
HATSUN

AGRO PRODUCT LIMITED

BOARD OF DIRECTORS

R.G. CHANDRAMOGAN
Chairman and Managing Director

K.S. THANARAJAN
Joint Managing Director

C. SATHYAN
Executive Director - Operations

P. VAIDYANATHAN

KIRTI P. SHAH

S. THIAGARAJAN

B.S. MANI

N. CHANDRASEKARAN

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

P. VAIDYANATHAN

S. THIAGARAJAN

B.S. MANI

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

S. THIAGARAJAN

P. VAIDYANATHAN

K.S. THANARAJAN

REMUNERATION COMMITTEE

P. VAIDYANATHAN

S. THIAGARAJAN

B.S. MANI

COMPANY SECRETARY

B.V. NATH

REGISTERED & CORPORATE OFFICE

5-A, VIJAYARAGHAVA ROAD
T.NAGAR, CHENNAI - 600 017.
Phone: 091-044-28150014, Fax: 091-044-28152508
Website: www.hatsun.com
E-mail: secretarial@hatsun.com

FACTORIES

1. ATTUR MAIN ROAD
KARUMAPURAM VILLAGE
SALEM - 636 106, TAMIL NADU.
2. TIMMASAMUDRAM VILLAGE
CHENNAI-BANGALORE HIGHWAY
KANCHEEPURAM TALUK
KANCHEEPURAM - 631 502
TAMIL NADU.
3. NO.114, ANGADU ROAD
NALLUR, CHENNAI - 600 067
TAMIL NADU.
4. NO.277/2, DESUR VILLAGE
BELGAUM - 590 014
KARNATAKA.
5. NO.109/2, KUNDUR VILLAGE
HONNALI TALUK, DAVANGERE DISTRICT
HONNALI, KARNATAKA.
6. NO.142/IB & IC, HOSUR ROAD
VELLISANDAH
PALACODE 606 806, TAMIL NADU.
7. NO.76/2B, DINDUGAL MADURAI MAIN ROAD
THIRUVAZHAVAYANALLUR,
VADIAPATTI TALUK
MADURAI 625 221, TAMIL NADU.
8. VKO TTU ROAD, PRIVU
ATTUR PANNAI, CERLYERI ROAD,
ATTUR TALUK, SALEM DISTRICT
THALAIVASAL.

BRANCHES/DEPOTS

- | | |
|----------------|----------------|
| ◆ AVINASHI | ◆ PUDUCHERRY |
| ◆ BANGALORE | ◆ SALEM |
| ◆ CHENNAI | ◆ THANJAVUR |
| ◆ KANCHEEPURAM | ◆ THIRUNELVELI |
| ◆ MADURAI | ◆ VIJAYAWADA |

STATUTORY AUDITORS

M/S. S R BATLIBOI & ASSOCIATES

CHARTERED ACCOUNTANTS

"TPL HOUSE", SECOND FLOOR, NO.3, CENOTAPH ROAD, TEYNAMPET, CHENNAI - 600 018.

BANKERS

STATE BANK OF INDIA • ICICI BANK LTD • SYNDICATE BANK • INDIAN OVERSEAS BANK • AXIS BANK
PUNJAB NATIONAL BANK • THE BANK OF RAJASTHAN LTD. • THE KARUR VYSYA BANK LTD.
LAKSHMI VILAS BANK LTD. • THE SOUTH INDIAN BANK LTD. • YES BANK LTD.

24th ANNUAL GENERAL MEETING

DATE : 5th AUGUST, 2009
DAY : WEDNESDAY
TIME : 11.00 A.M.
VENUE : ABIRAMI CHIDAMBARAM COMMUNITY HALL,
MAC CHARITIES, NO. 1/3A, RIVER VIEW ROAD,
KOTTURPURAM,
CHENNAI - 600 085.

