actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

iv. Leave Salary

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company has no long term leave component.

q. Cash flow statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r. Derivative instruments and hedge accounting

The Company uses derivative financial instruments, such as, interest rate swaps to hedge interest rate risk arising from variable rate loans and to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. The Company designates these forward contracts and interest rate swaps in a hedging relationship by applying the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement.

The Company has adopted principles of hedge accounting as set out in Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement", to the extent that the adoption does not conflict with existing accounting standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Based on the recognition and measurement principles of hedge accounting set out in AS 30, the effective portion on changes in the fair values of derivative financial instruments designated as cash flow hedges are recognised directly in reserves/equity and are reclassified to the statement of profit and loss upon the occurrence of the hedged transaction. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the statement of profit and loss. Changes in fair value relating to derivatives not designated as hedges are recognized in the statement of profit and loss.

Hedge Accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument is recognised in hedging reserve is transferred to profit and loss account when forecasted transaction occurs or when a hedged transaction is no longer expected to occur.

s. Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

t. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

u. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss account.

v. Segment Reporting

The Company is engaged in Dairy and Renewable Energy businesses which are identified as reportable segments as per the Accounting Standard (AS-17) – “Segment Reporting”. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company accounts for inter-segment sales and transfers at cost plus appropriate margins. Allocation of common allocable costs allocated to each segment according to the relative contribution of each segment to the total common costs.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
3.SHARE CAPITAL		
Authorised shares		
250,000,000 equity shares of Re 1/- each (March 31, 2016: 250,000,000 equity shares of Re 1/- each)	2,500.00	2,500.00
500,000 preference shares of Rs.100/- each (March 31, 2016: 500,000 preference shares of Rs.100/- each)	<u>500.00</u> 3,000.00	<u>500.00</u> 3,000.00
Issued capital		
152, 298, 307 equity shares of Re 1/- each (March 31, 2016:108, 821,648 equity shares of Re 1/- each)	<u>1,522.98</u> 1,522.98	<u>1,088.22</u> 1,088.22
Subscribed and fully paid		
152,168,307 equity shares of Re 1/- each (March 31, 2016: 108, 691,648 equity shares of Re 1/- each)	<u>1,521.69</u> 1,521.69	<u>1,086.92</u> 1,086.92
Subscribed and not fully paid		
130,000 (Previous year 130,000) equity shares of Re.1 [Partly paid up for Re. 0.25/- (Previous year Re. 0.25)] per share, forfeited	<u>0.33</u> <u>0.33</u> 1,522.02	<u>0.33</u> <u>0.33</u> 1,087.25

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**Subscribed and fully paid**

PARTICULARS	MARCH 31, 2017		MARCH 31, 2016	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	108,691,648	1,086.92	108,691,648	1,086.92
Issued during the year-Bonus issue	434,76,659	434.77	-	-
Outstanding as at the end of the year	<u>152,168,307</u>	<u>1,521.69</u>	<u>108,691,648</u>	<u>1,086.92</u>

b. Terms/Rights attached to Equity shares

The Company has only one class of equity shares having par value of Re.1 per share (March 31, 2016 - Re.1/-). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders was Re 1.00 /- (March 31, 2016: Rs.4.00/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

Particulars	March 31, 2017	March 31, 2016
Equity shares allotted as fully paid bonus shares by Capitalisation of Capital Redemption Reserve during the year ended on March 31, 2012.	358,97,216	358,97,216
Equity shares allotted as fully paid bonus shares during year ended March 31, 2017	434,76,659	-
	<u>793,73,875</u>	<u>358,97,216</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

d. Details of shareholders holding more than 5% shares in the Company

PARTICULARS	MARCH 31, 2017		MARCH 31, 2016	
	Nos.	%Holding	Nos.	%Holding
Equity shares of Re. 1/- each (March 31, 2016 : Re. 1/- each) fully paid				
Mr. Chandramogan R. G.	878,70,471	57.75	627,64,622	57.75
Mr. Sathyan C.	141,99,130	9.33	101,42,236	9.33

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c. There are no shares reserved for issue under any options.

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
4. RESERVES AND SURPLUS		
Securities Premium account		
Balance as per the last financial statements	6,318.16	6,318.16
Add: Additions during the year on issue of shares	-	-
Closing balance [A]	6,318.16	6,318.16
Capital reserve [B]	74.45	74.45
Capital redemption reserve		
Balance as per last financial statements	899.02	899.02
Closing balance [C]	899.02	899.02
General reserve		
Balance as per last financial statements	5,138.65	5,138.65
Less: Amount utilised toward issue of fully paid bonus shares	(434.77)	-
Closing balance [D]	4,703.88	5,138.65
Hedging Reserve		
Balance as per last financial statements	(148.13)	(252.05)
Reclassified to the statement of profit and loss	78.77	103.92
Closing balance [E]	(69.36)	(148.13)
Surplus in the statement of profit and loss		
Balance as per last financial statements	9,697.24	8,880.29
Net profit for the current year	13,396.59	6,049.70
Amount available for appropriation	23,093.83	14,929.99
Less: Appropriations		
Dividend - Interim (amount per share Re.1.00 (March 31, 2016: Rs. 4.00))	1,521.68	4,347.67
Tax on dividend	309.78	885.08
Total appropriations	1,831.46	5,232.75
Net Surplus in the statement of profit and loss [F]	2,1262.37	9,697.24
Total [A]+[B]+[C]+[D]+[E]+[F]	33,188.52	21,979.39

