

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@hap.in | Website: www.hap.in

**NOTICE ISSUED TO THE 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 the businesses listed below, by way of Postal Ballot which includes voting by electronic means. The Explanatory Statement pertaining to each resolution proposed in this notice along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr. N Ramanathan, Partner of M/s. S Dhanapal & Associates, Practising 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, 2nd March 2021. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company or a person authorized by him on or before Thursday, the 4th March 2021. The results of the postal ballot will be declared by the Chairman or a person authorized by him in this regard on or before Thursday, the 4th March 2021 at the Registered Office of the Company. The results will also be posted on the website of the Company www.hap.in. The results will 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to the 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 dispatching Postal Ballot forms physically. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only the 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 Resolutions, if approved, will be taken as passed effectively on the last date of e-voting / receipt of physical ballot papers i.e., 2nd March, 2021.

Proposed Resolutions:

**ITEM NO.1–PAYMENT OF REMUNERATION TO SHRI. R G CHANDRAMOGAN,
CHAIRMAN AND NON-EXECUTIVE NON-INDEPENDENT DIRECTOR**

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

"RESOLVED THAT in accordance with the provisions of Section 197 and other applicable provisions if any of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration and benefits (apart from the remuneration as applicable to the other Non-Executive Directors of the Company) payable to Shri. R G Chandramogan (DIN: 00012389), Chairman and Non-Executive Non-Independent Director of the Company for the period from 1st April 2021 till 31st March 2022 as set out in the Explanatory Statement annexed to the Notice, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and Shri. G. Somasundaram, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution”.

**ITEM NO. 2 – PAYMENT OF REMUNERATION TO SHRI. D. SATHYANARAYAN,
NON-EXECUTIVE NON-INDEPENDENT DIRECTOR.**

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

RESOLVED THAT in accordance with the provisions of Section 197 and other applicable provisions if any of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration and benefits (apart from the remuneration as applicable to the other Non-Executive Directors of the Company) payable to Shri D. Sathyanarayan (DIN: 08489439), Non-Executive Non-Independent Director of the Company, for the period from 1st April 2021 till 31st March 2022, as set out in the Explanatory Statement annexed to the Notice, be and is hereby approved."

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and Shri G. Somasundaram, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.

**By Order of the Board
For Hatsun Agro Product Limited
Sd/-
G. Somasundaram
Company Secretary**

Place: Chennai

Date: 19th January, 2021

Notes:

1. The explanatory statement and reasons for the proposed resolutions as required under Section 102 of the Companies Act, 2013, is annexed to this notice.
2. The Company has appointed Mr. N Ramanathan (FCS 11084), 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 26th January, 2021.
4. In compliance with 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 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 voting through Postal Ballot Form. **E-voting is optional.**

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

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

DISCLOSURES PURSUANT TO SECRETARIAL STANDARDS – 2

PROFILE OF THE DIRECTORS PERTAINING TO FIXATION OF REMUNERATION		
Name of the Director	Shri R G Chandramogan	Shri D Sathyanarayan
Director Identification Number (DIN)	00012389	08489439
Date of Birth and Age	01-03-1949 (71 Years)	14-06-1959 (61 Years)
Date of Appointment at current designation /Date of first appointment on the Board	19 th October, 2020	21 st June 2019
Profile/Qualifications & Experience	Mr. R.G. Chandramogan 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.	Shri. D.Sathyanarayan has more than three decades of experience in handling Factory operations, Food Safety, Quality control aspects and setting up of new plant/s.
Details of Remuneration sought to be paid	As detailed in the explanatory statement.	As detailed in the explanatory statement.

Remuneration last drawn	Rs. 88,40,367	Entitled to a Sitting Fee of Rs. 50,000/- per meeting of the Board. Entitled to a monthly Remuneration of Rs. 50,000/- from 01.04.2020 till 31.03.2021 which was approved by the Shareholders of the Company by way of passing a Special Resolution through postal ballot on 7th March, 2020.
Directorship in other Companies & Membership /Chairmanship of Committees of other Boards	None	None
Shareholding in the Company	12,22,42,083 Equity Shares	Nil
Relationship with Other Directors, Managers and other Key Managerial Personnel of the company	Related to the Managing Director Mr C Sathyan in his capacity as Father of Mr C Sathyan.	None
The number of Meetings of the Board attended during the year (upto and including the date of Board Meeting held on 19 th January, 2021)	During the FY 2020-21: 5 Board Meetings	During the FY 2020-21: 5 Board Meetings

Dear Member,

Subject: Instructions for e-voting

Pursuant to the provisions of Sections 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. Members are requested to cast their electronic vote separately under the respective EVEN numbers created separately for fully paid up equity shares and partly paid up equity shares.

