

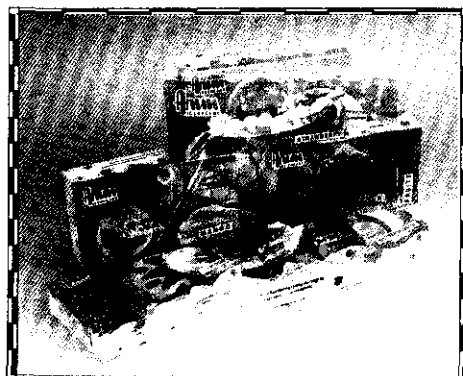
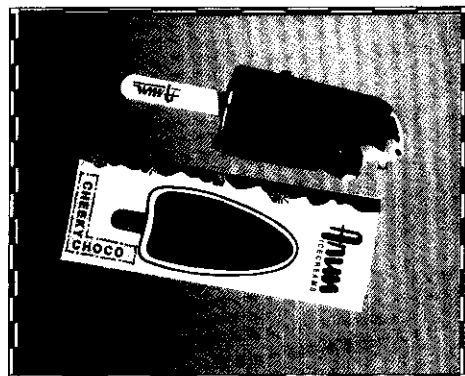
HATSUN

AGRO PRODUCT LIMITED

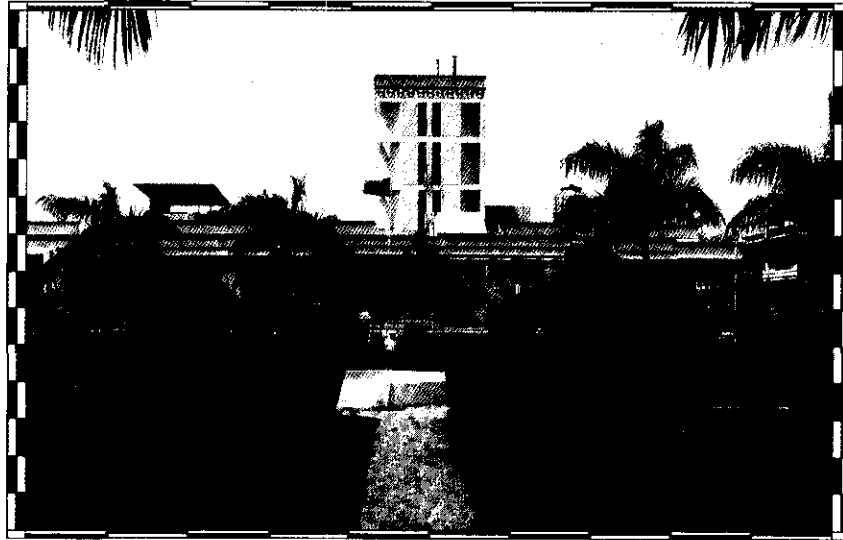
(Formerly HATSUN MILK FOOD LIMITED)



14th Annual Report
1998-99



ARUN ICE CREAMS
A range to suit all tastes



Hatsun's dairy at Salem



"AROKYA" Milk being packed in sachets

H A T S U N

AGRO PRODUCT LIMITED

(Formerly HATSUN MILK FOOD LIMITED)

14TH ANNUAL GENERAL MEETING

DATE : 23rd SEPTEMBER, 1999
 DAY : THURSDAY
 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

K.S. THANARAJAN
Joint Managing Director

RAJA K.S.P.GANESAN

R.M. RAVI

P. VAIDYANATHAN

COMPANY SECRETARY

R. THAMIZH VANAN

AUDITORS

D.MUTHUNARAYANAN & CO.
 39, BAGIRATHIAMMAL STREET
 T. NAGAR,
 CHENNAI - 600 017.

BANKERS

PUNJAB NATIONAL BANK
 MYLAPORE
 CHENNAI - 600 004.

REGISTERED OFFICE

5A, VIJAYARAGHAVA ROAD
 T.NAGAR,
 CHENNAI - 600 017.

