
HATSUN

AGRO PRODUCT LIMITED

BOARD OF DIRECTORS

R.G. CHANDRAMOGAN
Chairman and Managing Director

K.S. THANARAJAN
Joint Managing Director

C. SATHYAN
Executive Director

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

CORE COMMITTEE

R.G. CHANDRAMOGAN

K.S. THANARAJAN

C. SATHYAN

COMPANY SECRETARY

S. CHANDRASEKAR

REGISTERED & CORPORATE OFFICE

5A, 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 (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. SANGAM PASUVATHALA VILLAGE,
KOLASANAHALLI PANCHAYAT,
MARANDAHALLI MAIN ROAD, PALACODE TALUK,
DHARMAPURI DISTRICT - 636 808. TAMIL NADU.
7. NO.76/2B, DINDUGAL MADURAI MAIN ROAD
THIRUVAZHAVAYANALLUR,
VADIPATTI TALUK,
MADURAI - 625 221. TAMIL NADU.
8. V KOOTTU ROAD PIRIVU
ATTUPANNAI, PERIYERI POST,
THALAIVASAL, ATTUR TALUK,
SALEM DISTRICT - 636 101. TAMIL NADU.

STATUTORY AUDITORS

M/s. S.R. BATLIBOI & ASSOCIATES

CHARTERED ACCOUNTANTS

6th & 7th Floor - "A" Block, Tidel Park, (Module 601, 701 & 702),
No.4, Rajiv Gandhi Salai, Taramani, Chennai - 600 113.

BANKERS

STATE BANK OF INDIA • THE SOUTH INDIAN BANK LTD. • ICICI BANK LTD.

AXIS BANK LTD. • YES BANK LTD. • STANDARD CHARTERED BANK

THE LAKSHMI VILAS BANK LTD. • ING VYSYA BANK LTD. • INDUSIND BANK LTD.

27th ANNUAL GENERAL MEETING

DATE : 10th AUGUST, 2012
DAY : FRIDAY
TIME : 10.00 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 MEMBERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of **HATSUN AGRO PRODUCT LIMITED** will be held on Friday, the 10th day of August, 2012 at 10.00 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, 2012 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 payment of interim dividend on equity shares for the financial year 2011-12.
3. To declare final dividend on equity shares for the financial year 2011-12.
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. Kirti P Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

“RESOLVED THAT M/s. S.R.Batliboi & Associates, Chartered Accountants (Firm registration number 101049W), be and are hereby re-appointed as the Statutory 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.”

SPECIAL BUSINESS :

7. Approval for raising the ceiling limit for total foreign investment in the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Foreign Exchange Management Act, 1999, FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the applicable Rules, Guidelines, Regulations, Notifications and Circulars, if any, of the Reserve Bank of India and applicable Master Circulars and the Consolidated FDI Policy issued by the Ministry of Commerce & Industry from time to time, and subject to the approval of the Reserve Bank of India and any other regulatory authority as may be necessary, the limit for the total holding of securities in the Company by all foreign entities comprising FIIs and NRIs put together under the Portfolio Investment Scheme, shall not exceed 24% of the aggregate paid-up share capital of the Company subject to the condition that individual holding of any FII/NRI shall not exceed 5% of the paid-up share capital of the Company when such investments are made by the FIIs / NRIs under the Portfolio Investment Scheme.”

“RESOLVED FURTHER THAT such increased limits of the holdings of all foreign entities comprising FIIs and NRIs be subject to such conditions as may be imposed by Reserve Bank of India or any other statutory authority whose permission or sanction may be required under any Law.”

“RESOLVED FURTHER THAT the Board/any Committee of the Board of Directors of the Company be and is hereby authorised to agree to and to make and accept all such conditions, modifications and alterations stipulated by any relevant authorities while according approvals or consents, as may be required/considered necessary, proper or expedient, and to take all such actions/steps as may be necessary, desirable or expedient, including to take further consent/authority/approval of members through postal ballot(s), if required/necessary, under any law(s) or otherwise, and, to resolve and settle all questions and difficulties that may arise, and, to do all acts, deeds, matters and things which are incidental and consequential, as the Board/any Committee may at its absolute discretion deem necessary or desirable for such purposes and, to execute such documents or writings as the Board/any Committee may consider necessary or proper or incidental to give effect to this Resolution.”

