

HATSUN AGRO PRODUCT LIMITED

CIN: L15499TN1986PLC012747

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

Phone : 044-24501622; Fax: 044-24501422

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rupees in lakhs except EPS)

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	Audited (Refer Note 9)	Audited	Audited (Refer Note 9)	Audited	Audited
Income					
Revenue from operations (Net - Refer Note 7)	1,05,157.83	1,01,293.91	1,21,911.68	4,28,979.85	4,20,541.13
Other income	213.26	119.13	410.65	831.51	678.76
Total income	1,05,371.09	1,01,413.04	1,22,322.33	4,29,811.36	4,21,219.89
Expenses					
Cost of raw materials consumed	76,863.89	80,818.24	80,489.16	3,18,347.88	2,99,671.99
Purchases of stock-in trade	16.65	54.12	22.87	145.80	62.18
Changes in the inventories of finished goods, stock-in-trade and work-in-progress	(1,154.52)	(8,756.01)	12,753.02	(10,118.83)	5,163.82
Excise duty on sale of goods	-	-	214.73	243.13	782.36
Employee benefits expense	3,722.86	3,727.04	3,601.51	14,666.78	12,696.70
Finance costs	2,597.98	2,197.75	2,180.85	8,763.84	7,019.68
Depreciation and amortization expense	4,457.88	4,729.45	4,171.07	17,364.41	14,287.47
Other expenses	18,147.07	16,754.46	15,068.45	68,530.30	64,363.12
Total expense	1,04,651.81	99,525.05	1,18,501.66	4,17,943.31	4,04,047.32
Profit before tax	719.28	1,887.99	3,820.67	11,868.05	17,172.57
Tax expense					
- Current tax	126.22	416.18	77.89	2,487.82	3,612.60
- Adjustment of tax relating to earlier period (Refer Note 5)	-	205.36	(150.00)	205.36	(150.00)
- Deferred tax (Net)	344.74	(231.18)	(86.22)	91.27	170.84
Income Tax Expense	470.96	390.36	(158.33)	2,784.45	3,633.44
Profit for the period	248.32	1,497.63	3,979.00	9,083.60	13,539.13
Other Comprehensive Income:					
(i) Items not to be reclassified to profit or loss in subsequent periods					
- Re-measurement loss/(gains) on employee defined benefit plans	105.64	-	(51.13)	105.64	(51.13)
- Income tax effect	(36.56)	-	17.70	(36.56)	17.70
Net items not to be reclassified to profit or loss in subsequent periods	69.08	-	(33.43)	69.08	(33.43)
(ii) Other comprehensive income that will be reclassified to profit or loss in subsequent periods:					
- Net movement in cash flow hedges	42.11	11.88	(12.07)	(4.76)	(78.77)
- Income tax effect	(14.57)	(4.11)	4.18	1.65	27.26
Net items to be reclassified to profit or loss in subsequent periods	27.54	7.77	(7.89)	(3.11)	(51.51)
Total comprehensive income for the period	151.70	1,489.86	4,020.32	9,017.63	13,624.07
Paid-up Equity share capital	1,522.02	1,522.02	1,522.02	1,522.02	1,522.02
Other Equity (excluding Revaluation reserve)				35,031.06	33,339.27
Earnings Per Share (Face value of Re. 1/- per share) Not annualised					
(a) Basic	0.16	0.98	2.61	5.96	8.90
(b) Diluted	0.16	0.98	2.61	5.96	8.90



For HATSUN AGRO PRODUCT LTD.

