

HATSUN AGRO PRODUCT LIMITED

Regd.Office: 5A, Vijayaraghava Road, T.Nagar, Chennai 600 017.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2004

Rs in lakhs

S.No.	Particulars	Unaudited			Audited	
		9 months ended 31.12.2003	3 months ended 31.03.2004	3 months ended 31.03.2003	Financial Year ended 31.03.2004	Financial Year ended 31.03.2003
1	Gross Sales	27,489.58	9,121.57	8,480.79	36,611.15	32,531.87
2	Less : Excise Duty	320.11	100.07	-	420.18	-
3	Net Sales	27,169.47	9,021.50	8,480.79	36,190.97	32,531.87
4	Other Income	86.43	(12.47)	16.37	73.96	91.50
5	Total Expenditure					
	a. Consumption of Materials	19,907.74	6,832.22	5,810.75	26,739.96	24,501.83
	b. Employee Cost	683.56	267.04	156.87	950.60	768.61
	c. Other Expenditure	4,775.32	2,231.23	1,826.06	7,006.55	5,458.90
	Total Expenditure (a to c)	25,366.62	9,330.49	7,793.68	34,697.11	30,729.34
6	Profit before Interest, Depreciation and Tax	1,889.28	(321.46)	703.48	1,567.82	1,894.03
7	Interest	330.05	108.24	174.27	438.29	470.28
8	Depreciation & Amortization	1,255.87	41.32	443.31	1,297.19	1,239.52
9	Depreciation written back (refer note 7 below)	-	(1,105.30)	-	(1,105.30)	-
10	Profit before prior period adjustments and tax	303.36	634.28	85.90	937.64	184.23
11	Prior period adjustments	-	16.23	(12.60)	16.23	24.32
12	Profit before Tax	303.36	650.51	73.30	953.87	208.55
13	Provision for Taxation					
	Current tax	(161.38)	83.62	(43.25)	(77.76)	(68.25)
	Deferred Tax benefit / (expense)	63.86	(401.44)	(15.43)	(337.58)	167.21
14	Profit after tax	205.84	332.69	14.62	538.53	307.51
15	Paid-up Equity Share Capital (par value Rs.10/- each)	679.21	679.21	676.14	679.21	676.14

16	Reserves excluding revaluation reserve	1,216.33	1,548.31	1,197.74	1,548.31	1,197.74
17	Basic and diluted earnings per share (Rs.)	3.03	4.90	0.22	7.93	4.55
18	Aggregate of non-promoters shareholding					
	- Number of shares	2,120,890	2,120,890	2,121,090	2,120,890	2,121,090
	- Percentage of shareholding	31	31	31	31	31

Segmentwise Revenue, Results and Capital Employed

S.No.	Particulars	Unaudited			Audited	
		9 months ended 31.12.2003	3 months ended 31.03.2004	3 months ended 31.03.2003	Financial Year ended 31.03.2004	Financial Year ended 31.03.2003
1	Segment Revenue					
	a. Milk & Milk products	25,102.31	8,380.36	7,668.73	33,482.67	29,158.60
	b. Icecream	2,067.16	1,061.32	812.06	3,128.48	3,373.27
	Net Sales from operations	27,169.47	9,441.68	8,480.79	36,611.15	32,531.87
2	Segment Results (Profit before tax and Interest)					
	a. Milk & Milk products	1,307.54	(257.72)	415.38	1,049.82	1,278.52
	b. Icecream	(46.16)	54.02	(131.99)	7.86	(104.53)
	Total	1,261.38	(203.70)	283.39	1,057.68	1,173.99
	Less: Interest (net)	303.26	96.34	81.54	399.60	352.37
	Unallocable expenditure (net of unallocable income)	654.76	170.98	115.95	825.74	637.39
	Depreciation write back	-	(1,105.30)	-	(1,105.30)	-
	Prior period adjustments	-	16.23	(12.60)	16.23	24.32
	Total Profit before tax	303.36	650.51	73.30	953.87	208.55
3	Capital employed					
	a. Milk & Milk products	4,674.49	6,474.67	4,317.14	6,474.67	4,317.13
	b. Icecream	818.95	795.51	(147.51)	795.51	(147.51)

c. Unallocable	(3,597.90)	(5,042.66)	(2,295.75)	(5,042.66)	(2,295.74)
Total	1,895.54	2,227.52	1,873.88	2,227.52	1,873.88

Notes:

- 1 The above audited results were adopted by the Board of directors at their meeting held on 24 June 2004.
- 2 The interim dividend of 20% declared and paid will be construed as the final dividend for the year ended 31 March 2004.
- 3 Previous year/period's figures have been reclassified wherever necessary to conform to current year/period's classification.
- 4 Paid up equity shares include 30,728 equity shares of Rs 10 each allotted as fully paid up pursuant to an Order of amalgamation sanctioned by the High Court of Madras dated 19 December 2003 without consideration being received in cash.
- 5 The results of the Company for the quarter, nine months period and year ended 31 March 2004 include the corresponding quarterly, nine months' and yearly results of erstwhile Hatsun Foods Company Limited (HFC) which has been amalgamated with effect from 1 April 2003 pursuant to the order of Hon'ble High Court of Madras. Accordingly the corresponding figures for the quarter and the year ended 31 March 2003 are not comparable.
- 6 Pursuant to the amalgamation of HFC with the Company with effect from 1 April 2003, the qualification of auditors in the previous year relating to whether certain advances are in the nature of loans is no longer applicable for the current year.
- 7 During the year, the Company has changed the method of depreciation from written down value method to straight-line method. This, in the opinion of management, would result in a more appropriate presentation of the financial statements of the Company. In accordance with Accounting Standard 6 – Depreciation Accounting, depreciation has been recalculated under straight-line method with retrospective effect, i.e. from the date of the asset coming into use. Accordingly, excess depreciation determined amounting to Rs 1,105.30 lakhs (including an amount of Rs 89.64 lakhs relatable to assets acquired pursuant to amalgamation of HFC) has been credited to the profit and loss account of the current year. Further, pursuant to this change, the net depreciation charge for the year is lower by Rs 628.93 lakhs. Consequently, the profit after tax and reserves and surplus are higher by Rs 1,032.89 lakhs, net fixed assets by Rs 1,734.23 lakhs, deferred tax charge and net deferred tax liabilities are higher by Rs 622.16 lakhs, and provision for tax is higher by Rs 79.18 lakhs.
- 8 During the year, the Company revised the estimated useful lives of cans and crates and ERP software. The cans and crates which were hitherto considered to have an estimated useful life of three years were changed to have an estimated useful life of one year. The ERP software, which were hitherto considered to have an estimated useful life of two years, were changed to have an estimated useful life of five years. Consequently, the annual depreciation charge on the aforesaid assets has been revised for current and future years. As a result, the net depreciation charge for the year and net fixed assets are higher by Rs 27.52 lakhs, profit after tax and reserves and surplus are lower by Rs 17.65 lakhs, deferred tax charge for the year and net deferred tax liability are lower by Rs 9.87 lakhs.

- 9 Deprecation write back of Rs 1,105.30 lakhs includes write back relatable to milk and milk products, and ice cream segments. These have not been allocated to the segment results for the current year and quarter ended 31 March 2004.
- 10 Status of investor grievances for the quarter ended 31 March 2004.

Pending as at 1 Jan 2004	No.of Complaints		Lying unresolved as at 31 Mar 2004
	Received during the quarter	Disposed during the quarter	
NIL	9	9	NIL

for and on behalf of the Board

Place: Chennai - 17.
Date : 24th June 2004.

R G Chandramogan
Managing