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Forth Annual General Meeting of HATSUN AGRO PRODUCT LIMITED will be held on Wednesday, the 5th August 2009 at 11.00 a.m. at Abirami Chidambaram Community Hall, MAC Charities, No. 1/3A, River View Road, Kotturpuram, Chennai – 600 085 to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To ratify the Interim pro-rata dividend on 8% Non-Convertible Cumulative Redeemable Preference Shares declared and paid for the year ended 31st March 2009.
3. To ratify the Interim Dividend of 30% declared and paid for the year ended 31st March 2009.
4. To appoint a Director in place of Mr. P Vaidyanathan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. C Sathyan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Kirti P Shah, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s. S R Batliboi & Associates, Chartered Accountants, the retiring Auditors, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution
“**RESOLVED THAT** subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of and Schedule XIII to the Companies Act, 1956 read with Article No.138A of the Articles of Association of the Company, approval be and is hereby accorded to the re-appointment of Mr R G Chandramogan, as the Chairman and Managing Director, for a further period of five years with effect from 1st April , 2009, on the following terms and conditions and remuneration as approved by the shareholders at their meeting held on 19th September 2007:”

A. Mr. R G Chandramogan, Chairman and Managing Director

I SALARY: Rs. 2,00,000/- (Rupees Two Lakhs only) per month.

II PERQUISITES: The perquisites are classified into three Categories, Category A,B and C – as follows :

CATEGORY 'A'

1) HOUSING

House Rent Allowance shall be subject to a ceiling of 50% of the Salary. If the Company provides the accommodation, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary.

2) MEDICAL BENEFITS

Reimbursement of actual medical expenses incurred for self and family subject to a ceiling of one half month's salary in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.

3) LEAVE TRAVEL ALLOWANCE

Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company subject to a ceiling of one month's salary.

4) CLUB FEES

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

5) INSURANCE COVER

Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation : For the purpose of Category 'A', 'family' means the spouse, dependant children and dependant parents.

CATEGORY 'B'

- (1) The Benefit of the Company's Provident Fund and Superannuation Scheme in accordance with the rules for the time being in force. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.
- (2) Leave : Mr. R.G. Chandramogan will be allowed leave and encashment thereof as per the Rules of the Company.

CATEGORY 'C'

The Company shall provide a car with driver and telephone facility at the residence of Mr. R.G. Chandramogan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. R.G. Chandramogan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

The aggregate remuneration inclusive of salary, bonus, incentives, perquisites and allowances and other benefits payable to Mr. R.G. Chandramogan, shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

Minimum remuneration

Where in any financial year during the tenure of Mr. R.G. Chandramogan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. R.G. Chandramogan the above remuneration by way of salary, perquisites and others as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule XIII to the Companies Act, 1956, the Company shall seek permission of Central Government as may be necessary in accordance with the provision governing payment of remuneration in force at the relevant point of time.

The appointment is terminable by three months' notice or by payment of three months' salary in lieu thereof by either party."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of and Schedule XIII to the Companies Act, 1956 read with Article No.138A of the Articles of Association of the Company, approval be and is hereby accorded to the re-appointment of Mr K S Thanarajan, as the Joint Managing Director, for a further period of five years with effect from 1st March 2009, on the following terms and conditions and remuneration as approved by the shareholders at their meeting held on 19th September 2007:

A. Mr. K S Thanarajan, Joint Managing Director

I SALARY : Rs. 2,00,000/- (Rupees Two Lakhs only) per month.

II PERQUISITES : The perquisites are classified into three Categories, Category A,B and C – as follows :

CATEGORY 'A'

1) HOUSING

House Rent Allowance shall be subject to a ceiling of 50% of the Salary. If the Company provides the accommodation, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary.

2) MEDICAL BENEFITS

Reimbursement of actual medical expenses incurred for self and family subject to a ceiling of one half month's salary in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.

3) LEAVE TRAVEL ALLOWANCE

Leave Travel Concession for self and family once in a year in accordance with the rules specified by the Company subject to a ceiling of one month's salary.

