HATSUN AGRO PRODUCT LTD.
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HATSUN AGRO PRODUCT LTD.

ANNUAL REPORT 2012-13



CONTENTS

Our Company. 03

Message from the Chairman & Managing Director. 05

2012-13: Success Stories. 07

Board of Directors. 09

Brand Stable. 11

10 Years Financials. 33

Annual General Body Meeting. 35
- Notice to Shareholders. 36
- Directors' Report. 42
- Corporate Governance. 47
- Management Discussion & Analysis Report. . . .56
- Auditors' Report. 58
- Balance Sheet. 62
- Profit and Loss Account. 63
- Cash Flow Statement. 64
- Notes to Financial Statements. 66
- Balance Sheet Abstract. 86

Registered & Corporate Office and Factories. 87

Attendance Slip. 89

For over 4 decades, Hatsun Agro Product Ltd. has been providing the finest quality dairy products all across South India.

We've cemented a position as the largest private sector dairy in India, but we've kept our philosophy quite simple: care for the customer. Genuinely, Hatsun has lived and worked by this thought ever since the Company's inception.

We believe that it is precisely this care that has won us the accolades and appreciation of over a million households. And we believe that this care for our consumer is what will propel us towards greater heights in the future.



"Hatsun has been a melting pot to people from different walks of life including expatriates."

MR. R.G. CHANDRAMOGAN
CHAIRMAN & MANAGING DIRECTOR,
HATSUN AGRO PRODUCT LTD.

Hatsun Agro Product Limited today is the largest Private Dairy in the Country. Out of the entire daily World Milk production, 1 out of 1000 litres of Milk is processed in the factories of Hatsun located at 10 different places in the Country.

To reach the heights, Hatsun focused on 4 major areas, namely Farmers' Development, Infrastructure for Procurement, Production & Quality Control, Focus on Brand Building and Consumer Preference, to become the category leader in the given territory.

Consumer Preference has been the hallmark of Hatsun all along.

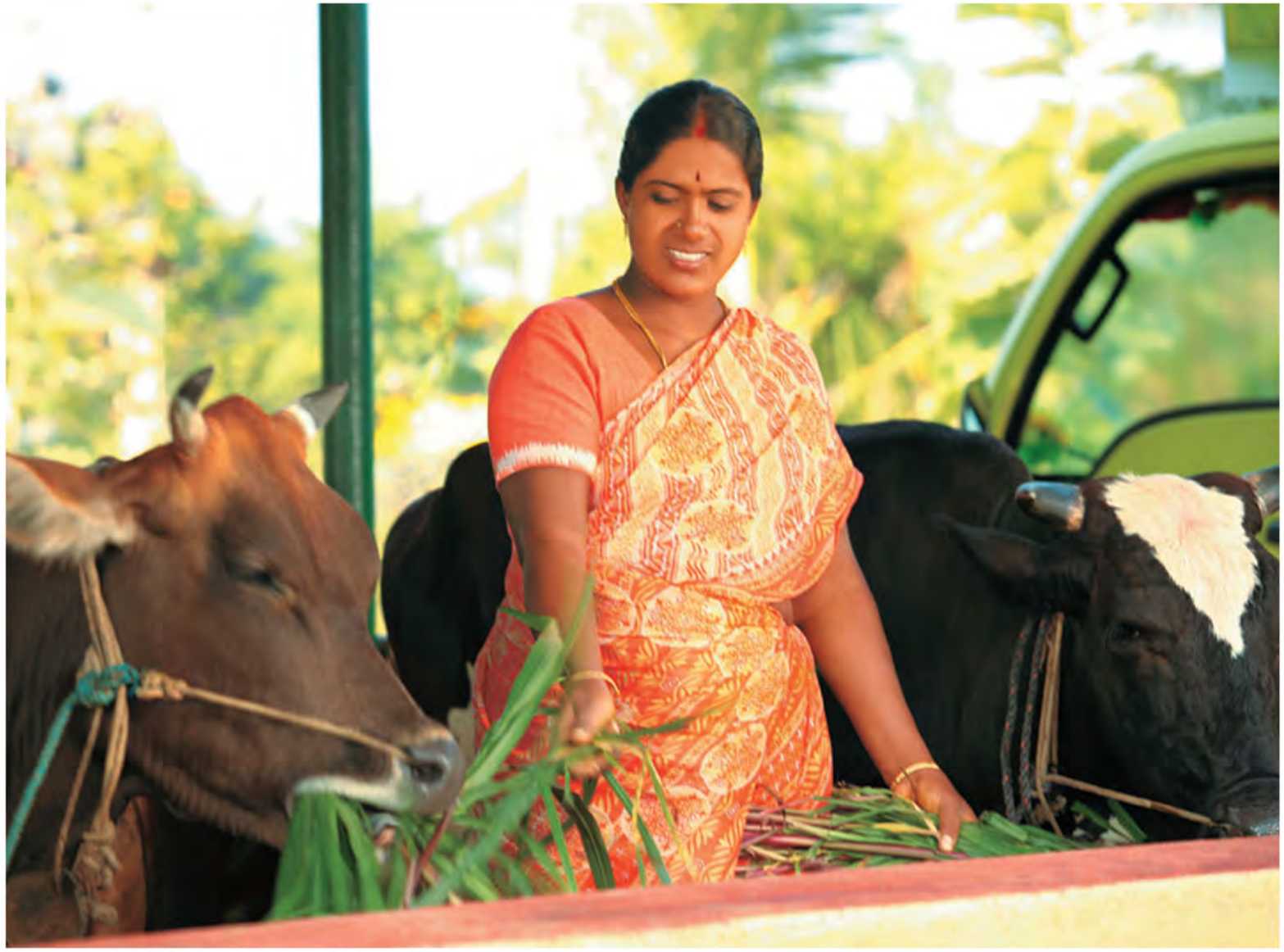
Sustained efforts and commitment with utmost care in quality is responsible for what we are today. Hatsun gave priority to people working with them, getting the best of people in different fields of expertise either in Production / Marketing or any other department.

