
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

KIRTIP. 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

SUB COMMITTEE

R.G. CHANDRAMOGAN

K.S. THANARAJAN

C. SATHYAN

B.S. MANI

SHARE TRANSFER COMMITTEE

R.G. CHANDRAMOGAN

P. VAIDYANATHAN

K.S. THANARAJAN

COMPANY SECRETARY

S. CHANDRASEKAR

REGISTERED & CORPORATE OFFICE

5-A, VIJAYARAGHAVAROAD
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 (WHITE GATE)
CHENNAI-BANGALORE HIGHWAY
KANCHEEPURAM TALUK
KANCHEEPURAM - 631 502
TAMIL NADU.
3. NO.114, ANGADU ROAD
NALLUR VILLAGE, REDHILLS,
CHENNAI - 600 067
TAMIL NADU.
4. NO.277/2, DESUR VILLAGE,
KANAPUR ROAD,
BELGAUM - 590 014
KARNATAKA.
5. NO.109/2, MELEBENNUR ROAD,
KUNDUR VILLAGE
HONNALI TALUK,
DAVANGERE DISTRICT
HONNALI - 577 219, KARNATAKA.
6. NO.142/IB & IC, HOSUR ROAD
VELLISANDHAI
PALACODE 636 806, TAMIL NADU.
7. NO.76/2B, DINDUGAL MADURAI MAIN ROAD
THIRUVAZHAVAYANALLUR,
VADIPATTI TALUK
MADURAI 625 221, TAMIL NADU.
8. V KOOTTUROADPIRIVU
ATTUPANNAI, PERIYERI POST,
ATTUR TALUK, SALEM DISTRICT
THALAIVASAL.

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

25th ANNUAL GENERAL MEETING

DATE : 4th AUGUST, 2010
DAY : WEDNESDAY
TIME : 11.00 A.M.
VENUE : P. OBUL REDDY HALL,
SRI THYAGA BRAHMA GANA SABHA,
VANI MAHAL, G.N. CHETTY ROAD,
T. NAGAR, CHENNAI - 600 017.

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of HATSUN AGRO PRODUCT LIMITED will be held on Wednesday, the 4th day of August, 2010 at 11.00 A.M. at P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai 600 017 to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 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 declare final dividend on Equity Shares for the financial year 2009-10.
3. To ratify the Interim pro-rata dividend on 8% Non-Convertible Cumulative Redeemable Preference Shares declared and paid for the year ended 31st March 2010.
4. To appoint a Director in place of Mr. B.S.Mani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.Thiagarajan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. S.R.Batlboi & 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

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 under the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company for borrowing, from time to time, as it may consider fit, any sums of money(ies), on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business) exceeded 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 purpose so that the total amounts of money(ies) so borrowed at any time shall not exceed the sum of Rs.500 Crores (Rupees Five Hundred Crores Only)".

Place : Chennai
Date : 28th June, 2010

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

By order of the Board
for **HATSUN AGRO PRODUCT LIMITED**
Sd/-
S. CHANDRASEKAR
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 03.08.2010 to 04.08.2010 (both days inclusive) and record date for payment of final dividend for the financial year 2009-10.
3. Shareholders are requested to notify our Registrar and Share Transfer Agent, M/s. Alpha Systems Private Limited, No.30, Ramana Residency, 4th Cross, 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 Registrar and Share Transfer Agent 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	Date of declaration	Date on which unpaid amount is required to be transferred to IE&PF	Shareholders should apply latest by
2003-04	20%	23/09/2003	30/10/2010	10/10/2010
2005-06	20%	21/06/2006	28/07/2013	08/07/2013
2006-07	20%	21/06/2007	28/07/2014	08/07/2014
2007-08	25%	30/10/2007	06/12/2014	17/11/2014
2007-08	35%	22/09/2008	29/10/2015	09/10/2015
2008-09	30%	16/06/2009	23/07/2016	03/07/2016

During the financial year 2009-10, an amount of Rs.69,698/- being unclaimed dividend pertaining to the accounting year 2002-03 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 the company, one-third of its Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Accordingly, Mr. B.S.Mani and Mr. S.Thiagarajan 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 appointed/reappointed is given below:

- **Mr. B.S.Mani**, is a post graduate in Literature and has a Diploma in Journalism from Cardiff, England. He has over 4 decades of experience in the Journalism. He is the Chairman of Karnataka News Publications Private Limited, which publishes a Tamil Daily outside Tamil Nadu.

Mr. B.S.Mani holds 1500 shares in the Company as at 31st March 2010.

