

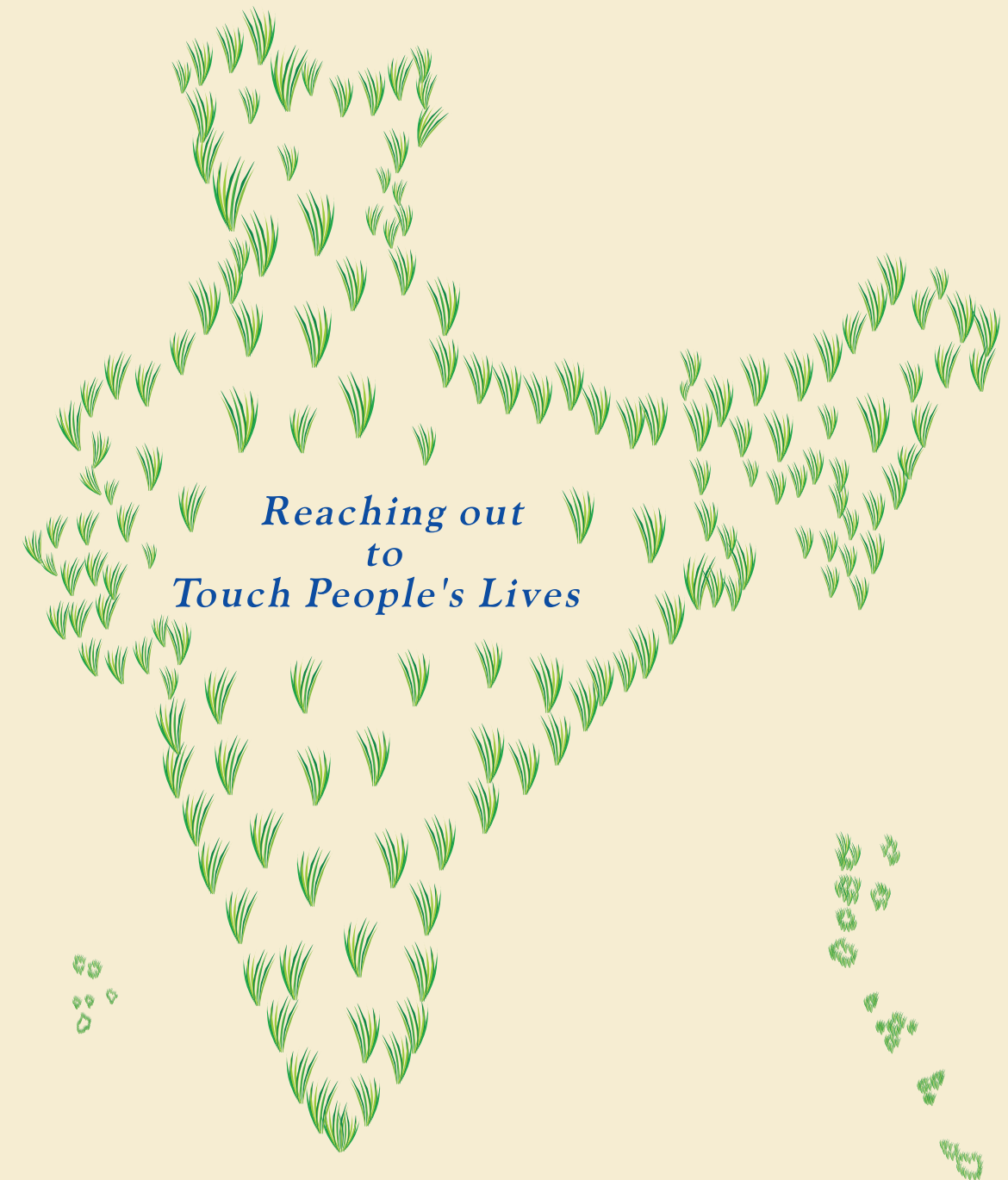


Hatsun Agro Product Ltd.