5. LONG-TERM BORROWINGS

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
Term Loans		
Indian rupee loans from banks (Secured)	57,337.93	33,039.81
Foreign currency loans from banks (Secured)	2,636.66	5,215.42
Other Loans and advances		
Finance lease obligations (Secured)	-	11.24
	59,974.59	38,266.47
Less: Amount disclosed under the head "Other liabilities", (Refer note 10)		
Term loans		
Indian rupee loan from banks (Secured)	21,169.50	12,835.98
Foreign currency loan from banks (Secured)	1,811.60	2,383.35
Other Loans and advances		
Finance lease obligations (Secured)	-	8.88
Current portion of long-term borrowings	22,981.10	15,228.21
Non-current portion of long-term borrowings	36,993.49	23,038.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(I) INDIAN RUPEE LOANS FROM BANKS (SECURED)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF INSTALMENTS DUE
1	ICICI Bank Limited	5 years	7,900.00	-	1,580.00	1. First Charge on Powder and Ice cream plant at Salem; 2. Paripassu first charge on Dairy assets at Salem, Kanchipuram; Belgaum along with SBI, Extension of First pari passu charges on Palacode dairy plant, Exclusive charges on Land & Building and Plant & Machinery at Thalavasal dairy plant, Chilling Centre at Uthangarai, Sindalavadaampatti, Walaja, Polur.	20 quarterly instalments of Rs. 395 commencing from the date of first drawal.	21-Mar-12	-
2	Yes Bank Ltd	5 years	4,000.00	444.44	1,333.33	1. Exclusive charge on the Plant & Machinery/ equipment funded by the Term Loan; and 2. Personal Guarantee of Managing Director Mr. R.G. Chandranogan and Executive Director Mr. C. Sathyan.	18 quarterly instalments of Rs. 222.22 commencing from 30th June, 2013.	28-Sep-12	2
3	ICICI Bank Limited	5 years	3,000.00	616.53	1,483.25	1. First charge on Powder and Ice cream Plant at Salem; 2. Paripassu first charge on Dairy assets at Salem, Kanchipuram and Belgaum; 3. Extension of first Paripassu charge on Palacode dairy plant, Exclusive charges on Land & Building, Plant & Machinery at Thalavasal dairy plant, Chilling centre at Uthangarai, Sindalavadaampatti, Walaja, Polur.	14 quarterly instalments of Rs. 216.68 for first 13 instalments and Rs. 183.18 for last Instalment	19-Dec-12	3
4	Yes Bank Ltd	5 Years	2,500.00	625.00	1,250.00	1. Exclusive charges on the Plant & Machinery funded by the Term Loan; and 2. Personal Guarantee of Managing Director Mr. R.G. Chandranogan and Executive Director Mr. C. Sathyan.	16 quarterly instalments of Rs. 156.25 each commencing from April 30, 2014.	28-Sep-13	4
5	Axis Bank Ltd	5 Years	5,000.00	-	1,607.14	Exclusive charges on the fixed assets and equipment being funded by term loan, Exclusive charges on the Land, Building, Plant & Machinery of Ice Cream Plant at Redhills, Personal Guarantee of Mr. R.G. Chandranogan.	14 equal quarterly instalments of Rs. 133.92 each commencing from 31st December 2015.	28-Mar-14	-
6	HDFC Bank Limited	5 Years	1,500.00	800.00	1,200.00	1. First charge on the specific assets of the dairy plant situated in Madurai; and 2. Personal Guarantee of Managing Director of the Company, Mr. R.G. Chandranogan.	15 quarterly instalments of Rs. 100.00 each commencing from September 16, 2015	16-Jun-14	8
7	Societe Generale	3 Years	4,000.00	-	2,400.00	1. Exclusive charge over land and building of Feed Plant situated in Karur, Tamil Nadu; 2. Exclusive charge by way of hypothecation over movable fixed assets being funded by Societe Generale; and 3. Personal Guarantee of Managing Director of the Company, Mr. R.G. Chandranogan.	11 quarterly instalments of Rs. 300.00 for first 4 instalments and Rs. 400.00 for next 7 instalments	10-Jul-14	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF INSTALMENTS DUE
8	Yes Bank Ltd	5 Years	2,500.00	1,719.00	2,343.75	1. Exclusive charge on the Plant & Machinery funded by Term loan with minimum asset coverage of 1.25 times; and 2. Personal Guarantee of Managing Director Mr. R.G. Chandramogan and Executive Director Mr. C. Sathyan.	16 quarterly instalments of Rs.156.25 each commencing after 1 year from the date of first drawal.	12-Nov-14	11
9	ICICI Bank Limited	5 Years	2,000.00	800.00	1,200.00	1. Extension of Exclusive charges on Fixed Assets at Salem powder plant and Ice Cream Plant; 2. Exclusive charges on Land & Building and Plant & Machinery at Thalavasa dairy plant, Chilling Center at Uthangarai, Sindalavampatti, Walaja, Polur; 3. Extension of Exclusive Charges on fixed Assets at Vellichandai Curd Plant.	20 quarterly instalments of Rs.100.00 each commencing from June 30, 2015	4-Jun-14	8
10	South Indian Bank	5 Years	5,000.00	3,336.00	4,584.00	1. Exclusive charges on the fixed assets and equipment being funded by Term loan; 2. Papiassu charges on fixed assets of Palacode plant; and 3. Personal Guarantee of Managing Director Mr. R.G. Chandramogan and Executive Director Mr. C. Sathyan.	48 monthly instalments of Rs. 104.00 for first 47 instalments and Rs. 112.00 for last instalment commencing after 1 year from the date of first drawal.	30-Dec-14	32
11	South Indian Bank	5 Years	1,638.00	1,638.00	-	1. Exclusive charges on the fixed assets and equipment being funded by South Indian Bank; 2. Papiassu charges on fixed assets of Palacode plant; and 3. Personal Guarantee of Managing Director Mr. R.G. Chandramogan and Executive Director Mr. C. Sathyan.	Principal to be paid in 47 instalments of Rs. 34.40 each and last instalment of Rs. 21.20	22-Mar-17	15
12	Yes Bank Ltd	2 Years	3,000.00	1,500.00	3,000.00	1. Extension of Charge of the existing Movable fixed assets charged to Yes Bank Limited with minimum asset coverage of 1.25 times; and 2. Personal guarantee of Managing Director of the Company Mr. R.G. Chandramogan and Mr. C. Sathyan.	4 quarterly instalments of Rs.750.00	31-Jul-15	2
13	Yes Bank Ltd	5 Years	1,500.00	1,500.00	-	1. Exclusive charges on the land plant and machineries/ equipment pertaining to the vaxtral funded by the facility; 2. Extension of the exclusive charges on all movable fixed assets; and 3. Personal Guarantee of Mr. R.G. Chandramogan and Mr. C. Sathyan.	12 quarterly instalments of Rs. 125.00 each post moratorium of 12 months.	24-Mar-17	12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(I) INDIAN RUPEE LOANS FROM BANKS (SECURED)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF INSTALMENTS DUE
14	Kotak Mahindra Bank Ltd	3 Years	3,700.00	2,158.33	3,391.67	1. Exclusive charges on the Land at Thiruvanniyur and Plant & Machinery at Specified Chilling Centres; and 2. Personal Guarantee of Managing Director of the company Mr. R.G. Chandramogan.	12 quarterly instalments of Rs. 308.33 from the date of disbursement.	18-Nov-15	7
15	Kotak Mahindra Bank Ltd	3 Years	3,000.00	2,625.00	-	1. Exclusive charge on the land at Thiruvanniyur and Plant & Machinery at specified chilling centres. 2. Personal Guarantee of Managing Director of the company Mr. R.G. Chandramogan.	16 quarterly instalments of Rs. 187.50 following the month of first disbursement.	1-Sep-16	14
16	ICICI Bank Limited	3 Years	2,500.00	2,083.33	-	1. Exclusive charge on the curd plant at Palacode. 2. Personal Guarantee of Managing Director Mr. R.G. Chandramogan and Executive Director Mr. C. Sathyan.	12 quarterly instalments of Rs. 208.33 starting from December 31, 2016	20-Sep-16	10
17	Bank of Bahrain & Kuwait	3 Years	4,000.00	2,333.00	3,666.67	1. Exclusive charge on the Plant & Machinery at all Depots situated at various places; and 2. Personal Guarantee of Managing Director of the company Mr. R.G. Chandramogan.	12 quarterly instalments of Rs. 333.33 from the date of disbursement.	20-Nov-15	7
18	Yes Bank Ltd	5 Years	7,000.00	5,000.00	-	1. Exclusive charge on the Plant & Machinery/ equipment funded by the term loan with an asset coverage of 1.25 times. 2. Personal Guarantee of Managing Director Mr. R.G. Chandramogan, Executive Director Mr. C. Sathyan.	16 quarterly instalments of Rs. 312.50 each	22-Sep-16	16
19	IDFC BANK Ltd	5 Years	5,000.00	5,000.00	-	1. First charge on the movable fixed assets of the Company with coverage of 1.2 times 2. Personal Guarantee of Managing Director Mr. R.G. Chandramogan, Executive Director Mr. C. Sathyan.	10 quarterly instalments of Rs. 500.00 each	30-Sep-16	10
20	HDFC Bank Limited	5 Years	5,000.00	4,584.30	-	1. First Charge on the specific fixed assets of Rs.50 Cr. acquired out of the term loan. 2. Hypothecation of movable fixed assets and Mortgage of immovable properties located at Madurai Plant; and 3. Personal guarantee of Managing Director Mr. R.G. Chandramogan.	12 quarterly instalments of Rs. 416.75 Lakhs beginning from January 24, 2017	24-Oct-16	11
21	State Bank of India	5 Years	5,000.00	4,500.00	-	1. First charge over existing fixed assets comprising of Land, Building, Plant & Machinery located at Salem Plant; 2. First charge over existing fixed assets comprising of Land, Building, Plant & Machinery located at Kancheepuram plant; 3. Exclusive first charge on Plant & Machinery	20 quarterly instalments of Rs. 250.00 Lakhs commencing from December 31, 2016.	11-Nov-16	18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF a DUE
22	The Federal Bank Ltd	3 Years	4,000.00	4,000.00	4000.00	at chilling centres located in 50 Places; 4. Exclusive first charge on Plant & Machinery at IBACO Outlets; 5. First charge over Land (3.3 Acres) and Factory building at Belgaum Plant; 6. Personal Guarantee of Mr. R.G. Chandramogan and Mr. C. Sathyan.	4 monthly instalments of Rs.1,000 in 18th, 19th, 20th and 21st month from date of disbursement of loan.	10-Feb-16	4
23	The Federal Bank Ltd	36 months	4,000.00	4,000.00	-	Exclusive charge on specific assets of Company under Plant and Machinery funded by term loan.	10 Equal instalments of Rs. 1,000 starting from November 16, 2019 onwards.	16-Mar-17	4
24	HDFC Bank Limited	5 Years	5,000.00	5,000.00	-	First charge on the specific fixed assets acquired out of the term loan	12 quarterly instalments of Rs.416.65.	15-Mar-17	12
25	Axis Bank Ltd	5 years	3,075.00	3,075.00	-	1. Personal Guarantee of Managing Director of the Company Mr. R.G. Chandramogan. 2. Exclusive charge on the fixed assets of the Company with the minimum coverage of 1.2 times.	16 Equal instalments of Rs. 192.00 each commencing after a period of 15 months from the date of first disbursement.	22-Dec-16	16
Total			57,337.93	33,039.81					

