

HAP

Hatsun Agro Product Limited



ANNUAL REPORT
2021

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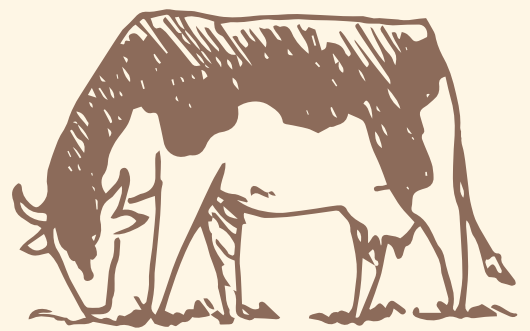
STATEMENTS





In perfect harmony.

There's no real secret to delivering quality dairy products to consumers for over 50 years. It's a combination of commitment, hard work and the desire to make life better for our partners. It's also about recognising the processes in play and ensuring that they all work hand-in-hand, in perfect sync with each other, to create the best output possible.



Board of directors

R.G. CHANDRAMOGAN *Chairman*

R.G. Chandramogan, aged 72 years, is the Chairman of the Company. He has been in the dairy business for more than four decades. In February 2018, the Indian Dairy Association awarded patronship to R.G. Chandramogan in recognition of the valuable services rendered by him in furthering the cause of the Indian Dairy Association and the dairy industry, through planning and development.

C. SATHYAN *Managing Director*

C. Sathyan, aged 42 years, is the Managing Director. He was conferred with the title of 'Doctor of Letters' for his entrepreneurship and philanthropy by the International Tamil University, USA. He has held various executive positions during his career, spanning over 19 years. He is in-charge of the day-to-day operations of the company. He was re-designated as Managing Director from the position of Executive Director upon the relinquishment of the position of Managing Director by Shri. R.G. Chandramogan.

S. SUBRAMANIAN *Independent Director*

S. Subramanian, aged 62 years' is an Independent Director. He holds a Postgraduate Degree in Commerce and Management and is a finance professional with more than 30 years of experience in the Manufacturing Industry. He has expertise and knowledge in the areas of Corporate Finance, Accounting, Capital Structuring, Governance and Compliance matters.

K.S. THANARAJAN *Non-Executive Non-Independent Director*

K.S. Thanarajan, aged 72 years, is the Non-Executive Director of the Company. He holds a Master's Degree in Economics from the University of Madras. He was in-charge of day-to-day operations of the dairy division of the Company. He has been in the dairy business for more than 20 years.

B. THENAMUTHAN *Independent Director*

B. Thenamuthan, aged 60 years, is an Independent Director of the Company. He holds a Master's Degree in communication and journalism from the University of Madras. He has over 18 years of experience in the field of journalism. He is the Managing Director of Karnataka News Publications Private Limited.

D. SATHYANARAYAN *Non-Executive Non-Independent Director*

D. Sathyanarayan, aged 62 years is a Non-Executive Non-Independent Director. He is a Bachelor of Science and holds a Master's Degree in Public Administration. He has more than three decades of experience in handling Factory Operations, Food Safety, Quality Control and commissioning of new plants.

V.R. MUTHU *Independent Director*

V.R. Muthu, aged 67 years, is a Graduate in Commerce and has rich experience in Business/Commercial spheres over a period of 20 years. He is the Managing Director of V.V. & Sons Edible Oils Limited possessing the fastest growing Oil brand in India named "Idhayam Gingelly Oil" and "Mantra Ground Nut Oil".

P. VAIDYANATHAN *Non-Executive Non-Independent Director*

P. Vaidyanathan, aged 73 years, was an Independent Director of the Company. On completion of his first term of Independent Directorship as per the provisions of The Companies Act, 2013 and SEBI LODR Regulations, 2015, he has been appointed as Non-Executive Non-Independent Director of the Company. He is a Fellow Member of the Institute of Chartered Accountants of India, Associate Member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has over 30 years of experience in the finance functions.