Hatsun has been a melting pot to people from different walks of life including expatriates.

Shareholders' wealth has been maximized on a sustainable basis.

Hatsun's future has been planned not only on strong foundation of Farmers' Development, Infrastructure Development, Brand Building, and Consumer Preference but also on the value system practiced by the Company since its inception.





2012-2013 saw the company make a few brave forays into new ventures, and also break a few records in sales performances. Read on to find out what we achieved and how we went about achieving them.

Q3 ENDS ON A HIGH

The company recorded a 41% growth in Q3 of 2012 when compared to the figures of the corresponding quarter of the previous year, with Rs. 15 crores net profits. The performance from this quarter saw Hatsun's net income rise to Rs. 543 crores from Rs. 404 crores when compared to the figures of the corresponding quarter of the previous year.

IBACO OFF TO A FLYING START IN CHENNAI

Within just weeks of launching its first parlour, IBACO has already become the go-to place for a majority of ice cream fanatics in the city. The reason: new flavours, exotic toppings, and a sundae experience customers won't find anywhere else.

SALES UP AGAIN!

A focus on higher volumes and production of value-added branded dairy products have contributed to a net profit rise in the first quarter. For the quarter ended 30th June, 2012, we recorded net sales of Rs. 490 crores– a 32% increase over figures of the corresponding quarter of the previous year.

MORE POWER TO THE COMPANY

In the wake of increasing power needs across the state, the Company decided to take a stake in a power project. The objective of this move was to secure adequate power for the company's operations in Tamil Nadu, thereby ensuring that the supply of Hatsun products never stop for customers.

HATSUN LEADS THE NEXT WHITE REVOLUTION

Being the largest private sector dairy Company in India, Hatsun handles over 2 Million and above litres of milk each day. It is a known fact that milk is one of the most consumed products in households and that the demand keeps increasing. Hatsun has put into motion procedures that will take care of these demands – like investing in power projects and adding new products at regular intervals. And the Company is showing no signs of stopping.



R.G. CHANDRAMOGAN

Chairman & Managing Director

Shri R.G. Chandramogan is the Promoter of the Company. He is the Chairman and Managing Director of the Company. He initially started ice cream business in the early 1970s and later ventured into milk and milk related products. He has more than 4 decades of experience in the industry.



K.S. THANARAJAN

Joint Managing Director

Shri K.S. Thanarajan is a Post Graduate in Economics and is in-charge of the day-to-day operations of the Company. Shri K.S. Thanarajan has nearly 4 decades of experience in various executive positions in his career.



C. SATHYAN

Executive Director

Shri C. Sathyan, is a Bachelor of Business Management with specialization in Marketing. He has held various executive positions during his career spanning over a decade.





P. VAIDYANATHAN

Shri. P.Vaidyanathan is a Fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Company Secretaries of India & The Institute of Cost and Works Accountants of India. Shri. P.Vaidyanathan has more than 32 years of experience in the Finance functions.



S. THIAGARAJAN

Shri. 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.



B.S. MANI

Shri. 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.



N. CHANDRASEKARAN

Shri. N.Chandrasekaran is a Mechanical Engineering Graduate with more than 4 decades of experience. He has held various executive positions during his career. He is also on the Board of reputed Companies.

From the creamiest of ice creams to the freshest of milk, Hatsun Agro Product Ltd. has found its way into the kitchens and hearts of families across South India. Our mantra has always been to surprise our customers with new offerings – be it the addition of a simple new flavour, or building a whole new brand altogether. We've been doing that for over four decades now; we'll look to keep doing exactly that in future as well.

We owe the success of our brands not only to the hard work and commitment of our team but also to the support and loyalty of our customers. In return, we strive to elevate benchmarks and surpass conventional standards – standards that usually account for a lot of below par products we see in the market these days.

Our brand range is as diverse as it is popular. Here, we will take a look at what makes up the Hatsun Agro Product family.