Interest ranged for the year is 8.85% - 10.60% (March 31, 2016 - 9.63% to 12.68%)

(II) FOREIGN CURRENCY LOAN FROM BANKS (SECURED)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF INSTALMENTS DUE IN AFTER MARCH 31, 2017
1	Standard Chartered Bank	5 Years	4,976.00	1,046.50	2,498.10	Exclusive charges over the movable & immovable fixed assets funded out of ECB	16 quarterly instalments of 287.36 for the first 8 instalments and Rs. 334.63 for the remaining instalments.	10-Jan-14	3
2	Standard Chartered Bank	5 Years	3,705.00	1,590.16	2,717.32	Exclusive charges over the movable & immovable fixed assets funded out of ECB	16 quarterly instalments of Rs. 261.20 for the first 8 instalments and Rs. 201.92 for the remaining instalments.	11-Dec-13	7
Total				2,636.66	5,215.42				

Interest ranged for the year is 10.79% - 12.00% (March 31, 2016 - 10.79% - 12.00%)

(III) FINANCE LEASE OBLIGATIONS (SECURED)

S.NO.	NAME OF THE BANK/ FINANCIAL INSTITUTIONS	TENURE OF LOAN	LOAN LIMIT	MARCH 31, 2017 (RS. IN LAKHS)	MARCH 31, 2016 (RS. IN LAKHS)	SECURITY/GUARANTEE	REPAYMENT TERMS	LOAN START DATE	NUMBER OF INSTALMENTS DUE IN AFTER MARCH 31, 2017
1	Kotak Mahindra Bank	3 years	-	-	11.24	Exclusive charge over the cost of the movable fixed	36 monthly instalments of Rs. 0.80 each	28-Jul-14	-

Interest rate for Finance lease is 10% during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
6.DEFERRED TAX LIABILITIES, NET		
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for financial reporting	6,460.02	2,886.64
Others	78.52	42.88
Deferred Tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	(241.98)	(311.86)
Others	(2.98)	(5.01)
	<u>6,293.58</u>	<u>2,612.65</u>
7.OTHER LONG-TERM LIABILITIES		
Deferred Income	87.10	48.14
Less: Current portion of Deferred Income disclosed under the head "Other liabilities" (Refer note 10)	(6.54)	(4.38)
	<u>80.56</u>	<u>43.76</u>
8.SHORT-TERM BORROWINGS		
Loans repayable on demand from banks		
Cash credit (Secured)	6,586.84	9,187.89
Cash credit (Unsecured)	1,515.68	2,652.23
Short-term Loans (Secured)	2,999.99	5,700.00
Short-term Loans (Unsecured)	20,946.02	11,345.05
	<u>32,048.53</u>	<u>28,885.17</u>

Secured cash credit facility is secured by a first charge on all the current assets and pari-passu first charge over selected fixed assets of the Company. Further, this facility has been personally guaranteed by the Managing Director and his spouse.

Unsecured cash credit carried an interest rate ranging from 9.52% to 10.60% (March 31, 2016 - 10.60%) during the current year.

Secured short term loans are secured by charge on plant and machinery, land and building, inventories, receivable and other current assets of the Company. Further, these facilities have been personally guaranteed by the Managing Director. Interest rate on secured short term loans ranged from 8.00% to 9.50% (March 31, 2016 - 9.00% to 10.00%) during the year.

Unsecured short term loans includes commercial paper obtained from HDFC Bank carried an interest rate ranging from 7.25% to 9.35% (March 31, 2016 - 8.25% to 10.05%) during the current year.

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
9.TRADE PAYABLES		
Trade Payables (Refer note 9.1)	17,002.74	13,678.25
	<u>17,002.74</u>	<u>13,678.25</u>

Note: 9.1

There have been no overdue amounts payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company. Further, the Company has not paid any interest to any Micro and Small Enterprises during the year ended March 31, 2017 and March 31, 2016.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
10. OTHER LIABILITIES		
Current maturities of long-term borrowings (Refer Note 5)	22,981.10	15,228.21
Capital creditors	1,215.03	646.85
Current portion of Deferred Income (Refer Note 31)	6.54	4.38
Interest accrued but not due on borrowings	33.44	71.84
Investor Education & Protection Fund shall be credited by following amount (as and when due)		
- Unclaimed dividend	70.14	92.17
- Unclaimed matured deposits and interest accrued thereon	1.68	1.98
Others		
- Interest free security deposits from customers	8,092.30	5,789.09
- Advances received from customers	630.29	418.64
- Accrued salaries and benefits	632.22	546.70
- Statutory dues payable	1,122.22	719.08
	<u>34,784.96</u>	<u>23,518.94</u>
11. SHORT-TERM PROVISIONS		
Provision for employee benefit		
Provision for gratuity (Refer Note 40)	-	315.36
Provision for leave benefits	192.07	174.24
	<u>192.07</u>	<u>489.60</u>
Others Provisions		
Income Tax (Net)	151.82	414.68
	<u>151.82</u>	<u>414.68</u>
	<u>343.89</u>	<u>904.28</u>