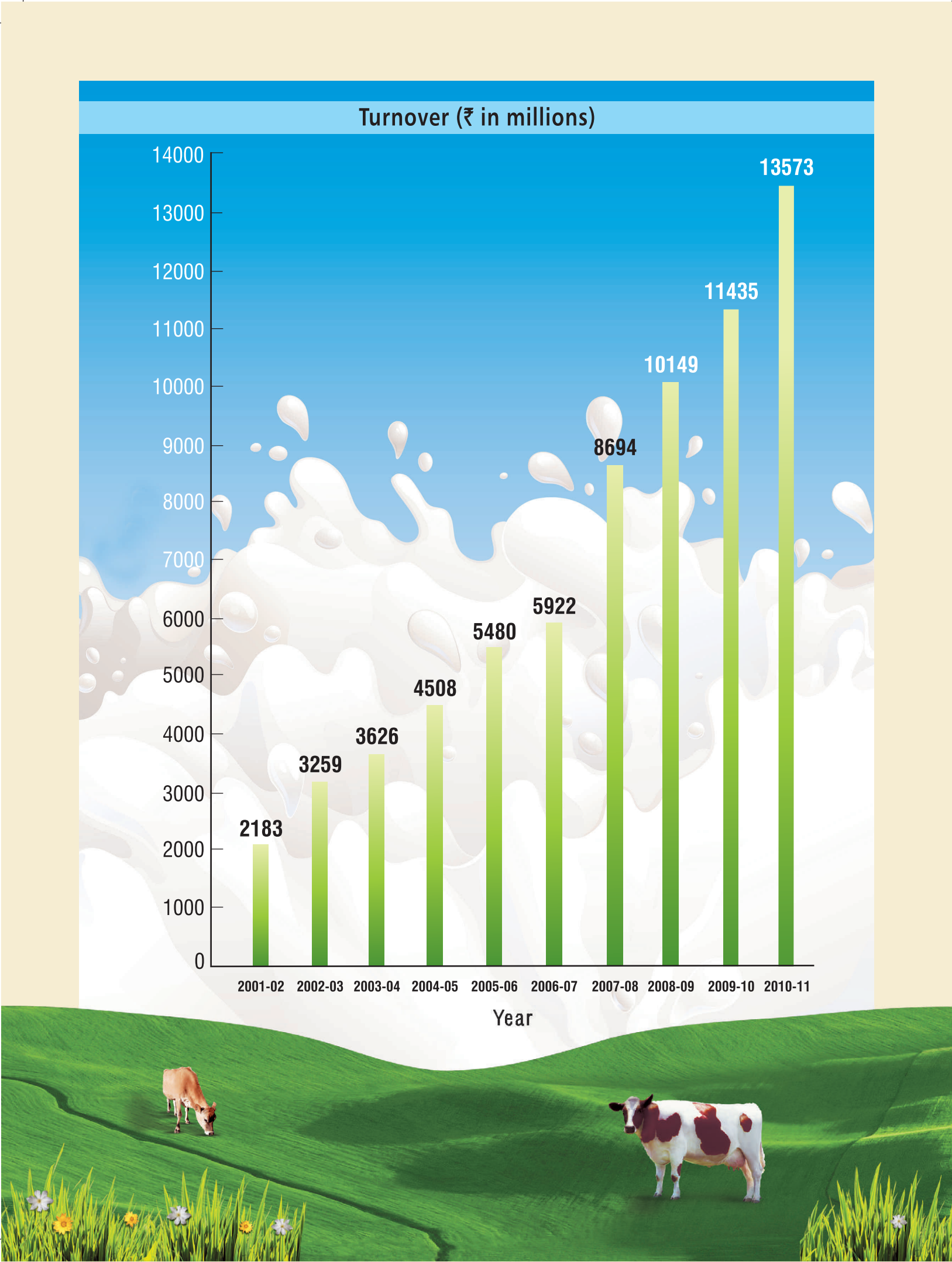
- Over the last 4 decades, we have become **India's largest private sector company** in the Dairy Industry
- Milk from **Select Fine Quality** cows is collected from over **3 Lakh+** farmers chosen with care in **6500 villages**
- **More than 70 Veterinary Doctors** who help our Farmers **Improve the Quality of the Livestock and their Yield**
- **Milk collection centres**, with **on-the-spot testing facilities** collect milk daily, following defined and strict quality guidelines
- **Dairies** located in **10 locations** possessing **State-of-the-Art** facilities, **International Know how** and **Personnel with Sound Experience & Expertise** enable us to produce products of excellent quality meeting the very highest norms of **Hygiene and Health**
- This has also helped us in exporting our products to **38 countries** in **North American, Middle East and South East Asian Markets**
- As a company we have received various Quality Standard Certifications including the prestigious **ISO 9001 & ISO 22000**
- We produce and market a wide range of Dairy Products - **Dairy Whitener, Skimmed Milk Powder, Agmark Certified Ghee, Butter, Cooking Butter, Milk, Curd, Paneer and Buttermilk** from Hatsun
- **Arun Icecreams and Arokya Milk**, immensely popular across **millions of households** are also produced and marketed by us
- Arun Icecreams, the **Largest Selling Ice Cream** in South India was also the **Winner of the Best Ice Cream** in the Country award in **The Great Indian Ice Cream Contest 2008 & 2009** (National Level)