Place : Chennai

Date : 25th June, 2012.

Registered Office:

5A, Vijayaraghava Road

T Nagar, Chennai 600 017.

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

Sd/-

S. Chandrasekar

Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No.7 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited, of persons seeking appointment/re-appointment as Directors under Item Nos.4 and 5 of the Notice, are also annexed.
2. 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.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 6th August, 2012 to 10th August, 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend (subject to the approval of the members at the ensuing Annual General Meeting) for the financial year 2011-12.
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 Registrar and Share Transfer Agent, M/s. Integrated Enterprises (India) Limited (IEIL), Bangalore. 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.
5. Members holding shares in physical form are requested to send all correspondence with respect to transfer of shares, change of address, conversion of physical shares into Demat form etc., to IEIL, Bangalore.
6. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or IEIL, for assistance in this regard.
7. Members may visit Company's website: www.hatsun.com and contact us at e-mail: secretarial@hatsun.com
8. Members who are holding shares in more than one folio are requested to intimate to IEIL, Bangalore, the details of all folio numbers for consolidation into a single folio.
9. 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.
10. Members desiring any information as regards the financial statements 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.
11. Members 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	Rate of Dividend	Date of declaration	Date on which unpaid amount is required to be transferred to IEPF	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%	04/08/2010	10/09/2017	20/08/2017
2010-11	30%	02/11/2010	09/12/2017	19/11/2017
2010-11	25%	14/02/2011	23/03/2018	03/03/2018
2011-12	110%	13/02/2012	21/03/2019	01/03/2019

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 Investor Education & Protection Fund (IEPF). Members will not be entitled to claim the dividend amounts once transferred to IEPF.

12. 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 members through 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.

PROFILE OF THE DIRECTORS BEING RE-APPOINTED/APPOINTED

As per Clause 112 of the Articles of Association of the Company, one-third of its Directors, who are liable to retire by rotation, retire every year at every Annual General Meeting and, if eligible, offer themselves for re-election. Accordingly, Mr. P.Vaidyanathan and 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 re-appointed 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 Accountants of India. He has joined the Board of Hatsun in 1999. He is also on the Board of some reputed companies.

Mr. P.Vaidyanathan holds 6,00,000 equity shares in the Company as on 31st March, 2012.

- **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 1,05,750 equity shares in the Company as on 31st March, 2012.

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

Item No.7

As per the provisions of the FEM (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000, applicable Master Circulars and the Consolidated FDI Policy, the limit for the holdings of all NRIs and FIIs put together individually can be increased upto 24% by obtaining approval from Reserve Bank of India, subject to special resolution to that effect being passed by the members in a general meeting of the investee Company.

Your Directors are of the opinion that it would be advantageous for the Company to permit FIIs / NRIs to invest upto 24% of the equity capital of the Company under the Portfolio Investment Scheme and hence, propose to pass necessary resolutions in this regard. After the resolution is approved by the members, necessary application will be made to RBI.

The Board recommends approval of this special resolution by the members of the Company.

None of the Directors of the Company except Mr. Kirti P Shah, an NRI and a member of the Board (like any other NRI person), is concerned or interested in the proposed resolution.

Place : Chennai
Date : 25th June, 2012.
Registered Office:
5A, 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,

The Directors have great pleasure in presenting their 27th Directors Report along with the audited statement of accounts for the financial year ended 31st March, 2012.

1. Financial Results

The financial results of the Company for the year ended 31st March, 2012 are summarised below:

(Rs. in lakhs)

Sl.No.	Particulars	Current Year ended 31 st March, 2012	Previous Year ended 31 st March, 2011
(i)	Revenue from operations (net)	1,60,353.67	1,35,573.20
(ii)	Other Income (net)	334.22	150.70
(iii)	Total Income	1,60,687.89	1,35,723.90
(iv)	Operating Expenditure	1,49,441.46	1,26,115.68
(v)	Profit before Finance Costs, Depreciation and Amortisation and Tax	11,246.43	9,608.22
(vi)	Finance Costs	3,844.73	3,585.90
(vii)	Depreciation and Amortisation	4,184.12	3,706.02
(viii)	Profit before Taxes	3,217.58	2,316.30
(ix)	Tax Expenses	557.39	441.75
(x)	Net Profit for the Year	2,660.19	1,874.55
(xi)	Balance Brought Forward from Previous Year	2,914.43	1,674.13
(xii)	Amount Available for Appropriation	5,574.62	3,548.68
	Appropriations		
(a)	Interim Dividend on Equity Shares	789.74	383.15
(b)	Proposed Final Dividend on Equity Shares	215.38	--
(d)	Tax on Dividends	163.05	63.64
(e)	Transfer to General Reserve	3,180.45	187.46
(f)	Balance carried to Balance Sheet	1,226.00	2,914.43