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*Hatsun Agro Product Limited***NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Thursday the 23rd September 1999 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 1999 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 1999.
3. To appoint a Director in place of Mr. Raja K.S.P. Ganesan who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following as an ordinary Resolution :
 "RESOLVED THAT Messrs. S.R. Batliboi & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company in the place of existing auditors of the Company M/s. D. Muthunayanan & Co., Chartered Accountants, and the Board of Directors of the Company be and is hereby authorised to fix their remuneration plus all out-of-pocket expenses."

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. P. VAIDYANATHAN 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 modifications the following resolution as an **ordinary resolution** :
 "Resolved that Shri. KIRTI P SHAH be and is hereby appointed as director of the company, liable for retirement by rotation."
7. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution** :
 "RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293 (1) (d) of the Companies Act, 1956 to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed at any time shall not exceed Rs.50 crores.
8. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution** :
 "Resolved that pursuant to provisions of section 293 (1)(a) and other applicable provisions of Companies Act 1956, if any, Consent of the Company be and is hereby accorded to the Board of Directors of the Company for creation of such charge / security (including pari pasu charge/ security) over the assets of the company in such manner and in such form and on such of the assets of the company both present and future as may be agreed to by the Board of Directors of the company for the purpose of securing the borrowings within the overall limit of Rs.50 crores."
 "Resolved further that Board of Directors be and is hereby authorised to finalise and execute such documents and such other agreements as may be necessary for creating the charge / security as aforesaid and to do all such acts, deeds, matters and things as may be necessary from time to time."

Hatsun Agro Product Limited

9. 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 269, 309, 310 and Schedule XIII and other applicable provisions, if any of the Companies Act 1956 and in supersession of earlier terms, approval be and is hereby granted for the appointment of Sri R.G. Chandramogan as Managing Director for a period of five years effective 1.4.99 on the following terms and conditions.

I. Salary : Rs.35,000/- p.m.

II. Perquisites :

CATEGORY A

1) HOUSING

If the accommodation is provided by the Company, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary. In case, no accommodation is provided by the Company, the individual is entitled to House Rent Allowance subject to the ceiling of 50% of Salary.

2) MEDICAL REIMBURSEMENT

Reimbursement of actual regular medical expenses including insurance premium incurred for self and family subject to ceiling of one month salary in a year. Reimbursement of special medical expense shall be subject to approval of the Board of Directors.

3) LEAVE TRAVEL CONCESSION

Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company.

4) CLUB FEES

Reimbursement of membership fee for clubs in India including admission and life membership fees.

CATEGORY B

i) Contribution to Provident Fund, Superannuation fund or Annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half month's salary for each completed year of service.

ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY C

Provision of Car on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned."

III. However, the total remuneration by way of salary and perquisites, shall not exceed 5% (where there is only one Managerial person) and 10% (where there are more than one Managerial person, for all of them together) of the net profits, of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956.

IV. Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him a minimum remuneration by way of Salary and perquisites not exceeding the ceiling limits set out in Section II of part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

10. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to Provision of Sections 269, 309, 310, schedule XIII and other applicable provisions of Companies Act, 1956 Mr. K.S.Thanarajan be and is hereby appointed as Joint Managing Director for a period of 5 years with effect from 1.3.99 on the following terms and conditions.

I. Salary : Rs.35,000/- p.m.

Hatsun Agro Product Limited

II. Perquisites :

CATEGORY A

1) HOUSING

If the accommodation is provided by the Company, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary. In case, no accommodation is provided by the Company, the individual is entitled to House Rent Allowance subject to the ceilings of 50% of Salary.

2) MEDICAL REIMBURSEMENT

Reimbursement of actual regular medical expenses including insurance premium incurred for self and family subject to ceiling of one month salary in a year. Reimbursement of special medical expense shall be subject to approval of the Board of Directors.

3) LEAVE TRAVEL CONCESSION

Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company.