- **Mr. S.Thiagarajan** is a post graduate in Economics and a Certified Associate of the Indian Institute of Bankers. He has over four decades of experience in the financial services sector and has held various senior positions in Reserve Bank of India, Industrial Development Bank of India and Small Industrial Development Bank of India.

Mr. S.Thiagarajan does not hold any shares in the Company.

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

Item No.7

Pursuant to the provisions of clause (d) of sub-section (1) of Section 293 of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the paid-up Capital of the Company and its free reserves except with the consent of the members of the Company in a General Meeting. At the Extra Ordinary General Meeting of the Company held on 24th June, 2008 consent of the members had been obtained by the Directors to borrow up to a maximum amount of Rs.250 Crores, irrespective of the fact that such amount together with the moneys already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business) exceeded the aggregate of the paid-up capital and the free reserves of the Company as on that date. With the commissioning of new plant at Palacode, it is expected that the ceiling fixed by the members of the Company for borrowing, that is Rs.250 Crores, will be exceeded and therefore your Directors place before you the proposal to increase the maximum borrowing limit of Rs.500 Crores under item number 7 in the notice.

The Board recommends the passing of this resolution.

None of the directors of your Company is concerned or interested in the proposed resolution.

Place : Chennai
Date : 28th June, 2010

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

By order of the Board
for **HATSUN AGRO PRODUCT LIMITED**
Sd/-
S. CHANDRASEKAR
Company Secretary

DIRECTORS' REPORT

To
The Members

Your Directors are delighted to present their 25th Annual Report along with the Audited Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2010 is summarised below:

(Rs. in Lakhs)		
Particulars	Current Year ended 31 st March, 2010	Previous Year ended 31 st March, 2009
Income		
Net Sales	114060.31	101305.01
Other Income	292.98	181.51
Total	<u>114353.29</u>	<u>101486.52</u>
Profit		
a) Profit before Depreciation	3834.73	4160.06
b) Less: Depreciation	2681.17	2167.87
c) Profit after Depreciation but before Tax	1153.56	1992.19
d) Less: Income-tax - Current Period	—	588.35
Deferred Tax - Current Period	854.06	124.47
Tax/(Reversal) of Prior Period tax	30.57	(25.30)
Fringe Benefit Tax	—	107.88
e) Profit after Tax	268.93	1196.79
f) Add: Balance brought forward from previous year	2062.60	1271.31
g) Balance available for appropriation	<u>2331.53</u>	<u>2468.10</u>
Appropriation		
a) Dividend		
- Interim Dividend on Preference Shares	14.70	40.64
- Interim Dividend on Equity Shares	—	203.66
- Proposed Final Dividend on Preference Shares	—	-
- Proposed Final Dividend on Equity Shares	101.83	-
b) Corporate Dividend Tax		
- Equity	16.92	34.61
- Preference	2.50	6.91
c) Transfer to General Reserve from current year profits	13.45	119.68
d) Transfer to Capital Redemption Reserve	508.00	-
d) Balance carried to Balance Sheet	1674.13	2062.60
Total	<u>2331.53</u>	<u>2468.10</u>

PERFORMANCE OF THE COMPANY

OPERATING RESULTS

During the year, your Company registered a turnover (Net Sales) of Rs.114060.31 Lakhs representing an increase of 12.59% over that of the previous year. Your Company registered a gross profit of Rs.1153.56 Lakhs, as compared to previous year profit of Rs.1992.19 Lakhs.

Hatsun Agro Product Limited

The revenue in "Milk and milk products" amounts to Rs.103053.32 Lakhs representing an increase of 9.06% over that of the previous year. The revenue in "Ice Cream products" amounts to Rs.7517.29 Lakhs representing an increase of 35.23% over that of the previous year.

The decrease in the profitability is due to bad monsoon, non-availability of milk, increase in milk procurement price, increase in Depreciation and Interest due to commissioning of new plant at Palacode and the impact of Deferred Tax Liability.

There was a fire accident at our Kanchipuram Plant at around 10 P.M. on 30.04.2010. However, there is no loss of life or human injury as a result of the fire accident. The total estimated loss/damage is around Rs.2.50 Crore for which there is adequate insurance cover and that there is no loss in revenue or production arising therefrom.

EXPORTS

The value of exports during the year under review was Rs.4651.40 Lakhs representing 4.08% of Net Sales. Your Company is a Net Foreign Exchange Earner.

SUBSIDIARY COMPANY

Your Company has closed the operations in its 100% Wholly-owned Subsidiary Company namely, M/s. Hatsun Ingredients FZE in Ras Al Khaimah, UAE with effect from 13th November, 2009.