12 Property Plant & Equipment

	Land	Buildings	Plant and machinery	Windmill	Computers equipment	Furniture and fittings	Office equipment	Vehicles*	Lease Hold Improvements	Total Tangible Assets
Cost										
As at April 1, 2015	5,428.47	17,683.50	68,283.76	-	2,468.55	1,026.07	1,387.48	816.53	2,205.93	99,300.29
Additions	932.46	1,157.44	8,675.93	-	367.29	214.37	133.40	39.35	913.35	12,433.59
Disposal	(58.46)	(72.38)	(609.34)	-	(69.77)	(1.25)	(8.12)	(50.63)	(104.93)	(974.88)
As at March 31, 2016	6,302.47	18,768.56	76,350.35	-	2,766.07	1,239.19	1,512.76	805.25	3,014.35	110,759.00
Additions	1,277.83	4,621.92	20,659.51	17,465.75	678.96	126.37	750.02	83.71	2,870.40	48,534.47
Disposal	(0.08)	(73.43)	(3,796.26)	-	(897.72)	(270.58)	(175.53)	(185.73)	(313.91)	(5,713.24)
As at March 31, 2017	7,580.22	23,317.05	93,213.60	17,465.75	2,547.31	1,094.98	2,087.25	703.23	5,570.84	153,580.23
Depreciation										
As at April 1, 2015	-	3,489.14	28,669.99	-	2,151.30	700.56	705.97	371.68	1,369.84	37,458.48
Charge for the year	-	920.21	8,195.48	-	183.37	131.24	222.28	88.18	525.64	10,266.40
Diposals	-	(8.00)	(505.70)	-	(68.99)	(1.17)	(6.46)	(37.34)	(58.21)	(685.87)
As at March 31, 2016	-	4,401.35	36,359.77	-	2,265.68	830.63	921.79	422.52	1,837.27	47,039.01
Charge for the year	-	930.53	11,443.77	84.57	268.93	199.15	360.62	84.98	800.24	14,172.79
Diposals	-	(72.62)	(3,735.43)	-	(397.72)	(270.59)	(174.48)	(168.82)	(303.59)	(5,623.25)
As at March 31, 2017	-	5,259.26	44,068.11	84.57	1,636.89	759.19	1,107.93	338.68	2,333.92	55,588.55
Net Block										
As at March 31, 2016	6,302.47	14,367.21	39,990.58	-	500.39	408.56	590.97	382.73	1,177.08	63,719.99
As at March 31, 2017	7,580.22	18,057.79	49,145.49	17,381.18	910.42	335.79	979.32	364.55	3,236.92	97,991.68

*Vehicles includes assets costing Rs. 84.85 (previous year Rs. 84.85) acquired under finance lease. The current year depreciation charge on these assets amounts to Rs. 13.25 (previous year Rs. 11.99). The net block of these assets amounts to Rs. 29.24 (previous year Rs. 42.49).

13 Intangible Assets

	Goodwill	Computer software	Total Intangible Assets
Cost			
As at April 1, 2015	1,365.00	1,031.95	2,396.95
Additions	-	63.36	63.36
Disposal	-	-	-
As at March 31, 2016	1,365.00	1,095.31	2,460.31
Additions	-	257.17	257.17
Disposal	-	(0.64)	(0.64)
As at March 31, 2017	1,365.00	1,351.84	2,716.84
Amortisation			
As at April 1, 2015	317.88	696.76	1,014.64
Charge for the year	273.00	169.49	442.49
Disposals	-	-	-
As at March 31, 2016	590.88	866.25	1,457.13
Charge for the year	273.00	114.67	387.67
Disposals	-	(0.63)	(0.63)
As at March 31, 2017	863.88	980.29	1,844.17
Net Block			
As at March 31, 2016	774.12	229.06	1,003.18
As at March 31, 2017	501.12	371.55	872.67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017		MARCH 31, 2016	
14. INVESTMENTS (Valued at Cost unless otherwise stated)				
Trade Investment (Long term) - Non Current				
Investment in Equity Instruments (unquoted)				
-130,647 (March 31, 2016- 130,647) Equity Shares of Rs.10/- each fully paid-up in Echanda Urja Private Limited.	13.06		13.06	
-3,000 (March 31, 2016 - 3,000) Equity Shares of Rs.100/- each fully paid-up in Jeedimetla Effluent Treatment Limited with a premium of Rs.300/- per share	12.00		12.00	
-Nil (March 31, 2016- 520) Equity Shares of Rs.10/- each fully paid-up in ARS Energy Private Limited with a premium of Rs.265/- per share	-		1.43	
	<u>25.06</u>		<u>26.49</u>	
	NON CURRENT		CURRENT	
PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2017	MARCH 31, 2016
15. LOANS AND ADVANCES				
Capital Advances				
Unsecured, considered good	3,984.56	660.42	-	-
Security Deposits				
Unsecured, considered good	-	-	4,797.59	4,058.97
Advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	-	-	448.50	581.04
Other loans and advances				
Unsecured, considered good:				
Prepaid gratuity	-	-	41.92	-
Advance to Suppliers	-	-	1,669.23	2,544.79
Salary advance	-	-	-	168.49
Advance income tax (Net of provision for taxation)	181.35	189.12	-	-
MAT credit entitlement	3,612.61	-	-	-
	<u>7,778.52</u>	<u>849.54</u>	<u>6,957.24</u>	<u>7,353.29</u>
	NON CURRENT		CURRENT	
PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2017	MARCH 31, 2016
16. OTHER ASSETS				
(Unsecured Considered good, unless stated otherwise)				
Claims Receivable	-	-	36.30	64.57
Receivables on sale of land	-	-	-	33.57
Derivative Assets	-	-	47.99	193.98
Unamortised Expenditure				
Stamp duty paid on lease agreement	8.56	10.87	2.31	2.31
Ancillary cost of arranging the borrowings	85.77	68.87	144.06	55.86
	<u>94.33</u>	<u>79.74</u>	<u>230.66</u>	<u>350.29</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
17. INVENTORIES (valued at lower of cost and net realizable value)		
Raw materials and packing materials	10,614.71	9,233.54
Work-in-progress	3,430.79	3,049.00
Finished goods		
-manufactured	14,857.05	20,412.69
-traded	14.12	4.09
Stores, spares and loose tools - Refer Note 2(a)	736.56	1,977.62
	<u>29,653.23</u>	<u>34,676.94</u>
18. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	-	0.09
-Unsecured considered doubtful	-	-
	<u>-</u>	<u>0.09</u>
Other debts		
-Secured, considered good	954.27	807.72
-Unsecured considered good	3141.24	683.45
	<u>4095.51</u>	<u>1,491.17</u>
	<u>4,095.51</u>	<u>1,491.26</u>
PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
(a) Cash on hand	11.51	12.31
(b) Balance with banks		
-On current accounts	5,423.88	2,815.61
-Deposits with original maturity less than 3 months	-	-
-On unpaid dividend accounts	70.14	92.17
	<u>5,505.53</u>	<u>2,920.09</u>
Other Bank balances		
Deposit with original maturity for more than 3 months but less than 12 months	-	-
Margin money or security against borrowings, Guarantees or other commitments	26.42	24.56
	<u>26.42</u>	<u>24.56</u>
	<u>5,531.95</u>	<u>2,944.65</u>
PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
	CURRENT	

Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 26.42 (March 31, 2016 : Rs. 24.56) are subject to first charge to secure the Company's cash credit loans.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
20. REVENUE FROM OPERATIONS		
Sale of Products		
(a) Finished Goods		
Milk	256,315.94	233,851.05
Milk products	107,719.97	67,765.56
Ice cream	33,564.12	26,888.33
Cattle feed	21,963.19	15,777.06
Ready to Eat("RTE")	232.03	112.66
(b) Traded Goods		
Cattle feed	26.57	12.65
Other operating revenue		
(c) Export Benefits	22.08	18.28
(d) Rental income on freezers	236.83	8.93
(e) Scrap sales and others	667.66	579.04
Revenue from Operations (Gross)	<u>420,748.39</u>	<u>345,013.56</u>
Less: Excise Duty	782.37	545.18
Revenue from Operations (Net)	<u>419,966.02</u>	<u>344,468.38</u>
21. OTHER INCOME		
Profit on sale of fixed assets (net)	121.94	205.94
Exchange differences (net)	-	39.78
Recoveries and others	375.87	154.01
Interest income on		
-Bank deposits	2.11	13.12
-Inter corporate deposits, electricity deposits, etc.	61.94	50.81
	<u>561.86</u>	<u>463.66</u>
22. COST OF RAW MATERIALS CONSUMED		
Inventory at the beginning of the year	9,233.54	4,569.33
Add: Purchases	301,053.16	257,725.52
	<u>310,286.70</u>	<u>262,294.85</u>
Less: Inventory at the end of the year	10,614.71	9,233.54
Cost of raw materials consumed	<u>299,671.99</u>	<u>253,061.31</u>
Details of raw materials consumed		
Raw Milk	234,133.04	200,690.15
Others*	65,538.95	52,371.16
	<u>299,671.99</u>	<u>253,061.31</u>
*includes raw material and packing material of milk products, ice-cream and cattle feed.		
Details of Inventory		
Raw materials		
Ice Cream Materials	1,306.60	849.22
Milk Products Materials	1,109.80	1,560.72
Milk Materials	716.61	664.74
Feed Materials	6,682.35	6,066.99
Others	799.35	91.87
	<u>10,614.71</u>	<u>9,233.54</u>
23. PURCHASES OF TRADED GOODS - CATTLE FEED	62.18	14.68
	<u>62.18</u>	<u>14.68</u>
24. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS		
Inventory at the beginning of the year		
Traded goods	4.09	4.61
Work-in-progress	3,049.00	2,268.75
Finished goods (including excise duty)	20,412.69	17,006.80
	<u>23,465.78</u>	<u>19,280.16</u>
Inventory at the end of the year		
Traded goods	14.12	4.09
Work-in-progress	3,430.79	3,049.00
Finished goods (including excise duty)	14,857.05	20,412.69
	<u>18,301.96</u>	<u>23,465.78</u>
(Increase)/decrease in work-in-progress and finished goods and Traded Goods	<u>5,163.82</u>	<u>(4,185.62)</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Details of Inventory		
Traded goods		
Cattle feed	14.12	4.09
	<u>14.12</u>	<u>4.09</u>
Finished goods		
Milk products	10,085.70	17,760.25
Ice cream	3,278.58	880.60
Milk	173.98	122.16
Cattle Feed	1,318.79	1,649.68
	<u>14,857.05</u>	<u>20,412.69</u>
Work-in-progress		
Milk	1,910.50	2,198.04
Ice cream	185.39	204.62
Milk Products	1,334.90	646.34
	<u>3,430.79</u>	<u>3,049.00</u>
25. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	9,700.09	8,382.15
Contribution to provident and other funds	809.55	659.06
Gratuity Expense (Refer note : 40)	101.69	258.15
Staff welfare expenses	2,074.57	1,723.27
	<u>12,685.90</u>	<u>11,022.63</u>
26. OTHER EXPENSES		
Consumption of stores and spares	1,276.31	3,312.32
Power and fuel [net of power credits of Rs. 182.04 (March 31, 2016 : Rs. 17.56)]	10,183.02	9,018.73
Rent	4,523.99	3,693.45
Repairs & Maintenance		
- Plant and machinery	3,225.50	3,620.56
- Building	758.66	651.89
- Others	1,824.50	1,386.67
Insurance	450.79	388.44
Rates and taxes	474.18	386.09
Legal and professional expenses	658.86	685.02
Payment to the auditors (Refer Note 26.1)	75.41	62.76
Advertisement and sales promotion expenses	10,931.21	7,957.25
Commission on sales	1,308.86	246.80
Freight outwards	14,771.46	11,811.62
Printing and stationery	394.02	317.21
Service Charges	7,942.08	5,991.82
CSR expenditure (Refer Note 42)	192.87	129.32
Donations	55.26	13.05
Directors sitting fees	7.95	5.65
Travelling and conveyance	3,001.27	2,735.61
Exchange differences, net	82.26	-
Security charges	954.84	893.04
Communication expenses	583.38	412.20
Postage and Courier charges	142.25	108.83
Miscellaneous expenses	617.04	259.14
	<u>64,436.37</u>	<u>54,087.47</u>
Note: 26.1		
Payment to Auditors (excluding service tax) as auditor :		
- Statutory audit fee	41.05	41.05
- Tax audit fee	10.00	12.00
- Limited review	6.90	6.90
- Other services	15.00	-
- Certification fees	0.86	0.86
-Reimbursement of expenses	1.60	1.95
	<u>75.41</u>	<u>62.76</u>
27. FINANCE COST		
Interest expenses	6,691.77	6,596.05
Ancillary borrowing costs	107.75	67.47
Bank charges	220.12	161.82
	<u>7,019.64</u>	<u>6,825.34</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
28. CONTINGENT LIABILITIES		
Claims made against the Company not acknowledged as debts in respect of income tax matters		
Income tax matters	-	-

a. Tax expenses of earlier years recognised in year ended March 31, 2017 represents write back of income tax provision aggregating Rs. 150 consequent to a favourable order received and that relating to year ended March 31, 2016 represents tax expense of Rs. 3,701.59 consequent to withdrawal of claim for certain deductions by the Management.

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
29. CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	18,265.48	2,791.82
	<u>18,265.48</u>	<u>2,791.82</u>
30. RELATED PARTY DISCLOSURES		
Entities in which KMP has significant influence		
Raja K.S.P Ganesan Charities		
Key Management Personnel (KMP)		
Mr. R.G. Chandramogan (Chairman and Managing Director)		
Mr. K.S. Thanarajan (Joint Managing Director)		
- Resigned as on December 31, 2016		
Mr. C. Sathyan (Executive Director)		
Mr. H. Ramachandran (Chief Financial Officer)		
Mr. S. Narayan (Company Secretary)		
Nature of Transactions:		
Managerial remuneration		
Mr. R.G. Chandramogan	66.81	66.81
Mr. K.S. Thanarajan	361.58	80.37
Mr. C. Sathyan	60.81	60.81
Mr. H. Ramachandran	52.35	48.32
Mr. S. Narayan	14.91	13.77
CSR Contribution to Trust		
Raja K.S.P. Ganesan Charities	-	70.00
HAP Sports Trust	192.50	-
Payment of Dividend		
Mr. R.G. Chandramogan	878.70	3,263.76
Mr. K.S. Thanarajan	6.06	48.52
Mr. C. Sathyan	141.99	527.40
Personal Guarantee provided by Managing Director and Executive Director towards loan borrowed by the Company	78,205.06	61,579.93
31. MOVEMENT IN DEFERRED INCOME		
Opening balance of subsidy	93.64	52.47
Less: Income recognised during the year	(6.54)	(4.33)
Closing balance of subsidy *	<u>87.10</u>	<u>48.14</u>
*Disclosed in balance sheet as given below:		
Deferred income (non-current) in under other long term liabilities (Note 7)	80.56	43.76
Deferred income (current) in under other long term liabilities (Note 10)	6.54	4.38
	<u>87.10</u>	<u>48.14</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017		MARCH 31, 2016	
	% OF TOTAL CONSUMPTION	VALUE	% OF TOTAL CONSUMPTION	VALUE
32. CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, PACKING MATERIALS AND STORES AND SPARES				
(a)Raw material and components consumed				
Imported	0.65%	1,939.00	0.12%	305.20
Indigenous	99.35%	297,732.99	99.88%	252,756.11
	<u>100.00%</u>	<u>299,671.99</u>	<u>100.00%</u>	<u>253,061.31</u>
(b)Stores and Spares				
Imported	0.55%	7.04	0.61%	20.08
Indigenous	99.45%	1,269.27	99.39%	3,292.24
	<u>100.00%</u>	<u>1,276.31</u>	<u>100.00%</u>	<u>3,312.32</u>

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
	33. EARNINGS IN FOREIGN EXCHANGE (ACCRUAL BASIS)	
Exports on FOB basis	522.89	593.77
	<u>522.89</u>	<u>593.77</u>
34 .CIF VALUE OF IMPORTS		
Raw materials and components	1,325.17	487.97
Spare parts	22.08	45.87
Capital goods	2,699.62	1,503.77
	<u>4,046.87</u>	<u>2,037.61</u>
35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
Travel expenses	3.04	8.33
Professional charges	24.95	68.20
Interest on Foreign currency loans	416.48	618.81
Others	5.47	6.69
	<u>449.94</u>	<u>702.03</u>

36. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

There are no dividend remittance in foreign currency during the year. (March 31, 2016 - Nil) .Dividends remitted to non-resident shareholders in INR in their bank accounts maintained in India are considered.

37. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Particulars of unhedged foreign currency exposure:

PARTICULARS	FOREIGN CURRENCY (FCY)	MARCH 31, 2017		MARCH 31, 2016	
		AMOUNT IN FCY	AMOUNT IN RS.	AMOUNT IN FCY	AMOUNT IN RS.
Trade Receivable	USD	120,067	77.85	100,465	66.64
Trade Payable	EUR	-	-	-	-
Trade Payable	USD	-	-	13,900	9.22
Capital Creditors Payable	EUR	54,942	38.05	9,000	6.76
Capital Creditors Payable	USD	88,398	57.32	-	-
Trade advance to supplier	GBP	-	-	1,939	1.84
Trade advance to supplier	USD	65,903	42.73	241,482	160.14
Trade advance to supplier	EUR	-	-	2,092	1.57

(b) Derivatives outstanding as at the reporting date:

The Company has entered into Cross currency interest rate swaps to hedge its exposure relating to External Commercial Borrowings. The Company has accounted these derivative instruments in accordance with accounting policy stated in note 2 (q).

PARTICULARS	PURPOSE
Interest rate swaps Notional amount USD 4,066,500 (March 31, 2016: USD 7,862,500)	Hedge of foreign currency loan and hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest and receive a variable interest based on LIBOR on the notional amount.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

38. OUTSTANDING LEASE OBLIGATIONS

Finance lease obligations

Vehicles includes vehicles obtained on finance lease. The lease term is for three years.

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
Future minimum lease payments		
Total minimum lease payments at the year end	-	12.00
Less : amount representing finance charges	-	0.76
Present value of minimum lease payments	-	11.24
(Rate of interest : 10% p.a.)		
Lease payments for the year	12.00	9.60
Minimum Lease Payments		
Not later than one year [Present value Rs.Nil as on March 31, 2017 (Rs. 8.87 as on March 31, 2016)]	-	9.60
Later than one year but not later than five years [Present value Rs.Nil as on March 31, 2017 (Rs. 2.36 as on March 31, 2016)]	-	2.40
Later than five years	-	-

Operating Lease

The Company has entered into operating leases for operating its corporate office. These leases have a non cancellable period of five years with an option to renew the contracts for a further period of four years. There are no restrictions placed upon the Company by entering into these leases. The lease payments are escalated at the rate of 10% once in two year, over the life of the lease.

Total of future minimum lease payments under non cancellable operating leases for each of the following periods:

	MARCH 31, 2017	MARCH 31, 2016
Not later than one year	197.93	190.43
Later than one year and not later than five years	757.39	955.32
Later than five years	-	-
Lease payments recognised in the statement of profit and loss	195.31	195.31
Others leases commitments are cancellable in nature.		

39. EARNINGS PER SHARE

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
Net Profit after taxation	13,396.59	6,049.70
Weighted average number of equity shares in calculating basic EPS (Nos.) (Refer Note No. 39.1)	152,168,307	108,691,648
Weighted average number of equity shares in calculating diluted EPS (Nos.) (Refer Note No. 39.1)	152,168,307	108,691,648
Basic EPS (in Rs.)	8.80	3.98
Diluted EPS (in Rs.)	8.80	3.98

39.1 As required by AS 20 – Earnings per share, weighted average number of equity shares used in calculating basic and diluted EPS for the year ended March 31, 2016 includes 434,76,659 equity shares issued as bonus shares during the year ended March 31, 2017.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

40. GRATUITY

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy for employees.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in Personnel Expenses)

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Present value of obligation at the beginning of the year	785.92	562.92
Current service cost	154.99	114.75
Interest Cost	58.55	45.03
Actuarial (gain) / loss on obligation	(63.79)	136.64
Benefits paid	(107.98)	(73.42)
Present value of obligation as at the end of the year	827.69	785.92

Changes in the fair value of plan assets are as follows:

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Fair value of planned assets at the beginning of the year	470.56	505.71
Expected return on plan assets	47.14	38.27
Actuarial gain / (loss) on plan assets	(0.42)	-
Contributions	459.80	-
Benefits paid	(107.97)	(73.42)
Fair value of plan assets at the end of the year	869.61	470.56

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Current service cost	154.99	114.75
Interest cost on benefit obligation	58.55	45.03
Expected return on plan assets	(47.64)	(38.27)
Net actuarial (gain) / loss recognised in the year	(64.21)	136.64
Net benefit expense	101.69	258.15
Actual return on planned Assets	47.64	38.27
Estimated contribution to the plan in the next accounting period	72.00	60.00

Details of provision for gratuity

PARTICULARS	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Present value of obligation as at the end of the year	827.69	785.92
Less : Fair value of plan assets at the end of the year	(869.61)	(470.56)
Plan (asset)/liability	(41.92)	315.36

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Amounts for the current and previous four periods are as follows:

PARTICULARS	31-MAR-17	31-MAR-16	31-MAR-15	31-MAR-14	31-MAR-13
Defined benefit obligation	827.69	785.92	562.92	496.64	401.05
Plan assets	(869.61)	(470.56)	(505.71)	(439.67)	(409.33)
(Surplus)/deficit	(41.92)	315.36	57.21	56.97	(8.28)
Experience adjustments on plan liabilities	(63.79)	136.64	(14.31)	7.41	23.28
Experience adjustments on plan assets	0.42	-	-	-	-

The principal assumptions used in determining gratuity benefit obligation for the Company's plan is shown below:

PARTICULARS	2016-17	2015-16
Discount rate (p.a.)	7.37%	8.00%
Expected return on plan assets (p.a.)	7.37%	8.00%
Employee turnover	1-3%	1-3%

The fund is 100% administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligation is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

41. SEGMENT INFORMATION**Primary segment**

The Company has identified milk & milk products and renewable energy segments as reportable business segments. Milk & Milk products segments mainly deals with sale of milk, milk products and ice cream. Renewable energy segments mainly deals with generating and supply of wind power to the Milk & Milk products segment for its captive consumption.

