

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

(Under Clause 49 VI (ii) of the Listing Agreement)

Name of the Company: HATSUN AGRO PRODUCT LIMITED

Quarter ended: 30th June, 2011

| Particulars | | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|-------------|--|-----------------------------|--------------------------|---|
| 1 | | 2 | 3 | 4 |
| I | Board of Directors | 49 I | | |
| | (A) Composition of Board | 49(IA) | Yes | |
| | (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes | Disclosed in the Annual Report every year |
| | (C) Other provisions as to Board and Committees | 49 (IC) | Yes | |
| | D) Code of Conduct | (49 (ID) | Yes | Affirmation of Compliance with the Code of Conduct and Declaration by CEO is being made in every Annual Report. |
| II | Audit Committee | 49 (II) | | |
| | (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | |
| | (B) Meeting of Audit Committee | 49 (IIB) | Yes | |
| | (C) Powers of Audit Committee | 49 (IIC) | Yes | |
| | (D) Role of Audit Committee | 49 II(D) | Yes | Among others, the existing Uncodified Whistle Blower Mechanism is reviewed by the Audit Committee. |
| | (E) Review of Information by Audit Committee | 49 (IIE) | Yes | |
| III | Subsidiary Companies | 49 (III) | NA | The Company has no subsidiaries |
| IV | Disclosures | 49 (IV) | | |
| | (A) Basis of related party transactions | 49 (IV A) | Yes | Disclosed in the Annual Report every year |
| | (B) Disclosure of Accounting Treatment | 49 (IV B) | Yes | Changes are being disclosed as and when there is any change in Accounting Treatment |
| | (C) Board Disclosures – Risk Management | 49 (IV C) | Yes | Procedures are in place. These are refined from time to time in line with the requirements of the code and are reviewed periodically. |
| | (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | Yes | Disclosures will be made as and when funds raised through public issues, rights issues, preferential issues etc. |

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| | (E) Remuneration of Directors | 49 (IV E) | Yes | Disclosed in the Annual Report every year |
| | (F) Management | 49 (IV F) | Yes | Management Discussion and Analysis Report forms part of every Annual Report. |
| | (G) Shareholders | 49 (IV G) | Yes | Disclosed in the Annual Report every year |
| V | CEO/CFO Certification | 49 (V) | Yes | Disclosed in the Annual Report every year |
| VI | Report on Corporate Governance | 49 (VI) | Yes | |
| VII | Compliance | 49 (VII) | Yes | Disclosed in the Annual Report every year |

N P Mathi Lingan
Company Secretary & Compliance Officer
HATSUN AGRO PRODUCT LIMITED