4) CLUB FEES

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

5) INSURANCE COVER

Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation : For the purpose of Category 'A', 'family' means the spouse, dependant children and dependant parents.

CATEGORY 'B'

- (1) The Benefit of the Company's Provident Fund and Superannuation Scheme in accordance with the rules for the time being in force. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.
- (2) Leave : Mr. K.S.Thanarajan will be allowed leave and encashment thereof as per the Rules of the Company.

CATEGORY 'C'

The Company shall provide a car with driver and telephone facility at the residence of Mr. K.S.Thanarajan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. K.S.Thanarajan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

The aggregate remuneration inclusive of salary, bonus, incentives, perquisites and allowances and other benefits payable to Mr. K.S.Thanarajan, shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

Minimum remuneration

Where in any financial year during the tenure of Mr. K.S. Thanarajan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. K.S.Thanarajan the above remuneration by way of salary, perquisites and others as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule XIII to the Companies Act, 1956, the Company shall seek permission of Central Government as may be necessary in accordance with the provision governing payment of remuneration in force at the relevant point of time.

The appointment is terminable by three months' notice or by payment of three months' salary in lieu thereof by either party."

10. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956, (including any statutory modifications, or re-enactment thereof for the time being in force), the Listing Agreement and SEBI (Disclosure and Investor Protection) Guidelines, 2000 on preferential issues, as amended from time to time and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and such rules and / or guidelines as may be in force, from time to time and subject to the approvals, consents, permissions and sanctions from such authorities, as may be necessary and also subject to such terms, conditions and modifications, as may be prescribed by any of them while granting approvals, consents, permissions and sanction, consent of the company be and is hereby accorded to the Board of Directors to offer, issue and allot not exceeding 250 (Two Hundred and Fifty) 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/- (Rupees Ten Lacs only) each, convertible into equity shares of face value of Rs.2/- each, at a price to be mutually agreed to by the Board of Directors of the company and the proposed allottees, but however, at a price which shall not be less than the higher of the price calculated as per the applicable SEBI Guidelines with the relevant date as 30 days prior to the date on which the meeting of the General Body of the shareholders is held approving this issue and Rs.100/- per share, to the following allottees for the amount mentioned in respect of each one of them and subject to such other terms and conditions, as may be agreeable to the Board of Directors of the company and the proposed allottees :

Sl. No.	Name of the Person / Entity	Amount – Rs. in Lacs
1.	Mr. Kirti P. Shah	680
2.	Mr. Ravi K. Shah	140
3.	Mr. Raju K. Shah	140
4.	Ms. Rekha K. Shah	140
5.	Mr. Satya Dhanushkodi	150
6.	Mr. Sankar Dhanushkodi	150
7.	M/s. Integrated Registry Services Limited	200
8.	Mr. Chellayan M	200
9.	Mr. Sivaramakrishnan R	200
10.	M/s. V.V.V & Sons Edible Oils Limited	100
11.	Mr. M. Arun	400
	Total	2500

“RESOLVED FURTHER THAT the equity shares resulting from such conversion of 6% Unsecured Compulsorily Convertible Debentures to be allotted shall be subject to the Memorandum and Articles of Association of the company and shall rank in all respects pari passu inter se and also with the then existing fully paid up equity shares of the company”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the issue and allotment of the said 6% Unsecured Compulsorily Convertible Debentures, the Board or any Committee of the Board or any person(s) authorized by it, be and are hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise as regard to the issue, allotment, as it may in its absolute discretion deem fit and proper”.

“RESOLVED FURTHER THAT the “relevant date”, as defined under the SEBI (Disclosure and Investor Protection) Guidelines for the purpose of the conversion of the said debentures into the equity shares of the company would be 30 days prior to the date on which the meeting of the General Body of the shareholders is held approving this issue”.

Place : Chennai
Date : 7th July, 2009

Registered Office:
5-A, Vijayaraghava Road,
T. Nagar, Chennai - 600 017.