PARTICULARS	MARCH 31, 2017			MARCH 31, 2016		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
Segment Revenue						
a. Milk & Milk products	419,966.02	-	419,966.02	344,468.38	-	344,468.38
b. Renewable Energy	-	168.04	168.04	-	-	-
Total	419,966.02	168.04	420,134.06	344,468.38	-	344,468.38
Inter-segments eliminations		168.04	168.04	-	-	-
Net sales/Income from operations	419,966.02	-	419,966.02	344,468.38	-	344,468.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
Segment Results		
a. Milk & Milk products	23,953.90	20,343.88
b. Renewable Energy	67.19	-
Un-allocable Expenses	(635.79)	(584.86)
Operating profit	23,385.30	19,759.02
Less: Finance costs	7,019.64	6,825.34
Add: Other income including finance income	(561.86)	(463.66)
Profit before tax	16,927.51	13,397.34
Less:		
a. Current tax		
- MAT tax payable	3,612.60	4,513.29
- MAT TAX credit	(3,612.60)	(631.27)
b. Prior period tax	(150.00)	3,701.59
c. Deferred tax	3,680.93	(235.97)
Net profit / Loss	<u>13,396.59</u>	<u>6,049.70</u>
Segment Assets		
a. Milk & Milk products	143,950.30	114,744.77
b. Renewable Energy	17,435.32	-
Add: Unallocated assets	872.67	1,003.18
Total Assets	<u>162,258.29</u>	<u>115,747.95</u>
Segment Liabilities		
a. Milk & Milk products	42,866.63	22,288.21
b. Renewable Energy	13,979.76	-
Add: Unallocated Liabilities	70,701.36	70,393.10
Total Liabilities	<u>127,547.75</u>	<u>92,681.31</u>
Other segment information		
Tangible Assets		
a. Milk & Milk products	80,610.50	63,719.99
b. Renewable Energy	17,381.18	-
Total tangible assets	<u>97,991.68</u>	<u>63,719.99</u>
Intangible Assets		
a. Milk & Milk products	-	-
b. Renewable Energy	-	-
Add: Unallocated intangible assets	872.67	1,003.18
Total intangible assets	<u>872.67</u>	<u>1,003.18</u>
Depreciation and Amortisation for the year		
Segment depreciation		
a. Milk & Milk products	14,088.12	10,266.40
b. Renewable Energy	84.68	-
Total Segment Depreciation	14,172.80	10,266.40
Add: Unallocated Amortisation	387.67	442.49
Total Depreciation and Amortisation	<u>14,560.46</u>	<u>10,708.89</u>

Geographical segment

The Company's secondary segment is the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue, expenditure and certain asset information regarding the Company's geographical segments:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

YEAR ENDED MARCH 31, 2017	INDIA	OTHERS	TOTAL	YEAR ENDED MARCH 31, 2016	INDIA	OTHERS	TOTAL
Revenue from operations	419,432.95	533.07	419,966.02	Revenue from operations	343,861.02	607.36	344,468.38
Other segment information				Other segment information			
Segment assets	162,180.44	77.85	162,258.29	Segment assets	115,681.31	66.64	115,747.95
Capital expenditure:				Capital expenditure:			
Tangible fixed assets	48,534.47	-	48,534.47	Tangible fixed assets	12,433.59	-	12,433.59
Intangible assets	257.17	-	257.17	Intangible assets	63.36	-	63.36

42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016
a) Gross amount required to be spent by the Company during the year	175.18	123.73
b) Amount spent during the year	192.87	129.32
c) Amount unspent as at year end	-	-

43. DETAILS OF SPECIFIED BANK NOTES (SBN)

Summary of specified bank notes and other denomination notes held by the Company as on November 8, 2016 and December 30, 2016 and transacted during the period from November 8, 2016 to December 30, 2016 as required under the MCA notification G.S.R.308 (E) dated March 31, 2017 is given below.

PARTICULARS	SBNs*	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on November 8, 2016	8.46	8.80	17.26
(+) Permitted receipts	114.22	6,404.28	6,518.50
(-) Permitted payments	0.19	98.69	98.88
(-) Amount deposited in Banks	122.49	6,276.15	6,398.64
Closing cash in hand as on December 30, 2016	-	38.24	38.24

Note:

Permitted receipts presented in the table above represents cash collection made from customers at the Company's milk booths towards sale of liquid milk. As a part of its normal operating policies and procedures, the Company maintains denomination-wise details of all cash receipts directly received by them from customers based on which the above information has been compiled. Further, Management has considered cash deposited by the Company's customers directly in Company's bank accounts aggregating Rs. 5,932.58 as "other denomination notes" for reporting in the table above as banks cannot accept SBNs without written authorisation from the Company and no such authorisation to accept SBNs has been issued by the Company to the bankers.

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

44. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report attached of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004
sd/-

per Shankar Srinivasan
Partner
Membership No: 213271

For and on behalf of the Board of Directors of Hatsun Agro Product Limited

sd/-
R.G. Chandramogan
Chairman &
Managing Director

sd/-
H. Ramachandran
Chief Financial Officer

sd/-
C. Sathyan
Executive Director

sd/-
S. Narayan
Company Secretary

Place: Chennai
Date: April 27, 2017

Place: Chennai
Date: April 27, 2017

Balance Sheet Abstract

REGISTRATION DETAILS

Registration No : 12747

STATE CODE: 18

Balance Sheet Date: 31.03.2017

CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lakhs)

Public Issue:	Nil
Rights Issue:	Nil
Bonus Issue:	434.77
Private Placement:	Nil

POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Lakhs)

Total Liabilities:	1,62,258.29
Total Assets:	1,62,258.29

SOURCES OF FUNDS

Paid-up Capital:	1522.02
Reserves & Surplus:	33,188.52
Non-current Liabilities:	43,367.63
Current Liabilities:	84,180.12

APPLICATION OF FUNDS

Non-current Assets:	1,15,789.70
Current Assets:	46,468.59

PERFORMANCE OF COMPANY (Amount in Rs. Lakhs)

Turnover (Including Other Income):	4,20,527.88
Total Expenditure:	4,03,600.36
Profit Before Tax(+)(-):	+16,927.52
Profit After Tax (+)(-):	+13,396.59
Earning Per Share In Rs.:	8.80
Dividend Rate %:	400

GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No. (ITC Code):	040120.00
Product Description:	Milk
Item Code No. (ITC Code):	210500.00
Product Description:	Ice Creams Of All Varieties

For and on behalf of the Board

Sd/-
R.G. CHANDRAMOGAN
Chairman & Managing Director

Sd/-
C. SATHYAN
Executive Director

Sd/-
H. RAMACHANDRAN
Chief Financial Officer

Sd/-
S. NARAYAN
Company Secretary

Place: Chennai
Date: 27th April 2017

Registered & Corporate Office And Factories

REGISTERED & CORPORATE OFFICE

NO.1/20A, DOMAINE,
RAJIV GANDHI SALAI (OMR),
KARAPAKKAM, CHENNAI - 600 097,
TAMIL NADU, INDIA.

Phone: 91-44-24501622

Fax: 91-44-24501422

Website: www.hap.in

E-mail: secretarial@hatsun.com

PLANT LOCATIONS

Salem

Attur Main Road, Karumapuram Village,
Salem - 636 106, Tamil Nadu, India.

Salem - MPD

Attur Main Road, Ramalingapuram Village,
Salem - 636 106, Tamil Nadu, India.

Kancheepuram

No.144, Timmasamudram Village, Near
White Gate, Chennai-Bangalore Highway,
Kancheepuram - 631 502, Tamil Nadu, India.

Tirunelveli

NH-7, Tirunelveli-Nagercoil Road, Poolam
Village, Ayaneri, Moondradaippu (Post),
Tirunelveli - 627 152, Tamil Nadu, India.

Chennai - Red Hills

No.114, Angadu Road, Nallur,
Chennai - 600 067, Tamil Nadu, India.

Guduvancherry

No.344/2A2D, Nellikuppam Road,
Karanaipuduchery, Guduvancherry - 603 202,
Tamil Nadu, India.

Madurai

No.76/2B,Dindugal Madurai Main Road,
Thiruvazhavayanallur, Vadipatti (TK),
Madurai - 625 221, Tamil Nadu, India.

Vellisandhai

No.142/1B & 1C, Hosur Main Road,
Vellisandhai, Thandukaranahalli (PO),
Palacode, Dharmapuri - 636 808,
Tamil Nadu, India.

Thalaivasal

V.Koot Road Pirivu, Attu Pannai Post,
Periyeri Village, Thalaivasal, Attur TK,
Salem District - 636 112, Tamil Nadu, India.