Visit us at www.hatsun.com

Hatsun Agro Product Ltd.



26th Annual Report 2010 - 11



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

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

N.P. MATHI LINGAN

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. SANGAH PASUVANTHALAK VILLAGE,
KOLASANHALLI PANCHAYAT,
MARANDAHALLI MAIN ROAD, PALACODE TALUK,
DHARMAPURI DISTRICT - 636 808.
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.
STANDARD CHARTERED BANK • THE LAKSHMI VILAS BANK LTD. • THE KARUR VYSYA BANK LTD.

26th ANNUAL GENERAL MEETING

DATE : 2nd SEPTEMBER, 2011
DAY : FRIDAY
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 Sixth Annual General Meeting of Hatsun Agro Product Limited will be held on Friday, September 2, 2011 at 11:00 a.m. at P. Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, "Vani Mahal", 103, G N Road, T Nagar, Chennai - 600 017 to transact the following businesses:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares for the year 2010-11.
3. To appoint a Director in place of Mr. K S Thanarajan, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. N Chandrasekaran, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

"RESOLVED THAT M/s. S.R.Batlboi & Associates, Chartered Accountants (Firm registration number 101049), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, and the remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors.

6. **Revision in terms of remuneration of Mr. C Sathyan Executive Director**

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 Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the increase in payment of the remuneration to Mr. C. Sathyan, Executive Director - Operations, retrospectively with effect from 1st November, 2010.

I SALARY : Rs.1,90,000/- (Rupees One Lakh Ninety Thousand 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. C.Sathyan 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. C.Sathyan. 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. C.Sathyan. 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. C.Sathyan, 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. C.Sathyan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. C.Sathyan 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."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, alter or modify the different components of the above remuneration as may be agreed to by the Board of Directors and Mr. C.Sathyan."

7. Re-appointment of Mr. C Sathyan as Executive director from 1-June-2011

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(2) of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the re-appointment of Mr C Sathyan as the Executive Director of the Company, for a period of five years from June 1, 2011."

"RESOLVED FURTHER THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, the remuneration of Mr C Sathyan as the Executive Director of the Company shall be as given below:

- I SALARY : Rs.1,90,000/- (Rupees One Lakh Ninety Thousand 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. C.Sathyan 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. C.Sathyan. 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. C.Sathyan. 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. C.Sathyan, shall always be subject to the overall ceilings laid down in Sections 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Minimum remuneration

Where in any financial year during the tenure of Mr. C. Sathyan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. C.Sathyan 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."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary or increase the extent and scope of remuneration and the perquisites including the monthly value thereof as specified in the draft Service Agreement to the extent to which they may be enhanced, enlarged, widened, altered or varied in accordance with any guidelines regarding payment of managerial remuneration, under the Companies Act, 1956 and that the aforesaid draft Service Agreement terms between Mr C Sathyan and the Company be suitably amended to give effect to such amendment."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, alter or modify the different components of the above remuneration as may be agreed to by the Board of Directors and Mr. C.Sathyan."