By order of the Board
for **HATSUN AGRO PRODUCT LIMITED**
Sd/-
B.V. NATH
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of the ensuing Annual General Meeting from 30th July, 2009 to 5th August 2009 (both days inclusive).
3. Shareholders are requested to notify our Registrar and Share Transfer Agent, M/s Alpha Systems Private Limited No.30, Ramana Residency, 4th Cross Street, Sampige Road, Malleswaram, Bangalore – 560 003, any change in their address, to ensure prompt receipt of all correspondence.
4. All correspondence with respect to transfer of shares, change of address, conversion of physical shares into Demat form etc., may be sent to the Registrar and Share Transfer Agent.
5. SHAREHOLDERS ARE ADVISED, IN THEIR OWN INTEREST THAT ALL THE COMMUNICATIONS TO THE COMPANY WHICH WOULD HAVE THE EFFECT OF AMENDING THE PERMANENT DETAILS OF THE LEDGER FOLIO SHOULD BE SIGNED BY ALL THE SHAREHOLDERS
6. Shareholders may visit Company's website : www.hatsun.com and contact us at e-Mail : secretarial@hatsun.com
7. Shareholders who are holding shares in more than one folio are requested to intimate to the Registrars the details of all folio numbers for consolidation into a single folio.
8. Shareholders 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 ended	Rate of Dividend	Record Date	Date on which unpaid amount is required to be transferred to IE&PF	Shareholders should apply latest by
2002-03	30%	28/09/2002	29/10/2009	09/10/2009
2003-04	20%	29/09/2003	30/10/2010	10/10/2010
2005-06	20%	14/07/2006	25/07/2013	05/07/2013
2006-07	20%	06/07/2007	27/07/2014	07/07/2014
2007-08	25%	07/11/2007	06/12/2014	16/11/2014
2007-08	35%	22/09/2008	29/10/2015	08/10/2015
2008-09	30%	26/06/2009	02/08/2016	13/07/2016

During the 2008-09, an amount of Rs.58,200/- being unclaimed dividend pertaining to the accounting year 2000-2001 was transferred to Investor Education and Protection Fund(IE&PF).

In terms of Section 205C of the Companies (Amendment) Act, 1999, all dividend amounts, which remain unclaimed and unpaid for a period of seven years will be transferred to the IE&PF. Shareholders will not be entitled to claim the dividend amounts once transferred to IE&PF.

PROFILE OF THE DIRECTORS BEING REAPPOINTED / APPOINTED

As per the Articles of Association of Hatsun, one-third of its Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Accordingly, Mr. P. Vaidyanathan, Mr. C. Sathyan & Mr. Kirti P Shah are liable to retire at the ensuing Annual General Meeting and being eligible, are offering themselves for re-appointment, in accordance with the provisions of the Companies Act, 1956. The brief Resume of each of the Directors who are proposed to be reappointed is given below:

- **Mr. P Vaidyanathan**, is a fellow member of The Institute of Chartered Accountants of India and associate member of The Institute of Company Secretaries of India and The Institute of Cost and Works Accountants of India. He joined the Board of Hatsun in 1999. At present Mr. P Vaidyanathan is the Chairman of Integrated Enterprises (India) Limited and Non Executive Chairman of City Union Bank Limited. He is also on the Board of reputed companies viz., Economist Communications Limited and Suja Shoei Industries Private Limited.

Mr. P Vaidyanathan has no Shareholding in the Company as at 31st March 2009.

- **Mr C Sathyan**, a Company Executive, is a Bachelor of Business Management with specialization in Marketing. He has held various executive positions during his career spanning over 11 years. He has joined the Board of Hatsun in the year 2001 as Executive Director – Operations. He is also on the Board of Tonokya Food Private Limited and Hatsun Ingredients FZE.

Mr. C Sathyan is a Promoter-Director and holds 3204728 equity shares in the Company as at 31st March 2009.

