

HATSUN

AGRO PRODUCT LIMITED

(Formerly HATSUN MILK FOOD LIMITED)

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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13th Annual Report
1997-98

13th
Annual Report
1997-98



Hatsun Agro Product Limited

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ICECREAMS**H A T S U N**
AGRO PRODUCT LIMITED**13TH ANNUAL GENERAL MEETING**

DATE : 28th SEPTEMBER, 1998
 DAY : MONDAY
 TIME : 3.00 P.M.
 PLACE : HOTEL NEW WOODLANDS
 72-75 Dr.Radhakrishnan Salai,
 Mylapore, Chennai - 600 004.

BOARD OF DIRECTORS**R.G. CHANDRAMOGAN***Chairman and Managing Director***RAJA K.S.P.GANESAN****K.S. THANARAJAN****R.M. RAVI****A. CHANDRASEKARAN****COMPANY SECRETARY****R. THAMIZH VANAN****AUDITORS****D.MUTHUNARAYANAN & CO.**39, BAGIRATHIAMMAL STREET
T. NAGAR,
CHENNAI - 600 017.**BANKERS**TAMILNAD MERCANTILE BANK LTD.
SEETHAKATHI CHAMBERS,
MOUNT ROAD,
CHENNAI - 600 006.**REGISTERED OFFICE**5A, VIJAYARAGHAVA ROAD
T.NAGAR,
CHENNAI - 600 017.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Monday the 28th September, 1998 at 3.00 P.M. at New Woodlands Hotel, 72-75 Dr. Radhakrishnan Salai, Chennai 600 004 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March 1998 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To Declare dividend on equity shares for the year ended 31st March 1998.
3. To appoint a Director in place of Mr. R.M. Ravi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution :
 "Resolved that Shri. A. Chandrasekaran be and is hereby appointed as director of the company, liable for retirement by rotation."
6. To consider and, if thought fit, to pass with or without modification the following resolution as Special Resolution :
 "RESOLVED THAT :
 a) The Authorised Capital of the Company be and is hereby increased from Rs.5,50,00,000/- divided into 55,00,000 Equity Shares of Rs.10/- each to Rs.6,50,00,000/- divided into 65,00,000 Equity Shares of Rs.10/- each only.
 b) The clause V of Memorandum of Association be and is hereby substituted as follows :
 'The Authorised Share Capital of the Company is Rs.6,50,00,000/- (Rupees Six Crore fifty lacs only) divided into 65,00,000 Equity Shares of Rs.10/- each capable of being increased or decreased or converted or sub-divided into shares of different kinds in accordance with the provisions of the Companies Act, 1956.'
 c) The Articles 4 of Articles of Association of the Company be altered by substituting the words, 'The Authorised Share Capital of the Company is Rs.6,50,00,000/- (Rupees Six Crore fifty lacs only) divided into 65,00,000 Equity shares of Rs.10/- each' for the present words 'The authorised share capital of the company is of Rs.5,50,00,000/- divided into 55,00,000 equity shares of Rs.10/- each.'"
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :
 "RESOLVED THAT :
 a) Pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956 and subject to the requisite confirmation of the arrangement embodied in the Scheme of Amalgamation of HATSUN MILK PRODUCTS LIMITED (HMPL) and the Company submitted to the High Court of Judicature of Madras under Sections 391 and 394 and other applicable provisions, if any, of the Companies Act, 1956, and other requisite consents and approvals, if any, being obtained, and subject to such conditions and modifications as may be necessary to comply with the terms and conditions and modifications that may be imposed, prescribed or suggested by the appropriate authorities in that behalf and which the Board of Directors of the Company is hereby authorised to accept, consent of the Company be and is hereby accorded to the issue of 14,02,000 equity shares of Rs.10/- each in the Company credited as fully paid up in the proportion of ten (10) equity shares of the Company for every one (1) equity share of HMPL to the persons who are members of HMPL and whose names appear on the Register of Members of the said Company on such date as may hereafter be fixed by the Directors in that behalf (hereinafter referred to as the Record Date).
 b) The new equity shares be allotted subject to the Memorandum and Articles of Association of the Company.
 c) The new equity shares shall rank pari passu with the existing equity shares of the Company, except that they shall not be entitled to any dividend in respect of the year ending March 31, 1998.
 d) The members who are entitled to the new equity shares shall accept the same in full satisfaction of their respective rights and interest under and pursuant to the Scheme of Amalgamation aforesaid.
 e) No letters of allotment shall be issued to the allottees of the new equity shares and that the share certificates in

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respect of the new equity shares to be allotted as fully paid equity shares as aforesaid shall be completed and ready for delivery within three months from the date of allotment thereof.

- f) For the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, desirable or appropriate to settle any question, difficulty or doubt that may arise in regard to the issue and distribution of the new equity shares as they may think fit and to accept on behalf of the Company such conditions and modifications if any, relating to the issue of the new equity shares, which may be imposed, required or suggested by the appropriate authority or court which the Board of Directors in its discretion think fit and proper."

