

31<sup>ST</sup> ANNUAL REPORT  
2016



HAP



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At Hatsun, we are all about

**CREATING**

a new world filled with

**POTENTIAL**

and

**ASPIRATIONS.**

We dream big and put  
the most ethical values to

**PRACTICE,**

and

**SOAR**

towards a

**SUSTAINABLE**

future for the community  
as a whole.

Creating opportunities.  
Creating breakthroughs.  
Creating innovation.  
Creating milestones.  
Creating a future.

## CREATING A NEW IDENTITY

# HAP

Most of the products at Hatsun Agro Product Limited are based on the bountiful produce that nature generously provides us. Dairy products are so very dependent on nature - in fact, nature is what we work for and what we work with. In return, we wanted to create a logo that would be a tribute - something that would embody nature in all her glory.



We also wanted to make sure that everything that is natural and good dovetailed back into the logo. A part of the letter 'a' has been stylised to look like a blade of grass - because that's where it all begins. And what better way to depict nature than in her simplest form.

The bold type also represents a company that is sure of the direction it is taking, and is also a reflection of the solid work ethic that has made itself integral to the organisation's business processes.



Aspire to improve.  
Aspire to perfection.  
Aspire to wellness.  
Aspire to progress.  
Aspire to wholeness.

## HATSUN AGRO PRODUCT LIMITED

### A CLOSER LOOK

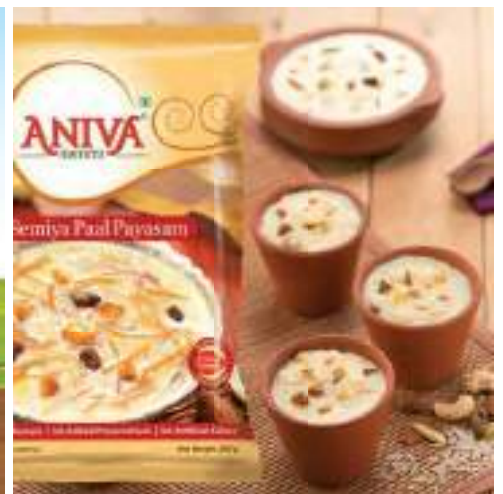
Over the decades, Hatsun Agro Product Limited has been committed to providing customers a range of dairy products that enrich their lives. Our offerings cater to specific needs covering a wide range in the areas of cooking and consumption. They include milk, curd, ice creams, dairy whitener, skimmed milk powder, ghee, paneer and a host of others. We take pride in playing a part in the daily lives of a million Indian households through brands such as Arokya Milk, Hatsun Curd, Hatsun Paneer, Hatsun Ghee, Arun Icecreams, Ibaco, Oyalo and Aniva Sweets. Hatsun Ghee has become a daily choice in many North Indian states, while Hatsun Dairy Whitener has become a popular household brand in the North Eastern part of the country.

Being a name with a foundation built on quality, we have a technically advanced system in place along with time-tested business processes across our 16 plants.

Our customers have placed immense trust in the company, with 96.23% of our sales coming from consumers alone. Hatsun Agro Product Limited also has a healthy global presence with dairy ingredients exported to 38 countries around the world – primarily in America, the Middle East and South Asian markets. Our popular Arun Icecreams is also a favourite brand in Seychelles and Brunei.

Hatsun Agro Product Limited is continually on the lookout to spread its wings, thereby catering to the needs of a greater number of families. We will be working towards rapid expansion through the country this year, like Andhra Pradesh, Telangana and Maharashtra thanks mainly to the overwhelming response from our consumers about the quality of our products. We recognise their appreciation, and as always will continue to make product developments aided by prolific Research & Development efforts. Our plans will include a foray into new brands featuring healthy, tasty and quality foods like frozen snacks and sweets.

As always, the customer can look forward to the great levels of quality that we have always been known to deliver.