FUTURE PLAN

The major thrust areas in the current financial year would be in the domestic Dairy Ingredients, variety of milk products like curd, cream, butter, ghee, milk powders, panneer etc. and Ice Cream apart from Milk. This will help your Company to diversify its product profile and enable it to maintain its leadership position.

DIVIDEND

EQUITY SHARES

Your Directors propose a Final Dividend of Rs.0.30/- per Equity Share (15%) on Equity Share Capital, for those shareholders whose names appear on the Register of Members as at 04th August, 2010 (Record Date), absorbing Rs.1,18,74,661/- (Dividend - Rs. 1,01,83,227/-; Corporate Dividend Tax - Rs. 16,91,434/-).

In terms of the provisions of Investor Education and Protection Fund Rules 2001, Rs.69,698/- of unclaimed dividend pertaining to the financial year 2002-03 was transferred to Investor Education and Protection Fund during the year.

PREFERENCE SHARES

As per the terms of the issue of 8% Non-convertible Cumulative Redeemable Preference Shares of Rs.100/- each, your Directors declared and paid a pro rata Interim Dividend for the year 2009-10 to the Preference shareholders whose name appear on the Register of Members as at 10th August, 2009 (Record Date) absorbing Rs.17,19,425/- (Dividend - Rs. 14,69,720/-; Corporate Dividend Tax - Rs. 2,49,705/-).

8% Non-convertible Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs.508 Lakhs was redeemed by the Company during the year.

6% UNSECURED COMPULSORILY CONVERTIBLE DEBENTURES

During the year, the Company has issued and allotted 250 Nos. of 6% Unsecured Compulsorily Convertible Debentures of Rs.10 Lakhs each aggregating to Rs.25 Crores under Section 81(1A) of the Companies Act, 1956 to be converted into equity shares of the Company after October 1, 2010, but before December 31, 2010 at a price to be mutually agreed by the Board of Directors of the Company and the debenture holders subject to the SEBI Guidelines.

COMMUNITY DEVELOPMENT AND CHARITABLE WORK

Your Company has co-ordinated various Community Development activities during the year. Your Company has organized free eye camps at Dharamangalam, Attur, Palacode, Edappady and Thiruchengode. Your Company has also distributed stationery, uniforms and school bags to school students.

DIRECTORS

In accordance with the provisions of the Articles of Association of the Company, two of your Directors, Mr. B.S.Mani and Mr. S.Thiagarajan are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The profile of Directors seeking appointment/re-appointment is furnished in the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed and that there are no material departures;
- ii) that your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 of the Company for the period;
- iii) that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a 'going concern' basis.

FINANCE

During the year under review the Company had to maintain its borrowings to run the operations. However, your Company has taken care to ensure that such of the Company borrowings are obtained at very competitive rates.

DEPOSITORY SYSTEM

As the Shareholders are aware, your Company's Shares are tradable 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 shareholders are requested to avail of the facility of dematerialisation of the Company's shares.

FIXED DEPOSITS

The total amount of Fixed Deposits from the Public and Shareholders of the Company outstanding as at 31st March, 2010, was Rs.1242.43 Lakhs out of which a sum of Rs. 793.05 Lakhs represents 1579 accounts of Fixed/Non Cumulative Deposits and Rs.449.38 Lakhs represents 1134 accounts of Cumulative Deposits. A sum of Rs.10.78 Lakhs under 38 accounts was unclaimed as on that date. Out of the above, Rs.5.99 Lakhs representing 18 accounts were since claimed and paid.

AUDITORS & AUDITORS' REPORT

M/s. S.R. Batliboi & Associates, Chartered Accountants, Chennai, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them confirming that this appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956. Your Directors recommend the appointment of M/s. S.R. Batliboi & Associates, Chartered Accountants, Chennai as Statutory Auditors of the Company at the ensuing Annual General Meeting

EXPLANATION TO AUDITORS' REMARKS

Point No. 4 of the Auditors' Report

As more fully described in Note 2 (a)(iii) of Schedule 19 to the financial statements, certain income tax matters in respect of the financial year ended 31st March 1996(financial estimate by the management of Rs.15 million) are being contested by the Company and the matter pending with the High Court of Judicature, Chennai. Pending a final resolution of uncertainties in this connection, no provision towards tax and other consequential adjustment relating to this matter, if any have been considered in the financial statements. Audit report issued on the financial statements for the year ended March, 31, 2009 was also qualified in respect of this matter.