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

"RESOLVED THAT pursuant to provisions of Section 269, Schedule XVIII and other applicable provisions of Companies Act, 1956 approval be and is hereby given for the reimbursement of medical expenses of Shri. Raja K.S.P. Ganesan, Whole time Director amounting to Rs.2,82,000/- over and above the remuneration as such payable as per approval of the Annual General meeting held on 18.7.95."

By Order of the Board
for **HATSUN AGRO PRODUCT LIMITED**

R. THAMIZH VANAN
Company Secretary

Place : Chennai
Date : 19.06.1998

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
The instrument appointing proxy duly stamped and executed should be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 1998 to 28th September 1998 (both days inclusive) for the purpose of payment of dividend.
- c) Dividend on Equity Shares for the year ended 31st March 1998 as recommended by the Directors, if declared at the meeting will be paid, to those members whose names appear on the Register of Members as on 28th September 1998.
- d) Members are requested to intimate the change in their registered address, if any, to the Company.
- e) Members are requested
- to bring their copies of Annual Reports and attendance slips at the time of meeting.
 - to quote their folio no(s) in all correspondence
 - to forward their queries, if any, so as to reach the registered office of the company on or before 20.9.98 enabling the management to keep the information ready.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

SPECIAL BUSINESS

Item No.5

Shri. A. Chandrasekaran was appointed as additional Director of the company by the Board in its meeting held on 5.3.1998. Under section 260 of the Companies Act, 1956 he holds office upto the date of the Annual General Meeting.

Shri. A. Chandrasekaran has rich business experience which will be of great advantage to the company. Notice has been received from the individual intimating his intention to propose his name as director at the ensuing Annual General Meeting. The Board of Directors consider that his appointment as Director will be in the interest of the Company and recommends the acceptance of the resolution.

Except Shri.A. Chandrasekaran none of the Directors are interested in the resolution.

Hatsun Agro Product Limited

**Item No.6**

The present authorised share capital of the company is Rs.5,50,00,000/- of which only Rs.50,00,000/- is available for allotment subject to the provisions of the companies Act, 1956.

In view of proposed Amalgamation of Hatsun Milk Products Ltd with the Company it is proposed to increase the authorised capital by Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The increase in authorised capital requires approval of shareholders by special resolution.

The Directors are interested in this resolution to the extent of their shareholdings.

Item No.7

The Board of Directors of the Company and Hatsun Milk Products Limited (HMPL) have, at their respective meetings held on 29 July 1998 approved to a proposal for amalgamation of HMPL with the Company. The proposed Scheme of Amalgamation of HMPL with the Company provides, amongst others, that the Company will issue and allot equity shares of Rs.10/- each in the Company to the shareholders of HMPL in the proportion of Ten (10) fully paid equity shares of Rs.10/- each of the Company aggregating to Rs.140.20 lacs for every one (1) fully paid equity share of Rs.100/- each of HMPL held by such shareholders.

Therefore, the said Scheme of Amalgamation if approved by the shareholders of both the Companies as well as the Hon'ble High Court of Judicature at Madras would require issue and allotment of 14,02,000 equity shares of Rs.10/- each to the shareholders of HMPL.

Section 81(1) of the Companies Act, 1956 however, provides in Clause (a) that when it is proposed to increase the subscribed capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of equity shares in the Company, in proportion, as nearly as circumstances admit to the capital paid up on those shares at that date. Pursuant to Sec.81 (1A) of the said Act, notwithstanding anything contained in Sec.81(1), the said further shares may be offered by the Company to any persons in any manner whatsoever, if a Special Resolution to that effect is passed by the Company in general meeting. The proposed Special Resolution is designed to comply with the requirements of Section 81 and Section 81 (1A) of the Companies Act, 1956 in the context of issue and allotment of shares of the Company to the members of HMPL pursuant to the proposed Scheme of Amalgamation.

The Board recommends passing the Special Resolution.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company and HMPL, a tabulated statement whereof will be available for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day from 1 September, 1998 to 27 September, 1998. Mr.R.G. Chandramogan, Managing Director of the Company is also the Managing Director of HMPL. Mr. K.S.Thanarajan, Director is also Joint Managing Director of HMPL. Mr. Raja K.S.P. Ganesan, Whole time Director is a non-executive director of HMPL. They may therefore, be deemed to be concerned or interested in the proposed resolution by virtue of their common directorships.

Item No.8

Shri. Raja K.S.P. Ganesan has been in the Board since its incorporation. He was appointed as whole time Director on a salary of Rs.15,000/- per month plus perquisites for a period of five year effective from 26.6.95, vide approval of Annual General Meeting held on 18.7.95.

Now he had undergone treatment on heart ailment and incurred an expenditure of Rs.2,82,000/-. The Board has approved its reimbursement having regard to the tenure of his directorship of the company. The payment is over and above the remuneration payable as such as per the above said package approved by Annual General Meeting held on 18.7.95 and is within the limits of Section 269 read with schedule XVIII of Companies Act 1956.