- **Mr Kirti P Shah**, is a Non-Resident Indian and is associated with the Board of Hatsun for the past ten years. He is an engineer by profession and is managing business establishment in Indiana, USA. He has extensive knowledge in various fields of business.

Mr. Kirti P Shah holds 2,54,000 equity shares of Rs 2/- each and 5,08,000 Preference Shares of Rs. 100/- each as at 31st March, 2009.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.8

Mr. R G Chandramogan was re-appointed as Managing Director for a period of five years effective from 1st April, 2004 and his term of office expired on 31st March, 2009. The Board at its meeting held on 29th January, 2009 renewed and revised his reappointment for a period of five years effective from 1st April, 2009. The abstract of the said renewal and revision has already been notified to the members under section 302(2) of the Companies Act, 1956.

The resolution is commended for adoption.

None of the Directors except Mr. R G Chandramogan and Mr. C Sathyan are deemed to be interested in this resolution.

A copy of the detailed renewal of contract of appointment is available for inspection at the Registered Office of the company.

Item No.9

Mr. K S Thanarajan was re-appointed as Joint Managing Director for a period of five years effective from 1st March, 2004 and his term of office expired on 28th February, 2009. The Board at its meeting held on 29th January, 2009 renewed and revised his reappointment for a period of five years effective from 1st March, 2009. The abstract of the said renewal and revision has already been notified to the members under section 302(2) of the Companies Act, 1956.

The resolution is commended for adoption.

None of the Directors except Mr. K S Thanarajan are deemed to be interested in this resolution.

A copy of the detailed renewal of contract of appointment is available for inspection at the Registered Office of the company.

Item No.10

To meet the long term funds requirements of the company, it is propose to increase the equity / quasi equity capital of the company. It would be more advantageous for the company to go in for quasi equity capital i.e. convertible instruments into equity at a later date considering the expected improved profitability of the company in the periods to come. Accordingly, the company has been looking into to various options in this regard.

Based on discussions with various interested parties, they have expressed their willingness to consider such instruments which are convertible into equity based on the future financial performance of the company.

As per the SEBI Guidelines, the maximum period of conversion is 18 months. Taking into account all the applicable guidelines, it is proposed to consider to issue 6% unsecured compulsorily convertible debentures on private placement basis.

The proposed allotment will be in the long term interest of the company.

As per Section 81(1A) of the Companies Act, 1956 approval of the shareholders in the General Meeting is required for this proposed issue and accordingly the resolution is placed before the shareholders.

The Board recommends the resolution for the approval of the shareholders.

None of the directors of the company except Mr. Kirti P Shah is deemed to be concerned or interested in the resolution.

In terms of 13.1A of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 the following disclosures are being made :

a. Object of the proposed issue :

The object of the proposed issue of 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/- (Rupees Ten Lakhs only) each aggregating to Rs.25 Crores is to part finance the expansion activities and to meet long term working capital needs of the Company.

b. Intention of the Promoters, Directors, Key Management personnel to subscribe to the Offer:

The Promoters of the Company and its Directors and Key Management personnel except Mr. Kirti P Shah, Director do not intend to participate in the proposed issue of 6% Unsecured Compulsorily Convertible Debentures. Mr. Kirti P Shah is proposing to subscribe for 68 numbers of 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/- (Rupees Ten Lakhs only) each aggregating to Rs. 6.80 crores.

c. Shareholding Pattern Before and After the offer :

The following is the share holding pattern of the Company before and after the proposed allotment :

Sl. No.	Category	Pre-Issue equity share holding as on the Relevant date*	Post Issue Equity Shareholding on full conversion at a price of Rs.100/- per share, which is higher than the price calculated with relevant date as 06.07.2009.**
		Rs 2/- each	Rs 2/- each
1	Promoters	24810767	24810767
2	Mutual Fund& UTI	—	—
3	Bank, FI and Insurance Companies	—	—
4	NRI & O C Bs	2019945	3619945
5	Bodies Corporate	277602	577602
6	Indian Public	6835776	7435776
7	Others	—	—
	Total	33944090	36444090

*The relevant date shall be 6th July, 2009.