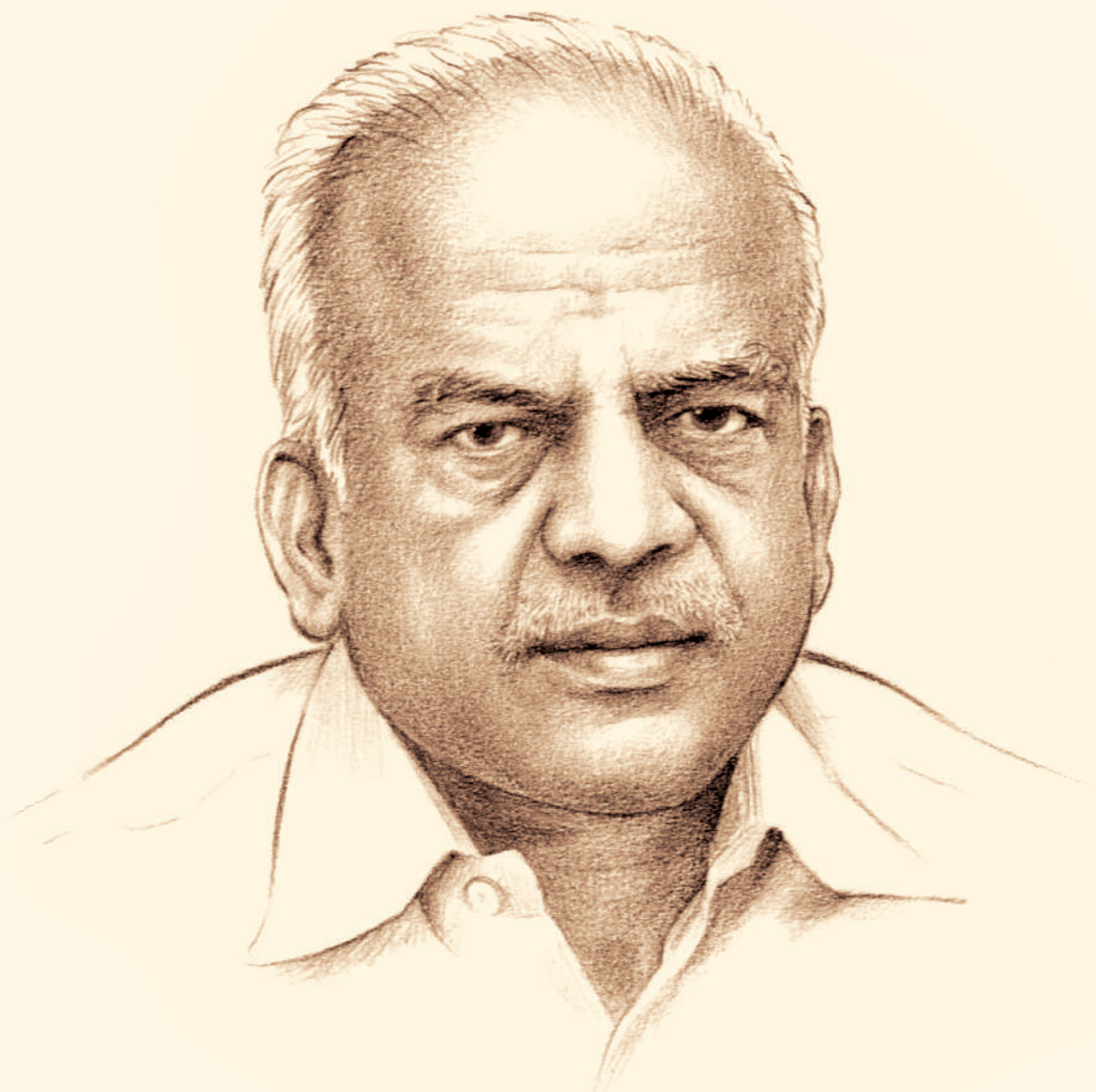
BALAJI TAMMINEEDI *Independent Director*

Balaji Tammineedi, aged 60 years, is an Independent Director of the Company. He is an entrepreneur and holds a Master's Degree in Management from the Indian Institute of Planning and Management, Delhi. He has more than 21 years of experience in the dairy industry. He is a partner in Prism Ventures LLP, Traditions Jewellery LLP and Blue Sky Brundhavana LLP.

CHALINI MADHIVANAN *Independent Woman Director*

Chalini Madhivanan, aged 64 years, is an Independent Woman Director of the Company. She holds a degree in Bachelor of Medicine and Bachelor of Surgery from Madurai Kamaraj University and a diploma in Ophthalmology from Madras University. She completed a training program in Radial Keratotomy and Keratoplasty from the Institute of Clinical Ophthalmology, Kiryu Eye Clinic, Japan. She has over thirty six years of experience in the medical industry. She holds the position of Managing Director in M.N. Eye Hospital Private Limited.





From the Chairman's Desk

Dear Stakeholders,

It has been a challenging year for all of us, and it looks like a steep climb ahead as the world pieces itself back together again.

I would like to take this opportunity to thank everyone involved with HAP -- our partners, vendors and employees -- for their tireless efforts and support during these unprecedented times. Rest assured, we will move forward as one, tackle new challenges and continue delivering quality dairy products to our customers.

Once again, on behalf of the entire HAP family, I thank you for your loyalty and support.

Yours sincerely,
R.G. Chandramogan

Milk sourcing and Animal husbandry

Our meticulous process goes a long way in assuring our customers of quality products. And it all starts at the farm.

Hatsun, The First Indian Corporate Dairy to cross One Billion Litres (100 Crore Litres) per year.