2. Performance of the Company

During the year, your Company earned revenue from operations (net) of Rs.1,60,353.67 Lakhs representing an increase of 18.27% over that of the previous year. Your Company registered a net profit of Rs.2,660.19 Lakhs, as compared to previous year's net profit of Rs.1,874.55 Lakhs.

The net revenue from "Milk and Milk products" amounts to Rs.1,45,818.61 Lakhs representing an increase of 19.01% over that of the previous year. The net revenue from "Ice Cream products" amounts to Rs.11,578.68 Lakhs representing an increase of 26.54% over that of the previous year.

The increase in the profitability is due to economies of scale, leveraging on a pan India presence of milk products leading to increased turnover and better margins, rationalisation of logistics costs, elimination of wastages and effective cost control measures.

3. Dividend

During the year, the Company had declared and paid an interim dividend (normal & special) of Rs.1.10 per equity share (110%) on equity share capital. The payment of interim dividend includes a normal interim dividend of 60% and a special dividend of 50% to celebrate the completion of Silver Jubilee year of the Company.

The Board of Directors has proposed and recommended a final dividend of Rs.0.20 per equity share (20%) on equity share capital. The final dividend will be paid, subject to the approval of the members at the ensuing Annual General Meeting, to those members whose name appears on the register of members as on 10th August, 2012.

The total cash outflow on account of dividends excluding dividend tax for the year 2011-12, would aggregate to Rs.1,005.12 Lakhs resulting in a payout of 37.78% of the net profits of the Company.

4. Transfer to Reserves

The Company proposes to transfer Rs.3,180.45 Lakhs to General Reserve out of the amount available for appropriations and an amount of Rs.1,226.00 Lakhs is proposed to be retained in the Profit and Loss Account.

5. Exports

The value of exports during the year was Rs.526.10 Lakhs.

6. Future Plan

The major thrust areas in the current financial year would be in Long Life Milk Products/Dairy Ingredients and Curd in the domestic market. This will help your Company to strengthen its presence and enable it to maintain its leadership position.

7. Directors

In accordance with the provisions of the Articles of Association of the Company, two of your Directors, viz., Mr. P.Vaidyanathan and Mr. Kirti P Shah are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

8. Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year 2011-12, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments 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 financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis.

9. Corporate Governance Report and Management Discussion and Analysis Report

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 shares of the Company are listed.

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

10. Fixed Deposits

The total amount of fixed deposits from public and shareholders of the Company outstanding as on 31st March, 2012, was Rs.107.91 Lakhs, out of which a sum of Rs. 79.35 Lakhs represents 133 accounts of Fixed/Non Cumulative Deposits and Rs.28.56 Lakhs represents 75 accounts of Cumulative Deposits. A sum of Rs.14.10 Lakhs under 31 accounts was unclaimed as on that date. Out of the above, Rs.9.50 Lakhs representing 14 accounts were since claimed and paid.

11. Depository System

As the members 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 members are requested to avail of the facility of dematerialisation of the Company's shares.

12. Finance

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

13. Auditors & Auditors' Report

M/s. S.R.Batliboi & Associates, Chartered Accountants, the Statutory Auditors of the Company, hold office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. 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 re-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

a) Point No.4 of the Auditors' Report

As more fully described in Note 25(a) to the Financial Statements, certain income tax matters in respect of the financial year ended March 31, 1996 (financial estimate by the management of Rs. 150 Lakhs) are being contested by the Company and the matter is pending with the High Court of Judicature, Madras. Pending a final resolution of the 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, 2011 was also qualified in respect of this matter.

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

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

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

The Company is regular in remittance of provident fund dues. However, in few cases there were some technical delays 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 owing to continuous intervening holidays. We will ensure that in future such payments are cleared and credited to the provident fund accounts well within the due date.