4) CLUB FEES

Reimbursement of membership fee for clubs in India including admission and life membership fees.

CATEGORY B

i) Contribution to Provident Fund, Superannuation fund or Annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half month's salary for each completed year of service.

ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY C

Provision of Car on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned."

III. However, the total remuneration by way of salary and perquisites, shall not exceed 5% (where there is only one Managerial person) and 10% (where there are more than one Managerial person, for all of them together) of the net profits, of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956.

IV. Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him a remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limits set out in Section II of part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force)."

11. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to Sections 269, 309, 310, Schedule XIII and other applicable Provisions of Companies Act and in supersession of earlier terms, approval be and is hereby granted for appointment of Mr. Raja K.S.P. Ganesan as Whole-time Director for a period of 5 years from 1.4.99 on the following terms and conditions.

I. Salary : Rs.25,000/- p.m.

II. Perquisites :

CATEGORY A

1) HOUSING

If the accommodation is provided by the Company, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary. In case, no accommodation is provided by the Company, the individual is entitled to House Rent Allowance subject to the ceilings of 50% of Salary.

*Hatsun Agro Product Limited*2) **MEDICAL REIMBURSEMENT**

Reimbursement of actual regular medical expenses including insurance premium incurred for self and family subject to ceiling of one month salary in a year. Reimbursement of special medical expenses shall be subject to approval of the Board of Directors.

3) **LEAVE TRAVEL CONCESSION**

Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company.

4) **CLUB FEES**

Reimbursement of membership fee for clubs in India or abroad including admission and life membership fees.

CATEGORY B

- i) Contribution to Provident Fund, Superannuation fund or Annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half month's salary for each completed year of service.
- ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY C

Provision of Car on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

- III. However, the total remuneration by way of salary and perquisites, shall not exceed 5% (where there is only one Managerial person) and 10% (where there are more than one Managerial person, for all of them together) of the net profits, of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956.
- IV. Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company will pay him a remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limits set out in Section II of part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution** :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

The following new Article 70A be inserted after the existing Article 70

70A DEMATERIALISATION OF SECURITIESa) *Definitions*

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

b) *Dematerialisation of Securities*

Notwithstanding anything contained in these Articles, the Company shall be entitled to Dematerialise or

Hatsun Agro Product Limited

rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c) Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d) Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) Rights of Depositories and Beneficial Owners

- i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Allotment of Securities dealt with in a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the Details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of Securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

k) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears

Hatsun Agro Product Limited

on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

13. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of the Foreign Exchange Regulations Act, 1973 and the Portfolio Investment Scheme framed thereunder and subject to the approval of the Reserve Bank of India, and other appropriate authorities, if applicable, the consent of the shareholders be and is hereby accorded for purchase/acquisition of Equity Shares of the Company by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) etc. under the Portfolio Investment Scheme of the RBI subject, however, that the Equity Shares so purchased/acquired under the Scheme shall not exceed 24% of the issued equity Share Capital of the Company.

RESOLVED FURTHER that the said purchase/acquisition of shares as aforesaid up to a limit of 24% of the issued Share Capital shall be subject to the conditions and restrictions laid under the Portfolio Investment Scheme for the time being in force and as amended from time to time.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps as may be necessary and/or desirable to give effect to this resolution."

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

Place : Chennai
Date : 23.07.1999

R. THAMIZH VANAN
Company Secretary

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 16th September 1999 to 23rd September 1999 (both days inclusive) for the purpose of payment of dividend.
- c) Dividend on Equity Shares for the year ended 31st March 1999 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 23rd September 1999.
- d) Members are requested to intimate the change in their registered address, if any, to the Company.
- e) Members are requested
 - a) to bring their copies of Annual Reports and attendance slips at the time of meeting.
 - b) to quote their folio no(s) in all correspondence
 - c) to forward their queries, if any, so as to reach the registered office of the company on or before 10.9.99 for enabling the management to keep the information ready.