



HATSUN AGRO PRODUCT LIMITED

CIN : L15499TN1986PLC012747

Regd. Office : DOOR NO.1/20A, "DOMAINE", RAJIV GANDHI SALAI (OMR) KARAPAKKAM, CHENNAI - 600 097.

Phone No.: 044-24501622, Fax: 044-24501422 | Email: secretarial@hatsun.com | Website: www.hatsun.com

NOTICE ISSUED TO MEMBERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To

The Members of Hatsun Agro Product Limited

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with The Companies (Management and Administration) Rules, 2014 that the Company is seeking the consent of its members for approving the payment of "Long-term Meritorious Cash Award" to Mr.K.S.Thanarajan for his long standing services rendered in his capacity as Joint Managing Director of the Company and for the significant contribution he has made towards steering the growth and bringing greater economies of scale in the operations which benefitted the Company in its long run and large scale, by way of Postal Ballot which includes voting by electronic means.

The Explanatory Statement pertaining to the resolution proposed in this notice along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr. S. Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practicing Company Secretaries, Chennai, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 5.00 P.M on, Tuesday, the 28th day of February, 2017. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman and Managing Director of the Company on Thursday, the 2nd March 2017. The results of the postal ballot will be declared by the Chairman and Managing Director or in his absence by the Executive Director authorised by the Board in this regard on Thursday, 2nd March 2017 at 5.00 P.M. at the Registered Office of the Company. The results will also be posted on the website of the Company www.hatsun.com. The results shall be intimated to the Stock Exchange where the shares of the Company are listed and also to the general public through press release in newspapers.

Members may note that as required under Clause 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to members of the Company. Accordingly, the Company is providing e-voting facility for the Postal Ballot as an alternate, which would enable the members to cast their votes electronically, instead of casting their votes and despatching Postal Ballot forms physically. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only. Detailed instructions to use the facility are given separately.

The Resolution, if approved, will be taken as passed effectively on the date of declaration of result.

Proposed Resolution:

ITEM NO. 1 -PAYMENT OF "LONG TERM MERITORIOUS CASH AWARD" TO Mr.K.S.THANARAJAN FOR HIS PAST SERVICES AS JOINT MANAGING DIRECTOR OF THE COMPANY.

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

"RESOLVED that pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act including any statutory modification(s) or re-enactment(s) thereof and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for payment of additional remuneration of Rs. 3,00,00,000/- (Rupees Three Crores Only) to Mr.K.S.Thanarajan in the form of "Long-term Meritorious Cash Award" for the long standing services rendered by him in his capacity as Joint Managing Director of the Company and the significant contribution he has made towards steering the growth and bringing greater economies of scale in the operations which has benefitted the Company in its long run and large scale."

"RESOLVED FURTHER THAT the Board of Directors of the Company be authorized to do all acts, deeds and things as may be required in connection with the implementation of the above resolution and to settle any questions, doubts or difficulties as may arise in connection therewith"

“RESOLVED FURTHER THAT where the Company incurs a loss or its profits are inadequate, if such payment is in excess of ceiling, if any, prescribed under Schedule V to the Companies Act, 2013, the Company shall seek permission of Central Government as may be necessary in accordance with the provision governing payment of remuneration which is in force at the relevant point of time”

By Order of the Board
For HATSUN AGRO PRODUCT LIMITED

Place: Chennai
Date: 18.01.2017

SD/-
R.G.CHANDRAMOGAN
CHAIRMAN AND MANAGING DIRECTOR

Notes:

1. The explanatory statement and reasons for the proposed resolution as required under Section 102 of the Companies Act, 2013, is annexed to this notice.
2. The Company has appointed Mr. S. Dhanapal (FCS 6881) , Senior Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, to act as the Scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 20.01.2017
4. In compliance with provisions of Section 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

The complete detail of the instructions for e-voting is annexed to this notice.

Registered Folio No. / DP ID No. / Client ID No.	Number of shares held:

Dear Member,

Subject: Instructions for e-voting

Pursuant to the provisions of section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, additionally, to the members to cast their votes electronically on all resolutions set forth in the Notice of Postal Ballot. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com> The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Postal ballot notice.

Steps for Remote e-voting:-

1. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging for the first time, please enter the User ID and Password provided in this document.
5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
7. Select “EVEN” of Hatsun Agro Product Limited.
8. Now you are ready for e-Voting as Cast Vote page opens.