MILK SOURCING PROCESS

- We involve our partners, the farmers, in the milk sourcing process right from the very beginning
- The plan is to get the best possible output which benefits the farmers as well
- Every day, more than four lakh farmers deposit milk at over 10,000 Hatsun Milk Banks, where milk is tested for quality
- The farmer is paid every 10 days based on this

QUALITY PARAMETERS

- Farmers are paid based on the quality and quantity of Milk supplied by them
- We deliver goodness with care after 45 tests

FARMER MANAGEMENT

- The farmer is assured of on-time payment through his/her bank account eliminating Cash transaction, thanks to our state-of-the-art farmers' database

LOGISTICS

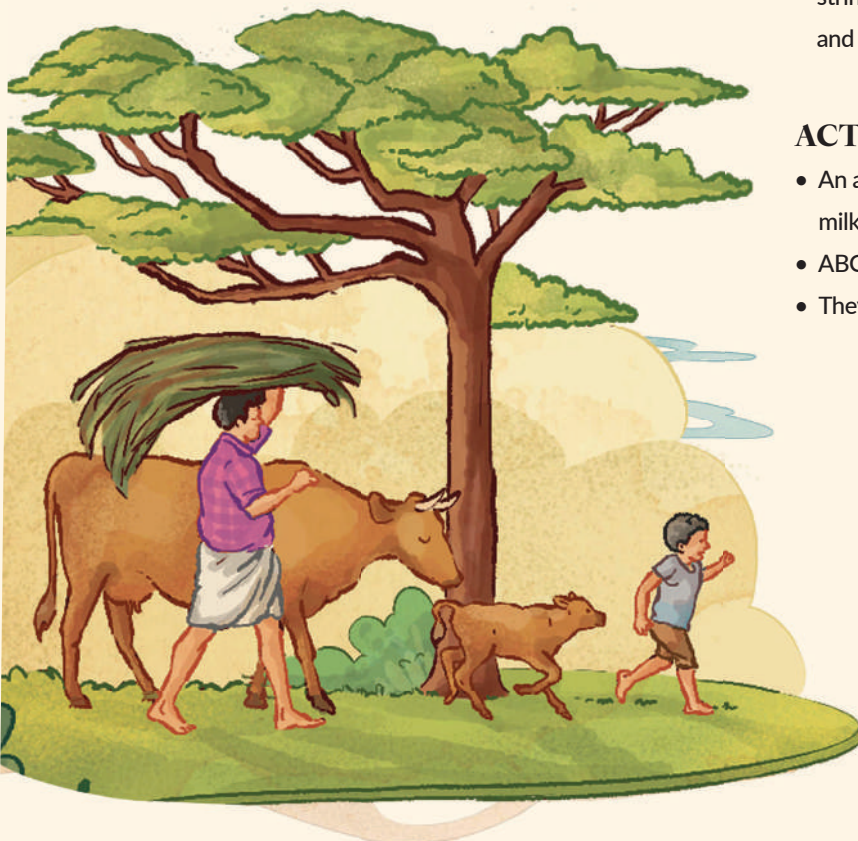
- We operate more than 1,200 rural milk sourcing routes with an assigned route plan
- This plan helps determine the pick-up timing and schedule, and also ensures that the milk sourcing vehicle reaches the Hatsun Milk Chilling Center on time, where more tests are done

TESTING

- After we're satisfied that the milk conforms to all of HAP's stringent quality norms, it is loaded onto a milk tanker and sent to the dairy for further processing

ACTIVE BULK COOLER (ABC)

- An advanced system that helps source and chill the milk at the village level
- ABCs are present in over 1100 locations
- They aid in improving quality and freshness



BENEFITS OF USING ABCs

- Farmers become more flexible in milking their cows
- Instant chilling within two hours
- Increased milk quality and quantity
- No milk spoilage or spillage
- Improved shelf life

ANIMAL HUSBANDRY

Increasing efficiency and profitability

- Our Animal Husbandry team helps improve profitability of dairy farms by increasing efficiency and reducing costs
- These professionals help in providing farmers with the complete package of forages and concentrates

ANIMAL HEALTH CARE

Thorough care and education

- A team of veterinary doctors and paravets are assigned to take care of milch animals
- They also educate the farmers, on the best way to prevent ailments for the cattle

ARTIFICIAL INSEMINATION

For even better quality tomorrow

- A trained team of inseminators visit the villages to provide AI services from quality bulls
- This process is carried out to ensure that milch cows produce a calf every year with better genetic qualities

HAP INFORMATION SYSTEM

Keeping track of all data

- We manage all the cattle with an efficient, first-of-its-kind cattle management system
- All the animals are tagged and their data is recorded
- We work closely with large farms to source appropriate technology that will help reduce labour for large farms
- Powerful tools help monitor bulls and improve productivity, therefore increasing profitability

FEED AND FODDER

Quality nutrition for the animals

- Our team of agronomists help cultivate fodder for cattle in the most economical way possible
- Under the brand Santosa, we manufacture and sell cattle feed to the farmers, based on requirement



Arun[®]
ICECREAMS