Soar to greater heights.  
Soar to everlasting happiness.  
Soar towards a better tomorrow.  
Soar towards sustenance.  
Soar beyond limits.

## BOARD OF DIRECTORS



**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 the 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 postgraduate 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 specialisation in Marketing. He has held various executive positions during his career spanning over a decade.



**P. VAIDYANATHAN**  
Independent Director

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



**N. CHANDRASEKARAN**  
Independent Director

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.



**B. THENAMUTHAN**  
Independent Director

Shri Balasubramanian Thenamuthan holds a Master's Degree in Communication and Journalism from Madras University and has carried out an intensive study of Newspaper Management in Cardiff University, United Kingdom. He has 3 decades of experience in journalism. He is the Managing Director of Karnataka News Publications Private Limited, which publishes a Tamil daily outside Tamil Nadu.



**BALAJI TAMMINEEDI**  
Independent Director

Shri Balaji Tammineedi is an entrepreneur and has more than two decades of experience in the Dairy Industry. He is the Managing Director of M/s. Jyothi Steel Industries (India) Private Limited. He holds a postgraduate degree in Management.



**CHALINI MADHIVANAN**  
Independent Director

Dr. Chalini Madhivanan is a graduate from Madurai Medical College and a postgraduate in Ophthalmology at RIGOH, Chennai. She holds the position of an Executive Director of M/s. M.N. Eye Hospital Private Limited. She has presented more than 100 papers in State and international conferences and has conducted scientific workshops and conferences in the State and across the country. Apart from her medical profession, she is also a prolific writer and her book 'Pulanuruppugal - Thoguthy Ill' written in Tamil on eyes under Tamil Valarchi Kalagam, was published in 1996 by the Central Government.



Practice excellence.

Practice ethics.

Practice values.

Practice kindness.

Practice integrity.

## MILK PROCUREMENT PROCESS

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 8,700 Hatsun Milk Banks (HMBs) covering over 10,000 villages, with over 3 lakh farmers providing milk to these banks everyday. With the help of EKO milk analysers installed, the HMB tests the quality of milk from each farmer using Fat and SNF as parameters.

The milk is collected from the HMBs and taken to the Hatsun Milk Chilling Centre, where it is tested for quality standards. Only after the milk samples match our stringent quality norms are they 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 Agro Product Limited has charted out a series of measures to help the farmers deliver milk of the highest quality.

## ANIMAL HUSBANDRY

Substantial improvements have been made with respect to the Animal Husbandry team. The addition of over 100 highly qualified experts promises a spike in productivity and profitability of dairy farmers, not to mention an increase in milk quality. For farmers who do not have access to reliable irrigation, Hatsun Agro Product Limited is initiating a trial on the feasibility of producing and feeding silage to the cattle. With an aim to maximise farmers' profits, the animal husbandry team works closely with the cattle feed team to provide farmers with a complete nutrition package of forages and concentrates.

### ANIMAL HEALTH CARE

Hatsun Agro Product Limited has assigned a team of veterinary doctors to take care of milch animals of all the farmers associated with the company and educate them about the best ways to prevent common ailments for their cattle.

### ARTIFICIAL INSEMINATION

Hatsun Agro Product Limited has arranged for trained inseminators to visit the villages to carry out artificial insemination on the animals. The aim is to ensure that the milch animals produce at least one calf every year.

### FODDER

Hatsun Agro Product Limited has commissioned a team of agronomists to help farmers cultivate fodder in the most economical way to feed the nutritional requirement of the cows.

### BALANCED CATTLE FEEDS

Under the brand name Santosa, Hatsun Agro Product Limited manufactures and sells cattle feed to the farmers based on their need.

### ADVICE FOR LARGE FARMS

In an effort to produce milk more efficiently, Hatsun Agro Product Limited is working closely with large farms. The company also aids them in sourcing appropriate technology to reduce the workload which helps compensate for the increasing shortage of labour.