** The post issue equity shareholding is on the assumption that the entire 6% Unsecured Compulsorily Convertible Debentures are converted into the equity shares of the company at a minimum at Rs.100/- per share. In case, the actual conversion is higher than the price of Rs.100/- per share, there shall be consequent changes in the shareholding.

d. Proposed time within which allotment will be completed :

The proposed allotment of 6% Unsecured Compulsorily Convertible Debentures will be completed within 15 days (Fifteen days only) from the date of passing of the Special Resolution at the Annual General Meeting by the Members of the Company. Provided that where the allotment is pending on account of any pendency of any approval of any regulatory authority or Central Government, the allotment shall be made within 15 days from the date of such approval.

e. Identity of proposed allottees with percentage of shares to be held by them in the expanded capital :

Sl. No.	Name of the proposed allottee	Pre Issue Equity Share holding as on the Relevant date*		Post Issue Equity Shareholding on full conversion at a price of Rs.100/- per share, which is higher than the price calculated with relevant date as 06.07.2009.**	
		Rs 2/- each	% on pre issue paid up capital of 33944090 shares	Rs 2/- each	% on post issue paid up capital of 36444090 shares
1.	Mr. Kirti P. Shah	254000	0.75	934000	2.56
2.	Mr. Ravi K. Shah	—	—	140000	0.39
3.	Mr. Raju K. Shah	—	—	140000	0.39
4.	Ms. Rekha K. Shah	—	—	140000	0.39
5.	Mr. Satya Dhanushkodi	—	—	150000	0.41
6.	Mr. Sankar Dhanushkodi	—	—	150000	0.41
7.	M/s. Integrated Registry Services Limited	—	—	200000	0.55
8.	Mr. Chellayan M	—	—	200000	0.55
9.	Mr. Sivaramakrishnan R	—	—	200000	0.55
10.	M/s. V.V.V & Sons Edible Oils Limited	—	—	100000	0.27
11.	Mr. M. Arun	—	—	400000	1.09
	Total	254000	0.75	2754000	7.56

*The relevant date shall be 6th July, 2009

** The post issue equity shareholding is on the assumption that the entire 6% unsecured convertible debentures are converted into the equity shares of the company at a minimum at Rs.100/- per share. In case, the actual conversion is higher than the price of Rs.100/- per share, there shall be consequent changes in the shareholding.

None of the proposed allottees have sold or disposed any of the holding during the 6 months period prior to the relevant date.

f. Lock-in period of the Equity Shares :

The 6% Unsecured Compulsorily Convertible Debentures on conversion into equity shares shall be locked in for a period of one year from the date of allotment as required by Clause 13.3.1(c-a) of SEBI (Disclosure and Investor Protection) Guidelines, 2000. Further, pursuant to clause 13.3.1(d) of SEBI Guidelines, 2000, the lock-in on shares acquired by conversion of the convertible debentures shall be reduced to the extent the convertible debentures have already been locked-in.

g. Change in control or composition of the Board :

There will be no change in the composition of the Board or any change in control of the company on account of the proposed preferential issue.

h. The proposed allotment shall be subject to all SEBI Guidelines applicable for such an issue.

i. Documents for Inspection :

Copy of the Auditors Certificate confirming the minimum price at which the 6% Unsecured Compulsorily Convertible Debentures can be converted into Equity Shares of face value of Rs.2/- (Rupees Two only) each of the Company to be approved by the Members and that the proposed issue of 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/-(Rupees Ten Lakhs only) each are in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be available for inspection during the meeting.

The Board recommends that the resolution be passed.

None of the directors of your company excepting Mr. Kirti P Shah are deemed to be concerned or interested in the proposed resolution

Place : Chennai

Date : 7th July, 2009

Registered Office:

5-A, Vijayaraghava Road,
T. Nagar, Chennai - 600 017.

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

Sd/-

B.V. NATH

Company Secretary