N. Chandrasekar

Managing Director

STATEMENT OF ASSETS AND LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2018 Audited	As at March 31, 2017 Audited	As at April 01, 2016 Audited
Assets			
Non Current Assets			
(a) Property, plant and equipment	1,20,512.14	97,991.68	63,719.99
(b) Capital work in progress	25,933.53	9,027.44	3,252.58
(c) Goodwill	774.12	774.12	774.12
(d) Other Intangible assets	374.32	371.55	229.06
(e) Financial assets			
(i) Investments	12.57	25.06	26.49
(ii) Other financial assets	5,330.93	4,394.83	3,523.46
(f) Other non-current assets	2,594.57	3,993.12	671.29
(g) Non-current tax assets	468.37	181.35	189.12
Total Non-current assets	1,56,000.55	1,16,759.15	72,386.11
Current assets			
(a) Inventories	38,373.15	29,653.23	34,676.94
(b) Financial assets			
(i) Trade receivables	705.16	4,095.51	1,491.26
(ii) Cash & cash equivalents	3,284.19	5,531.95	2,944.65
(iii) Others financial assets	374.53	176.00	534.60
(c) Other current assets	12,404.28	2,556.47	3,564.53
Total Current assets	55,141.31	42,013.16	43,211.98
Total assets	2,11,141.86	1,58,772.31	1,15,598.09
Equity and liabilities			
Equity			
(a) Equity share capital	1,522.02	1,522.02	1,087.25
(b) Other equity	35,031.06	33,339.27	21,981.42
Total Equity	36,553.08	34,861.29	23,068.67
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	54,206.96	36,935.46	22,997.09
(b) Deferred tax liabilities (net)	2,807.48	2,751.12	2,535.33
(c) Other non-current liabilities	76.60	80.56	43.76
Total non-current liabilities	57,091.04	39,767.14	25,576.18
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	17,142.97	17,002.74	13,678.25
(ii) Other financial liabilities	88,296.17	65,038.20	51,228.61
(b) Provisions	210.89	192.07	489.60
(c) Current tax liabilities	-	151.82	414.68
(d) Other current liabilities	11,847.71	1,759.05	1,142.10
Total current liabilities	1,17,497.74	84,143.88	66,953.24
Total Liabilities	1,74,588.78	1,23,911.02	92,529.42
Total Equity and Liabilities	2,11,141.86	1,58,772.31	1,15,598.09



For HATSUN AGRO PRODUCT LTD.

N. Chandramouli

Managing Director

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Notes:

- 1 Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified Milk & Milk products as its reportable segment. Others primarily comprises Cattle feed and Ready to eat products segments.

S.No.	Particulars	Quarter ended March 31, 2018 Audited (Refer Note 9)	Quarter ended December 31, 2017 Audited	Quarter ended March 31, 2017 Audited (Refer Note 9)	Year ended March 31, 2018 Audited	Year ended March 31, 2017 Audited
A	Segment Revenue					
	(a) Milk & Milk products	98,371.29	94,824.64	1,16,385.69	4,02,556.71	4,01,646.77
	(b) Others	6,786.54	6,469.27	5,525.99	26,423.14	18,894.36
	Net Sales/ Income from Operations	1,05,157.83	1,01,293.91	1,21,911.68	4,28,979.85	4,20,541.13
B	Segment Results					
	(a) Milk & Milk products	1,924.03	4,074.47	5,190.23	18,740.11	22,075.25
	(b) Others	805.80	113.73	603.17	1,319.61	1,768.64
	Total Segment Results	2,729.83	4,188.20	5,793.40	20,059.72	23,843.89
	Less: Finance costs	2597.97	2,197.75	2,180.86	8,763.83	7,019.69
	Add: Interest income	-	3.93	0.48	58.61	64.05
	Net un-allocable expenditure / (income)	(587.42)	106.39	(207.65)	(513.55)	(284.32)
	Total Profit before tax	719.28	1,887.99	3,820.67	11,868.05	17,172.57
C	Segment Assets					
	(a) Milk & Milk products	1,91,135.41	1,57,286.25	1,35,594.34	1,91,135.41	1,35,594.34
	(b) Others	12,424.04	15,964.37	16,588.23	12,424.04	16,588.23
	(c) Unallocated	7,582.41	8,642.69	6,589.74	7,582.41	6,589.74
	Total Segment Assets	2,11,141.86	1,81,893.31	1,58,772.31	2,11,141.86	1,58,772.31
D	Segment Liabilities					
	(a) Milk & Milk products	47,748.98	19,688.74	24,029.72	47,748.98	24,029.72
	(b) Others	4,210.16	1,973.35	18,763.66	4,210.16	18,763.66
	(c) Unallocated	1,22,629.64	1,23,819.37	81,117.64	1,22,629.64	81,117.64
	Total Segment Liabilities	1,74,588.78	1,45,481.46	1,23,911.02	1,74,588.78	1,23,911.02
E	Net Capital employed	36,553.08	36,411.85	34,861.29	36,553.08	34,861.29