Karur

SF.No.871/1, Ayyampalayam Village,
Aravakurichi TK, Karur - 639 111,
Tamil Nadu, India.

Kolasanahalli

SF.No.451-1A, Senganpasuvanthalave Village,
Kolasanahalli Panchayat, Palacode TK,
Dharmapuri - 636 805, Tamil Nadu, India.

Hyderabad

Sy.No.32/Part Suraram, Industrial Area,
Quthbullapur Mandal, Hyderabad - 500 055,
Telangana, India.

Chittoor

Sy.No.821&822, M.Bandapalli Village,
Putalapattu Mandal, Chittoor - 517 124,
Andhra Pradesh, India.

Belgaum

No.277/2, Desur Village, Kanapur Road,
Belgaum - 590 014, Karnataka, India.

Honnali

No. 109/2, Melebennur Road, Kurdur
Village, Honnali TK, Davangere District,
Honnali - 577 219,
Karnataka, India.

Palani

Melkaraipatti Village, Palani Taluk,
Dindigul District, Dindigul - 624 213,
Tamil Nadu, India.

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

HATSUN AGRO PRODUCT LIMITED

CIN: L15499TN1986PLC012747

Regd. Office: No.1/20A, Domaine,

Rajiv Gandhi Salai (OMR), Karapakkam, Chennai 600 097.

Phone: 044-24501622; Fax: 044-24501422; Email: secretarial@hatsun.com; Web: www.hap.in

32nd ANNUAL GENERAL MEETING – 24TH JULY 2017

Name of the member(s) :

Registered Address :

Email ID:

Folio No./DP ID No.:

Client ID No.:

I/We, being the member(s) of shares of the above named Company, hereby appoint

Name: Email:

Address:

..... Signature.....

or failing him/her

Name: Email:

Address:

..... Signature.....

or failing him/her

Name: Email:

Address:

..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday, the 24th Day of July, 2017 at 10.00 A.M. IST, at JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NUMBER	RESOLUTION	VOTE (OPTIONAL, SEE NOTE 2) (PLEASE MENTION NO. OF SHARES)		
		FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March, 2017			
2.	Ratification and confirmation of payment of Interim Dividends on equity shares for the financial year 2016-17			
3.	Appoint a Director in place of Shri C. Sathyan, who retires by rotation and being eligible, offers himself for re-appointment			
4.	To appoint Auditors and fix their remuneration			
SPECIAL BUSINESS				
5.	To appoint Mr. K.S.Thanarajan (DIN 00012285) as Director of the Company.			
6.	Ratification of remuneration of Cost Auditors			

Signed this.....day of2017.



.....
Signature of the Member
holder(s)

.....
Signature of the proxy

Notes: 1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting

2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance Slip

Hatsun Agro Product Limited
CIN: L15499TN1986PLC012747
Regd. Office: No.1/20A, Domaine,
Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai 600 097.
Phone: 044-24501622; Fax: 044-24501422
Email: secretarial@hatsun.com; Web: www.hap.in

32ND ANNUAL GENERAL MEETING – 24TH JULY 2017

Registered Folio No./DP ID No./Client ID No.:

No. of shares held:

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 32nd Annual General Meeting of the Company at JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117 on Monday, the 24th Day of July, 2017 at 10.00 A.M. IST.

.....

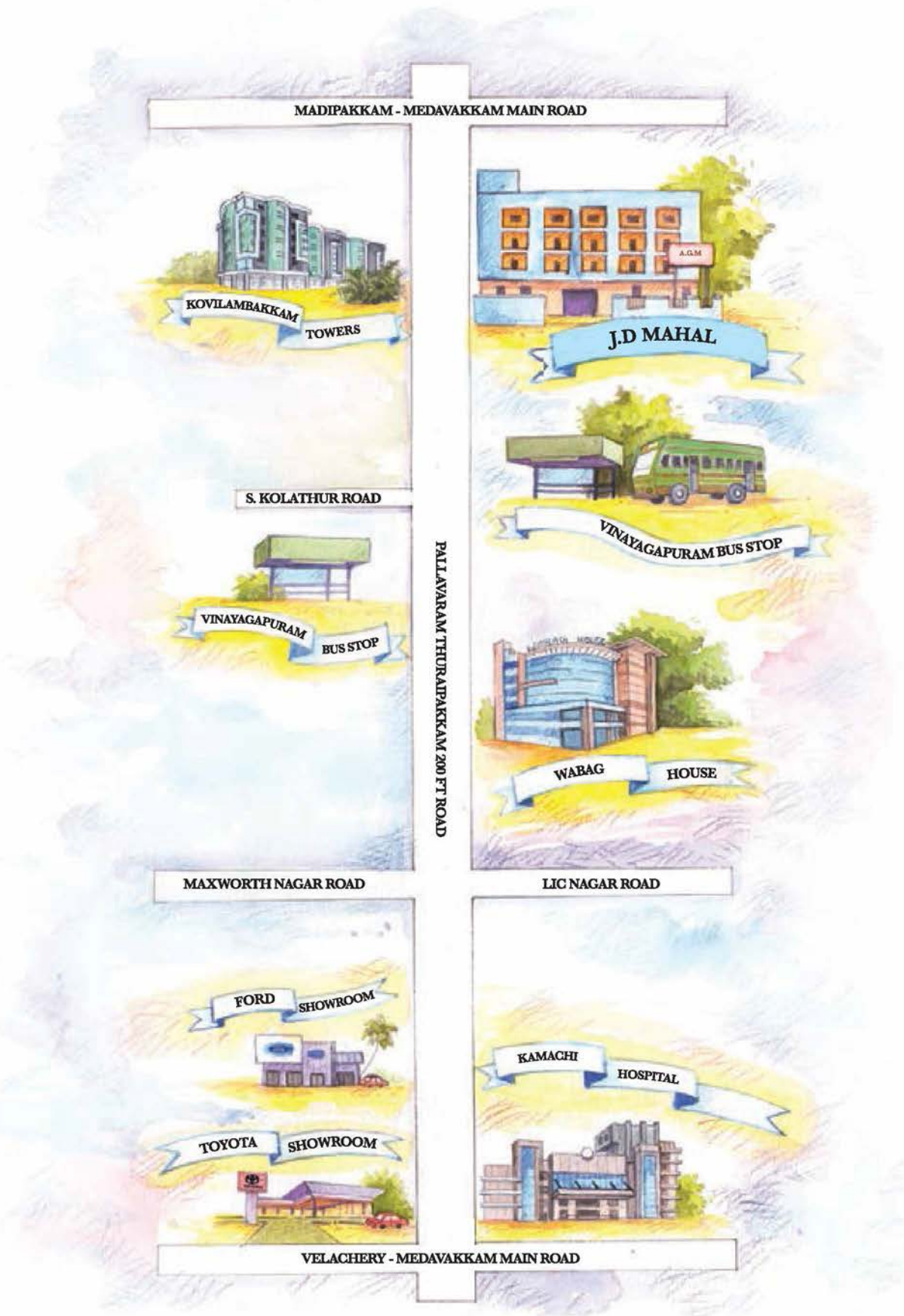
Name of the Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Members are requested to bring their copies of the Annual Report to the AGM.

.....

Signature of the Member/Proxy



DATE: 24th July, 2017 | DAY: Monday | TIME: 10.00 A.M.

VENUE: JD Mahal, Ground Floor, No.300, 200 Feet Radial Road, Kovilambakkam, Chennai - 600 117.



HATSUN AGRO PRODUCT LIMITED

No: 1/20A, Domaine, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai - 600 097, India.

P: 044-24501622 | W: www.hap.in