9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolutions, you will not be allowed to modify your vote.
12. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
14. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

Instruction for voting through postal ballot:-

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Scrutinizer in the enclosed self addressed envelope. Postages will be borne and paid by the company. However, envelope containing postal ballot if sent by courier at the expense of the registered shareholder will also be accepted.
2. The self addressed envelope bears the address of the Registrar and transfer agent appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder (as per the specimen signature registered with the company or furnished to National Security Depository Limited or Central Depository Services (India) Limited in respect of shares held in physical form or dematerialised form respectively). In case of joint holding, this form should be completed and signed by the first named share holder and in his absence, by the next named share holder
4. Incomplete and /or unsigned Postal Ballot Form will be rejected.
5. Duly completed postal ballot form should reach the address of the Registrar and Transfer Agent not later than the close of working hours on 28th February 2017. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
6. In case of shares held by companies/trusts, societies etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/ Authority for the purpose.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the share holders as on 20th January 2017.
8. Exercise of vote by postal ballot through proxy is not permitted. Members are requested to carefully read the instructions printed and tick (✓) mark should be placed in the relevant box signifying assent (FOR) /dissent (AGAINST) for the resolution, as the case may be before mailing the postal ballot form.
9. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. Postal Ballot forms bearing tick marks in both the columns will render the postal ballot form invalid.
10. The members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as all such envelopes will be sent to the scrutinizer and any extraneous paper found in the such envelope would be destroyed by the scrutinizer.
11. The scrutinizer's decision on the validity of postal ballot shall be final.

General Instructions:

1. The remote e-voting period commences on 9.30 A.M. on Monday, 30th January, 2017 and ends on 5.00 P.M on Tuesday, 28th February, 2017. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, 20th January, 2017, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting through postal ballot paper.
3. Shri. S.Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries (Membership No.FCS 6881) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
4. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 20th January, 2017.
5. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hatsun.com and on the website of the NSDL within two days of the declaration of results and communicated to National Stock Exchange of India Limited and BSE Ltd.

6. Kindly note that the shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If shareholders are opting for e-voting, then do not vote by Physical Ballot or vice versa. However, in case shareholders cast their vote by Physical Ballot and e-voting both, then voting done through Physical Ballot shall be treated as invalid.
7. In case of any difficulties / grievances relating to the voting process, the members can contact:
Mr. S. Narayan
Company Secretary
HATSUN AGRO PRODUCT LIMITED
CIN : L15499TN1986PLC012747
Regd. Office : DOOR NO.1/20A, "DOMAINE",
RAJIV GANDHISALAI (OMR)
KARAPAKKAM, CHENNAI - 600 097.
Phone No.: 044-24501622, Fax: 044-24501422 | Email: secretarial@hatsun.com | Website: www.hatsun.com

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013**

Item No.1

Mr.K.S.Thanarajan who had served the Board as Joint Managing Director of the Company for more than two decades had resigned from his services and Directorship with effect from 31st December 2016.

Mr.K.S.Thanarajan was largely responsible for the success of Dairy Division. From a small beginning in 1992 with about 10,000 litres per day milk production capacity, the Company has now grown to a capacity of over 27 lakh litres per day. The dedicated effort and management of the Dairy Division in all aspects by Mr.K.S.Thanarajan has contributed to the success of the Dairy Division. In recognition of his long standing service and significant contributions he has made, the Board of Directors accepted the recommendation of the Nomination and Remuneration Committee and approved the payment of the "Long-term Meritorious Cash Award" to Mr.K.S.Thanarajan on 18th January 2017 and accordingly now recommends the same for ratification by the members. After considering the payment of above amount of Rs. 3,00,00,000/- (Rupees Three Crore Only) overall managerial remuneration to Directors of the company for the year 2016-17 is expected to be within the limits laid down in section 197 of the Companies Act, 2013. However, if there is a loss of if the profits are inadequate, the company shall seek the necessary approval of the Central Government for waiving the recovery of the excess remuneration.

Except Mr. K.S.Thanarajan and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

By Order of the Board

For HATSUN AGRO PRODUCT LIMITED

Place: Chennai

SD/-

Date: 18-01-2017

R.G.CHANDRAMOGAN

CHAIRMAN AND MANAGING DIRECTOR

Encl : 1. Postal Ballot Form

2. Pre-paid self-addressed Envelope.