Except Shri Raja K.S.P. Ganesan and Mr.R.G. Chandramogan, Managing Director, no other directors are interested in this resolution.

By Order of the Board
for **HATSUN AGRO PRODUCT LIMITED**

Place : Chennai
Date : 19.06.1998

R. THAMIZH VANAN
Company Secretary

Hatsun Agro Product Limited

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To

The Members

HATSUN AGRO PRODUCT LIMITED

The Directors have pleasure in presenting the 13th Annual Report and Audited Financial Statements for the year ended 31st March 1998.

FINANCIAL RESULTS

	(Rs.in lacs)	
	Year ended 31st March 98	Year ended 31st March 97
Net profit before amortisation of miscellaneous expenses depreciation, Interest and tax	299.17	295.40
Less Amortisation of expenses	43.95	43.95
Net profit after amortisation of miscellaneous expenses but before depreciation, interest and tax	255.22	251.45
Less Depreciation	37.88	20.24
Less Interest	17.29	17.23
Net Profit for the Year	200.05	213.98
Provision for tax	(0.25)	0.18
Profit after Tax	199.80	213.80
Add : Provision for Dividend and Dividend Tax 1996-97 written back	20.75	0.02
Prior Period Income	0.59	—
Taxation adjustment of previous year	(0.27)	—
Balance brought forward from previous Year	89.98	34.02
Profit available for appropriation	310.85	247.84
APPROPRIATIONS		
Transfer to General Reserve	20.10	21.40
Taxation reserve	21.05	27.65
Proposed dividend (inclusive of dividend tax)	136.99	108.81
Balance profit Carried to Balance Sheet	132.71	89.98
	<u>310.85</u>	<u>247.84</u>

DIVIDEND

Your Directors are pleased to recommend a final dividend of 15% Prorata for the Financial Year 1997-98 over and above interim dividend of 15% already paid.

PERFORMANCE

During the year under review the total sales of the Company has gone up to Rs.2127.30 lacs from Rs.1841.31 Lacs during the year ended 31.3.1997 (an increase of 15.53% over the previous year), thanks to introduction of new varieties of icecreams and marginal increase in the icecream outlets. Efforts are being made to increase/introduction of new flavours and open new parlours in areas which are not represented now. The Net Profit has been marginally affected due to increased advertisement and increased provision for depreciation.

NAME CHANGE

The name of the company has been changed with the approval of Central Government from HATSUN MILK FOOD LIMITED to HATSUN AGRO PRODUCT LIMITED effective from 7.4.1998.

NEW PRODUCT

The Company has diversified its activities and entered into production and sale of Toor Dhall and Urid Dhall under the brand name "APURVA". Apurva has been launched in the second week of April '98 and the sales trend is very encouraging. Your company has proposed to market other varieties of dhall, once company's own modern dhall mill is set up.

Hatsun Agro Product Limited

**PROJECTIONS Vs. ACTUALS**

	(Rs.in Lacs)	
	Projections as per Prospectus	Actuals
Sales	3135.88	2127.30
Profit after interest & before depreciation	617.43	237.93
Profit After Tax	445.91	199.78
Dividend (%)	30.00	30.00
EPS (Annualised)	8.92	4.00

The Actual turnover is not in line with projected turnover due to non-expansion of marketing base as originally contemplated to other parts of India because of depressed economic scenerio. The Actual profit is not in line with projected profitability due to fall in the projected turnover.

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

As required under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, details regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure "A" attached hereto and form part of this Report.

HUMAN RESOURCES

As required under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of the concerned employees are given in Annexure "B" which is attached hereto and forms part of the Directors' Report.

DIRECTORS

Mr.A.Chandrasekaran, appointed as additional Director retires at the ensuing Annual General Meeting. The Company has received notice from him under the provisions of Article 118 for his candidature for appointment as director.

Pursuant to the provisions of the Articles of Association of the Company Mr.R.M.Ravi retire by rotation at the ensuing Annual General Meeting. He being eligible offer himself for re- appointment as Director liable for retirement by rotation.

AUDITORS

M/s D.Muthunarayanan & Co., Chartered Accountants, Chennai hold office as Auditors of the Company until the conclusion of the ensuing 13th Annual General Meeting and the Board recommends their re-appointment till the conclusion of the next Annual General Meeting.

The Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their re-appointment if made would be within the prescribed limits under Section 224 (1B) of the Act.

The Auditors in their report have referred to the Note No.2 of Section B of schedule No.23 forming part of accounts regarding treatment of MAT which is self explanatory. Adequate reserve for taxation has been made.

ACKNOWLEDGEMENTS

The Board wishes to place on record its gratitude for the co- operation and assistance extended by the bankers and financial institutions. The Board also wishes to place on record its appreciation of the services of the employees of the company at all levels. The Board also places on record its appreciation for the whole-hearted support extended by the shareholders.

For and on behalf of the Board

Place : Chennai
Date : 19.06.1998

R.G. CHANDRAMOGAN
Chairman