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)	UserID	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 the 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 E voting 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 secretarial@csdhanapal.com with a copy marked to evoting@nsdl.co.in
13. In case of any queries, you may refer to 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 Securities 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 shareholder 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 **Tuesday, 2nd March, 2021**. 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 **Tuesday, 26th January, 2021**.
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, 1st February, 2021** and ends on 5.00 P.M on **Tuesday, 2nd March, 2021**. During this period, the shareholders of the Company holding shares either in physical form or in a dematerialized form, as on the cut-off date, i.e., **Tuesday, 26th January, 2021**, 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 will be entitled to avail the facility of remote e-voting/voting through postal ballot paper.
3. Shri. N Ramanathan, Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries (Membership No. FCS 11084) 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 share of the paid-up equity share capital of the Company as on **Tuesday, 26th January, 2021**.
5. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.hap.in and on the website of 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 they shall not vote by Physical Ballot or vice versa. However, in case shareholders do cast their vote/s both by way of Physical Ballot and e-voting, 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. G. Somasundaram

Company Secretary

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](tel:044-24501622), [Fax: 044-24501422](tel:044-24501422) | [Email: secretarial@hap.in](mailto:secretarial@hap.in) | Website: www.hap.in

Communication on Tax Deduction at Source (TDS) on Dividend Payout

1. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
2. The Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the

dividend amount exceeds Rs. 5,000/-. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Form 15 G / 15 H can be downloaded from the weblink <https://www.integratedindia.in/ExemptionFormSubmission.aspx> to avail the benefit.

3. There is also provision to upload the 15G/15H in the weblink viz., <https://www.integratedindia.in/ExemptionFormSubmission.aspx> provided by the Company's Registrar and Share transfer agent M/s Integrated Registry Management Services Private Limited.
4. For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to alpha123information@gmail.com.
5. For any additional information, Members may refer to the "Communication on TDS on first interim dividend payout for FY 20-21" available at the web link of the company <https://www.hap.in/pdf/announcements/Communication-on-TDS-on-first-interim-dividend-payout-for-FY-20-21.pdf>

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

ItemNo.1:-

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the Members by way of Special Resolution is required every year, if the Remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate Remuneration payable to all the Non-Executive Directors taken together. Your approval is therefore sought for the remuneration and benefits, payable to Shri. R G Chandramogan for the period commencing from 1st April 2021 till 31st March 2022, as provided below:

- a) Monthly remuneration of Rs. 7,50,000/- aggregating to a maximum of Rs. 90,00,000/- for the period from 1st April 2021 till 31st March 2022;
- b) Provision of Travelling, Conveyance, Boarding and Lodging Facilities for the services rendered by him periodically.
- c) Besides the Mediciam Insurance extended by the Company for him and his family, reimbursement of actual medical expenses incurred for self and family subject to a ceiling of Rs.3,75,000 in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.
- d) Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- e) Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation: For the purpose of Category 'A', 'family' means the spouse, dependent children and dependent parents.

- f) The Company shall provide a car with driver and telephone facility at the residence of Mr. R G Chandramogan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. R G Chandramogan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

Mr. R G Chandramogan would be entitled to a remuneration as mentioned above and as covered in the proposed Resolution under Item No. 1 and as may be determined by the Board.

Mr R G Chandramogan holds 12,22,42,083 equity shares in the Company. He does not hold any share in the Company on a beneficial basis for any other person. Mr. R G Chandramogan, Mr C Sathyan and their relatives are interested in the Resolutions. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends the Resolutions for your approval.

Item No. 2:-

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the Members by way of Special Resolution is required every year, if the Remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. Your approval is therefore sought for the remuneration and benefits, payable to Shri. D. Sathyanarayan for the period from 1st April 2021 till 31st March 2022, as provided below:

- (a) Monthly remuneration of Rs. 50,000/- aggregating to Rs. 6,00,000/- for the period from 1st April 2021 till 31st March 2022;
- (b) Provision of Travelling, Conveyance, Boarding and Lodging Facilities for the services rendered by him periodically.

In addition to coverage under Personal Accident Insurance and sitting fees for attending the meetings of the Board, Shri. D. Sathyanarayan would be entitled to a remuneration as mentioned above and as covered in the proposed Resolution under Item No. 2 and as may be determined by the Board.

Shri. D. Sathyanarayan does not hold any equity share in the Company. He does not hold any share in the Company on a beneficial basis for any other person. Shri. D. Sathyanarayan and his relatives are interested in the Resolutions. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends the Resolution for your approval.

By Order of the Board
For Hatsun Agro Product Limited
Sd/-
G. Somasundaram
Company Secretary

Place: Chennai

Date: 19th January, 2021

Encl : 1. Postal BallotForm
2. Pre-paid self-addressed Envelope.