8. **Sub-division of Equity Shares**

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 94 of the Companies Act, 1956, (including any modification or re-enactment thereof) and other applicable provisions, if any, and pursuant to the provisions of Article 58 of the Articles of Association of the Company and subject to approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities, the authorized share capital of the Company comprising of 5,00,00,000 (Five Crore) equity shares of face value of Rs.2/- (Rupees Two only) each aggregating to Rs.10,00,00,000/- (Rupees Ten Crores Only) be and is hereby sub-divided into 10,00,00,000 (Ten Crore) equity shares of face value of Rs.1/- (Rupees One only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores Only) with effect from 4th day of October, 2011 being the "Record Date."

"RESOLVED FURTHER THAT the issued and subscribed Equity Share Capital of the Company, comprising of 3,59,62,216 (Three Crores Fifty Nine Lakhs Sixty Two Thousand Two Hundred and Sixteen) equity shares of face value of Rs.2/- (Rupees Two only) each aggregating to Rs. 7,19,24,432/- (Rupees Seven Crores Nineteen Lakhs Twenty Four Thousand Four Hundred and Thirty Two Only) be sub-divided into 7,19,24,432/- (Seven Crores Nineteen Lakhs Twenty Four Thousand Four Hundred and Thirty Two) equity shares of Rs.1/- (Rupees One only) each as on the 4th day of October, 2011 being the "Record Date" to determine those share holders who are entitled for the sub-divided equity shares.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions of the Companies Act, 1956 Clause V of the Memorandum of Association of the Company be substituted with the following:

- V. The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into
- a) 10,00,00,000 (Ten Crore) Equity Shares of Rs.1/- (Rupees One only) each and
 - b) 20,00,000 (Twenty Lacs) Redeemable or Convertible Preference Shares of Rs.100/- (Rupees One Hundred only) 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.

"RESOLVED FURTHER THAT the approval of the Company be and are hereby accorded to make an application to the Stock Exchanges where the existing equity share of face value of Rs.2/- (Rupees Two only) each are presently listed for the listing of the sub-divided equity shares of face value of Rs.1/- (Rupees One only) each so issued on the sub-division."

"RESOLVED FURTHER THAT a certified true copy of the above resolution is to be forwarded to the concerned Stock Exchanges where the Shares are quoted."

"RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do all such acts, deeds matters and things and execute instruments and writings as may be necessary and all such documents with the Stock Exchange(s) where the securities of the company are listed or to be listed and the Depositories and any other relevant statutory authorities, if any in connection with and to delegate all or any of the powers to a Committee of the Board or any other person(s) herein vested in them to give effect to the above."

"RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) of the Company be and is hereby authorized to issue new shares (including new certificates where required) representing the sub-divided shares with new distinctive numbers in the aforesaid proportion subject to the rules as laid down in Companies (Issue of Share Certificates) Rules, 1960 with an option to either exchange the new share certificates in lieu of the cancellation of old share certificate or physically exchanging the share certificates by treating the old share certificates as deemed to be cancelled and also to inform the depositories to take necessary action to give effect to the above and do all such acts, deeds, matters and things that may be necessary or desirable in connection with the sub-division of the equity shares of the Company."

9. Alteration of Articles of Association

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and consequent to the subdivision of the face value of the equity shares of the Company, and the alteration of the Capital Clause in the Memorandum of Association, the Article 4 of the Articles of Association of the Company be suitably altered and substituted with the following."