AROKYA

Hatsun's brand of milk, Arokya, was launched in 1995 and has built a foundation of trust with millions of customers in Tamil Nadu, Karnataka and Andhra Pradesh. This makes it the largest brand in the Indian Private Sector as far as milk is concerned. And as is the case with all Hatsun products, great care and refinement go into the processing of Arokya milk.

Arokya Toned Milk

With 3% fat, Arokya Toned milk is a healthy choice for families. It also provides a balanced mix of essential ingredients and brims with the goodness of our villages.

Arokya Double Toned Milk

Once again, low on fat and apt for people who are health conscious. It can also be consumed by diabetics and elderly people.

Arokya Full Cream Milk

Rich, wholesome and tasty. The cream content of this brand makes it perfect for kids, whether they are mixing it with their breakfast cereal or just drinking it.

Arokya Standardized Milk

One of the most popular of our milk products, Arokya Standardized milk is the brand of choice for the whole family.

ARUN ICE CREAMS

Possibly the most well known and endearing of all the Hatsun brands, the key to Arun Ice creams' success lies in breaking the status quo. When other ice cream brands opened parlours exclusively in the city, Arun decided to take to suburban and even rural areas. A move that has paid off richly for Hatsun. The brand also consistently introduces new flavours every season, just to make sure customers have something fresh to look forward to when they walk in to an Arun Ice cream parlour.

Arun Icone

The Icone is an innovation in crunchy cone ice creams. With a slender flavourful layer lining the insides of this delicious product, customers feel something special with every bite.

IBACO

A nation-wide chain of outlets based on the unique choose and scoop format. Customers can walk in, choose from over 36 flavours top it off with their favourite sauces and nuts, and create their very own sundae. IBACO is one of Hatsun's younger brands, but has already captured the hearts of millions in a very short time.



HATSUN SKIMMED MILK

Made from the purest of cow's milk, Hatsun skimmed milk powder is 99% fat-free. It's perfect for anyone who leads a hectic lifestyle and in need of their daily dose of milk.

HATSUN GHEE

Consistent in texture and rich in aroma, Hatsun Ghee offers customers the traditional taste of pure, homemade ghee.

HATSUN CURD

Thick, creamy and delicious, Hatsun Curd is the perfect companion for afternoon meals.

HATSUN BUTTERMILK

We've taken everyone's favourite summer drink and turned it into something more. Hatsun Buttermilk is smooth, refreshing and invigorating.

HATSUN COOKING BUTTER

Made from the finest of cream churned from the purest of farm fresh cow's milk, Hatsun Cooking Butter is the go-to ingredient for a variety of dishes, from butter dosa to paneer butter masala.

HATSUN DAIRY WHITENER

This product adds a little extra taste to milk. We guarantee no lumping and easy dissolvability, making Hatsun Dairy Whitener perfect for making tea and coffee.

ANIVA PANEER

Aniva Paneer is smooth, tender and has accounted for many a happy lunchtime meals. Like all our other products, the product is prepared under high levels of hygiene using only the freshest milk cream.

There are around 4,500 Hatsun Milk Banks (HMBs) covering over 8,000 villages with each HMB receiving milk from 3 lakhs farmers everyday.

We make sure only the freshest of milk goes into all our products. That's why we go straight to the farmers to procure milk. There are around 4,500 Hatsun Milk Banks (HMBs) covering over 8,000 villages with each HMB receiving milk from 3 lakh farmers everyday. With the help of Eco Milk Analyzers installed, the HMB tests the quality of milk from each farmer using Fat and SNF as parameters, and then factors that with the liters delivered, into the calculation of the amount to be paid. We make it a point to pay the farmers every week – a track record Hatsun has been proud to maintain for over 2 decades.

The milk is collected from the HMBs and deposited at the Hatsun Milk Chilling Center, where it is tested under more parameters. After this, further samples are taken for advanced testing. Only after the milk samples match Hatsun's stringent quality norms they are sent to the Dairy. At the dairy the milk is put through more tests before taking it up for further processing.

To keep up with QA norms, Hatsun has charted out a series of measures to help the farmers deliver milk of the highest quality:

Animal Health Care:
Hatsun has assigned a team of veterinary doctors to take care of milch animals of all the farmers associated with the Company.

Artificial insemination:
Hatsun has arranged for trained inseminators to visit the villages to carry out artificial insemination on the animals. This ensures that the milch animals produce at least one calf every year.

Fodder:
Hatsun has commissioned a team of agricultural graduates to help farmers cultivate their own fodder.

Balanced Cattle Feed: Hatsun manufactures and sells cattle feed to the farmers based on their requirements.

Advice for larger farms:
To compensate for the lesser number of milch animal holding in the milk shed due to shortage of man power, Hatsun will source appropriate technology to help the farmer automate his farm to an optimum level.







The only thing that overcomes hard luck is hard work.

HARRY GOLDEN





If you work just for money, you'll never make it, but if you love what you're doing and you always put the customer first, success will be yours.

RAY KROC



AROKYA MILK