- 2 The above audited financials results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 21, 2018.
- 3 The Company has adopted Indian Accounting Standards (IND AS) from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The date of transition to IND AS is April 1, 2016. The impact of transaction has been accounted for in opening reserves and the comparative period results has been restated accordingly.
- 4 The Board of Directors at its meeting held on December 6, 2017 considered and approved the raising of funds by way of issue of securities to the existing equity shareholders of the Company on a rights basis and Rights Issue Committee at its meeting held on February 21, 2018, approved the Draft Letter of Offer, with respect to the issue of partly paid-up Equity Shares to the existing equity shareholders of the Company, as on the record date, on a rights basis ("Rights Issue") for an amount aggregating up to INR 550 crores in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and all other applicable laws, subject to applicable statutory and regulatory approvals.
- 5 During the quarter ended 31 December 2017, Assistant Commissioner of Income Tax (ACIT) has issued Order dated 30 November 2017 giving effect to the Order of the Settlement Commission dated 14 November 2017 with respect to the Assessment Years 2008-09 to 2014-15. Based on the orders received, Rs. 207.54 lakhs (net) has been paid towards full and final settlement of the tax dues and Rs. 205.36 lakhs (net) has been provided as additional tax relating to prior periods.

For HATSUN AGRO PRODUCT LTD.

Na Chandramoy

Managing Director



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- 6 Based on SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has presented the figures for the corresponding quarter and previous year ended March 31, 2017 under Ind AS and the reconciliation of the net profit for the said periods under previous GAAP and under Ind AS is as below:

Particulars	Quarter ended March 31, 2017 (Audited) Refer Note 3	Year ended March 31, 2017 (Audited)
Profit for the period under previous GAAP	4,330.07	13,396.59
Adjustments:		
Fair valuation of security deposits	(5.29)	(17.11)
Recognition of borrowings at amortized cost based on EIR	3.03	(0.04)
Reversal of goodwill amortization	68.25	273.00
Other Ind AS adjustments (Net)	(380.27)	(10.79)
Impact of deferred taxes	(36.79)	(102.52)
	3,979.00	13,539.13
Other Comprehensive Income (net of tax)	(41.32)	(84.94)
Total Comprehensive Income/Equity as per Ind AS	4,020.32	13,624.07

Reconciliation of Equity to those reported under Previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	As at March 31, 2017 (Audited)
Equity as per Indian GAAP	34,710.54
Adjustments:	
Impact of Interest accrued on security deposit	231.35
Amortization of prepaid rental	(273.59)
IGAAP processing fees reversal	16.68
Impact of EIR of loans	(66.88)
Reversal of goodwill amortization	273.00
Impact of gratuity valuation as per Ind AS	40.33
Impact of deferred taxes	(70.14)
Equity as per Ind AS	34,861.29

- 7 Consequent to implementation of the Goods and Service Tax (GST) with effect from July 1, 2017, presentation of revenue for the quarters after that date excludes GST and hence not comparable with prior periods which includes Excise Duty.
- 8 The Board of Directors, in its meeting held on May 21, 2018 have declared an interim dividend of Rs.3 per equity share (300% - face value of Re.1 per share). This is the second interim dividend declared by the Board for the financial year 2017-18. Accordingly, the cumulative interim dividend declared by the Board of Directors for the year ended March 31, 2018 aggregates to 400% (Rs.4 per equity share).
- 9 Figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures of nine months ended December 31, 2017 and December 31, 2016.
- 10 Previous period figures have been regrouped wherever necessary, to confirm to the current period presentation.

Place : Chennai
Date : May 21, 2018

For HATSUN AGRO PRODUCT LTD.

Al. Chandramog

Managing Director



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HATSUN AGRO PRODUCT LIMITED

1. We have audited the accompanying Statement of Financial Results of **HATSUN AGRO PRODUCT LIMITED** ("the Company"), for the quarter and year ended 31st March, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2018.



5. The Statement includes the results for the Quarter ended 31st March, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
6. The previously issued comparative financial information of the Company for the quarter and year ended 31st March, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued comparative financial information were audited by the predecessor auditor whose report for the year ended 31st March, 2017 dated 27th April, 2017, expressed an unmodified opinion on those comparative financial information. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been audited by us.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Ananthi Amarnath
Partner
Membership No. 209252

Place: Chennai
Date: May 21, 2018