- "4. The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into
- a) 10,00,00,000 (Ten Crore) Equity Shares of Rs.1/- (Rupees One only) each and
 - b) 20,00,000 (Twenty Lakhs) Redeemable or Convertible Preference Shares of Rs.100/- (Rupees One Hundred only) 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 and in respect of the Preference

Shares, the Board of Directors of the Company shall decide the rights and other terms attached to such shares including the right to redemption or conversion or otherwise subject however to the provisions of SEBI Guidelines and the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be necessary and deemed fit for the cancellation of the existing share certificates of Rs.2/- (Rupees Two only) each and that are already issued and to issue fresh share certificates pursuant to the Companies (Issue of Share Certificates) Rules, 1960."

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6, 7, 8 and 9 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 3, 4 and 7 of the Notice, are also annexed.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the 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 FORTY-EIGHT HOURS before the meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

3. The Register of Members and Transfer Books of the Company will be closed from 27th August, 2011 to 2nd September, 2011, both days inclusive.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, Integrated Enterprises (India) Limited (IEIL). Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and IEIL to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to IEIL.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or IEIL, for assistance in this regard.
6. Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with IEIL.
7. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
8. Shareholders are requested to check whether they have encashed Dividend Warrants/DD for the earlier years. If the Dividend Warrants/DD 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
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
2009-10	15%	20/08/2009	27/09/2016	07/09/2016
2010-11	30%	02/11/2010	09/12/2017	19/11/2017
2010-11	25%	14/02/2011	21/03/2018	01/03/2018

During the financial year 2010-11, an amount of Rs.52,078/- being unclaimed dividend pertaining to the accounting year 2003-04 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.

9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/ updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with IEIL.

Place : Chennai

Date : 1st August, 2011

Registered Office:

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

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

Sd/-
N P MATHI LINGAN
Company Secretary

PROFILE OF THE DIRECTORS BEING REAPPOINTED / APPOINTED

As per Clause 112 of the Articles of Association of the Company, one-third of the Directors liable to retirement by rotation shall retire from office every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Accordingly, Mr. K S Thanarajan and Mr. N Chandrasekaran 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. K.S. Thanarajan**, is a post graduate in Economics and he is the Joint Managing Director of the Company. He is in-charge of day to day operations of the Dairy Division. He has held various executive positions during his career spanning over 39 years. He joined the Board of the company, in 1995.

Mr. K S Thanarajan holds 4,61,000 Equity Shares in the Company as at 31st March 2011.

- **Mr. N. Chandrasekaran**, is a Mechanical Engineering Graduate with about 44 years of experience. He has held various executive positions during his career. He is the Managing Director of EPT Engineering Services Private Limited. He is also on the Board of other companies viz., Metso Power India Private Limited, Enmas Process Technologies Private Limited, Enmas Dynetics Limited, PSTS Heavy Lift and Shift Limited, Cethar Energy Limited and Cethar Vessels Limited. Mr N Chandrasekaran joined the Board of the Company, on 28th March 2005 as an Additional Director.

Mr. N. Chandrasekaran has no shareholding in the Company as at 31st March 2011.

EXPLANATORY STATEMENT:

As required by Section 173 of the Companies Act, 1956 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 6, 7, 8 and 9 of the accompanying Notice dated August 1, 2011:

Item No.6 & 7

At the Annual General Meeting of the Company held on September 19, 2006, the Members of the Company had approved the appointment and terms of remuneration of Mr. C Sathyan, as Executive Director of the Company for a period of five years from June 1, 2006. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. C Sathyan, the Board at its meeting held on November 2, 2010 upon recommendation of the Remuneration Committee revised the remuneration payable to Mr. C. Sathyan with effect from 1st November, 2010. The details of the remuneration are given in the resolution.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 309 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act as amended from time to time.

Further the tenure of Mr C Sathyan as Executive Director ended on the close of business hours of 31st May 2011 on completion of five years period, the Remuneration Committee at its meeting held on 23rd May 2011 approved the