The Management believes based on the expert advice that the Company has a strong case and hence no provision and consequential adjustments, if any, for such disputed amount have been considered in the financial statements.

Point No. (ix) (a) of Annexure to the Auditors' Report

Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, wealth-tax, service-tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases relating to remittance of provident fund and employees' state insurance dues.*

The Company is regular in remittance of provident fund and employees' state insurance dues. However, in a few cases there was some technical delay in remittances where even though cheques relating to remittance were made before the due date, it got delayed due to the time taken for clearance of the cheques. We will ensure that in future such payments are cleared and credited to the provident fund and employees' state insurance accounts well within the due date.

Point No. (xvii) of Annexure to the Auditors' Report

According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that *the Company has used funds raised on short-term basis for long-term investment. The Company has purchased certain fixed assets aggregating Rs. 117.1million out of short term loans from banks and others.*

As informed in the earlier years' Annual Reports, the Company has a centralised treasury function where all the term loans and other borrowings in addition to the cash generated from operations are pooled through common bank accounts to optimally use funds and reduce the interest cost to the Company. It is also to be mentioned here that the Company obtains loans from banks, which inherently permit it, to be used interchangeably for long term and short term purposes.

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forming part of this report for the year ended March 31, 2010

Part A - Employed throughout the year and in receipt of remuneration aggregating to Rs 24,00,000/- or more during 2009-10.

S. No	Name	Age	Designation/ Nature of Duties	Remuneration (Gross) Rs	Qualification and Experience	Date of commencement of employment	Previous employment		
							Name of the organi- sation	Desig- nation	(No of Years)
1	Mr. R.G.Chandramogan	61	Chairman and Managing Director	37,32,400	Industrialist	04.03.1986	—	—	—
2	Mr. K.S.Thanarajan	61	Joint Managing Director	40,09,600	Post Graduate in Economics	18.07.1995	—	—	—
3	Ms. Tania Huia Williams	46	DGM Quality	3,128,004	Food Engg. & Food Services	29.01.2009	Fontesla Corporate Group Ltd.	Team Leader	16 Yrs
4	Mr. S.Subramanian	51	Chief Financial Officer	2,760,000	M.Com, P.G.D.B.A	16.06.1997	DSJ Group	—	15 Yrs
5	Mr. Anil Kumar P.A.	51	SGM - QA	2,520,000	M.Sc.	25.03.2009	Heritage Foods India Ltd.	SGM - QA	27 Yrs
6	Mr. Jaganath M	43	GM - Marketing & Sales	2,400,000	B.Com & P.G.D.B.A	06.02.2009	Watanmal Group Inc	National Sales	19 Yrs
7	Mr. Prasanna Venkatesh J	45	GM - Marketing & Sales	2,400,000	B.Sc., & P.G.D.B.A	03.08.1998	Henkel Spic	ASM	24 Yrs

Part B - Employed for part of the year and in receipt of remuneration aggregating to Rs 2,00,000/- or more per month during 2009-10

S. No	Name	Age	Designation/ Nature of Duties	Remuneration (Gross) Rs	Qualification and Experience	Date of commencement of employment	Previous employment		
							Name of the organi- sation	Desig- nation	(No of Years)
1	Mr. Brain Colman Mullally	59	SGM - Dairy Operation	483,064	Higher National Diploma in Food Technology	28.02.2010	Dairy Company in Libya	Consultant	26 Yrs

Notes: 1. All appointments are / were contractual.
2. Gross remuneration includes salary & allowances, contribution to PF & other Funds and other benefits.
3. None of the employees whose remuneration is stated above is a relative of any Director of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information required to be given under these heads in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, has been set out in the Annexure to this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings from Exports during the year 2009-10 amounted to Rs.4651.40 Lakhs.

Total outgo of Foreign Exchange during the year amounted to Rs.874.76 Lakhs.

CORPORATE GOVERNANCE

Your Company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of Bombay Stock Exchange Limited with which the Company is listed.

The Management Discussion and Analysis Report and Corporate Governance Report form part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors thank the Company's Bankers and the Financial Institutions for their help and co-operation extended throughout the year. Your Directors place on record their appreciation for the support and co-operation that the Company received from its stakeholders and in specific its channel partners. Your Directors also record their appreciation for the excellent operational performance of the staff of the Company that contributed to the achievements of the Company. The Directors also acknowledge with much gratitude, the continued trust and confidence reposed by the shareholders of the Company.

For and On behalf of the Board of Directors

Sd/-

R.G. CHANDRAMOGAN

Chairman & Managing Director

Place : Chennai

Date : 28th June, 2010