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

Having regard to the Company's explanation as regards the operation of a centralized treasury function and more fully described in note 25(k) of the financial statements, *we report that the Company has used funds raised on short term basis from banks and others to purchase certain fixed assets aggregating Rs. 6,230.24 Lakhs.*

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. The Company obtains loans from banks, which inherently permit the loans to be used interchangeably for long term and short term purposes.

During the year, the Company has raised long term loan for Rs.7,900 Lakhs from ICICI Bank Ltd. to narrow down the short term and long term mismatch. Most of the short term loans with interest advantage have been in the nature of being rolled over long term. As the Company generates better profits, the long term – short term mismatch will come down substantially.

14. Industrial Relations

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

15. Particulars of employees

Pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

- (i) None of the employees drew remuneration which in the aggregate exceeds Rupees Sixty Lakhs per annum or Rupees Five Lakhs per month, as the case may be, during the financial year.
- (ii) Details of employees employed throughout the financial year or part thereof, were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager.

S. No.	Name	Age	Designation/ Nature of Duties	Remuneration (Gross) (in Rs.)	Qualification and Experience	Date of commencement of employment	Previous employment		
							Name of the organisation	Designation	(No. of years)
1.	Mr. Brian Colman Mullally*	62	SGM-Dairy Operation	4,90,858/- p.m.	Higher National Diploma in Food Technology	28.02.2010	Consultancy- Dairy Company - Libya	Consultant & Recruiter	1 Year

* Resigned on 22.08.2011.

- (iii) None of the employees hold by himself or along with his/her spouse and dependent children, more than two per cent of the equity shares of the Company.

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as prescribed under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an Annexure to this Report.

17. Corporate Social Responsibility

Your Company has been extending help to villages where our plants are located, as part of our Corporate Social Responsibility. Financial assistance was extended for creating and developing basic infrastructure like roads, electricity and lake development. Your Company had organised free eye camps at Attur, Edappadi, Thiruchengodu, Pappireddipatti, Palacode, Harur, Rasipuram and Namakkal and free health camp at Karipatti.

18. Acknowledgements

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, members, customers, bankers, farmers and channel partners for the continued support given by them to the Company and their confidence reposed in the management. The Directors appreciate and value the contributions made by every stakeholder of the Company.

for and On behalf of the Board of Directors
Sd/-

Place : Chennai
Date : 25th June, 2012

R.G. Chandramogan
Chairman & Managing Director.

ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

FORM-A DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Energy conservation measures are being taken within our plants as an ongoing exercise, although, the Company's operations are not power intensive.

A. Power and Fuel Consumption:

	2011-12	2010-11
1. Electricity		
a) Purchased		
Units	38,643,712.78	42,657,761.72
Total Amount (Rs.)	212,686,071.00	225,264,666.81
Rate/Unit (Rs.)	5.50	5.28
b) Through Own Generation		
(i) Diesel Generator		
Units	8,048,322.00	7,895,200.70
Total Amount (Rs.)	114,548,349.77	104,227,071.94
Cost/Unit (Excluding Overhead and Depreciation)	14.23	13.20
Units per Litre of Diesel Oil	3.06	3.03
2. Furnace Oil		
Quantity (Kl.)	40,328.20	65,578.05
Total Amount (Rs.)	1,114,708.56	1,868,179.49
Average Rate (Rs./Kl.)	27.64	28.49
3. Coal		
Quantity (Kg.)	19,422,113.49	21,127,872.45
Total Amount (Rs.)	66,434,336.05	64,735,797.36
Average Rate (Rs./Kg.)	3.42	3.06

B. Consumption per Unit of Products i.e per litre of Milk

Electricity (Units) - Milk	0.05	0.07
- Ice Cream	0.64	0.74
Furnace Oil (Litres) - Milk	0.00003	0.0001
- Ice Cream	0.0004	-
Coal (Kg.) - Milk	0.0370	0.0412

FORM-B DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

a. RESEARCH AND DEVELOPMENT

1. Specific Areas in which R&D carried out by the Company

- a) Process Development
 - (i) Conducting of Somatic Cell Counter Test to detect animal udder health.
 - (ii) ATP Bioluminescence testing to improve product safety and shelf life.
 - (iii) Installation of Milk Analyzers at various chilling/collection centres to ensure accurate and reliable testing of Fat/SNF content in the milk supplied.