

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

E-mail: secretarial@hatsun.com; Website: www.hatsun.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rupees in lakhs except EPS)

	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2016	Nine Months ended December 31, 2017	Nine Months ended December 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Income					
Revenue from operations (Net - Refer Note 7)	1,01,293.91	1,06,039.17	94,801.85	3,23,822.02	2,98,629.45
Other income	119.13	281.43	90.81	618.25	268.11
Total income	1,01,413.04	1,06,320.60	94,892.66	3,24,440.27	2,98,897.56
Expenses					
Cost of raw materials consumed	80,818.24	82,062.45	76,657.68	2,41,483.99	2,19,182.83
Purchases of stock-in-trade	54.12	33.21	14.05	129.15	39.31
Changes in the inventories of finished goods, stock-in-trade and work-in-progress	(8,756.01)	(5,796.14)	(10,920.58)	(8,964.31)	(7,589.20)
Excise duty on sale of goods	-	-	164.60	243.13	567.63
Employee benefits expense	3,727.04	3,661.90	3,139.00	10,943.92	9,095.19
Finance costs	2,197.75	1,925.91	1,710.53	6,165.86	4,838.83
Depreciation and amortization expense	4,729.45	4,061.45	3,436.13	12,906.53	10,116.40
Other expenses	16,754.46	15,555.91	16,391.61	50,383.23	49,294.67
Total expense	99,525.05	1,01,504.69	90,593.02	3,13,291.50	2,85,545.66
Profit before tax	1,887.99	4,815.91	4,299.64	11,148.77	13,351.90
Tax expense					
- Current tax	416.18	984.00	961.78	2,361.60	3,534.71
- Adjustment of tax relating to earlier period (Refer Note 5)	205.36	-	-	205.36	-
- Deferred tax (Net)	(231.18)	10.84	172.66	(253.47)	257.06
Income Tax Expense	390.36	994.84	1,134.44	2,313.49	3,791.77
Profit for the period	1,497.63	3,821.07	3,165.20	8,835.28	9,560.13
Other Comprehensive Income:					
(i) Other comprehensive income that will be reclassified to profit or loss in subsequent periods:					
- Net movement in cash flow hedges	(11.88)	48.54	89.70	46.87	66.70
- Income tax effect	4.11	(16.80)	(31.04)	(16.22)	(23.08)
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	(7.77)	31.74	58.66	30.65	43.62
Total comprehensive income for the period	1,489.86	3,852.81	3,223.86	8,865.93	9,603.75
Paid-up Equity share capital	1,522.02	1,522.02	1,522.02	1,522.02	1,522.02
Earnings Per Share (Face value of Re. 1/- per share) Not annualised					
(a) Basic	0.98	2.51	2.08	5.80	6.28
(b) Diluted	0.98	2.51	2.08	5.80	6.28



for HATSUN AGRO PRODUCT LTD.

N. Chandrasekar

Managing Director

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.

(Rupees in lakhs)						
S.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
A	Segment Revenue					
	(a) Milk & Milk products	94,824.64	99,421.88	91,481.54	3,04,185.42	2,85,261.08
	(b) Others	6,469.27	6,617.29	3,320.31	19,636.60	13,368.37
	Net Sales/ Income from Operations	1,01,293.91	1,06,039.17	94,801.85	3,23,822.02	2,98,629.45
B	Segment Results					
	(a) Milk & Milk products	4,074.47	6,794.83	5,321.53	16,668.34	17,038.36
	(b) Others	113.73	231.83	751.17	513.81	1,165.47
	Total Segment Results	4,188.20	7,026.66	6,072.70	17,182.15	18,203.83
	Less: Finance costs	2,197.75	1,925.91	1,710.53	6,165.86	4,838.83
	Add: Interest income	3.93	1.87	0.48	58.61	63.57
	Net un-allocable expenditure / (income)	106.39	286.71	63.01	(73.87)	76.67
	Total Profit before tax	1,887.99	4,815.91	4,299.64	11,148.77	13,351.90
C	Segment Assets					
	(a) Milk & Milk products	1,57,286.25	1,38,461.22	1,21,487.45	1,57,286.25	1,21,487.45
	(b) Others	15,964.37	24,107.27	9,382.05	15,964.37	9,382.05
	(c) Unallocated	8,642.69	1,502.77	5,662.72	8,642.69	5,662.72
	Total Segment Assets	1,81,893.31	1,64,071.26	1,36,532.22	1,81,893.31	1,36,532.22
D	Segment Liabilities					
	(a) Milk & Milk products	19,688.74	17,107.32	22,793.94	19,688.74	22,793.94
	(b) Others	1,973.35	676.41	1,838.75	1,973.35	1,838.75
	(c) Unallocated	1,23,819.37	1,11,371.71	81,411.57	1,23,819.37	81,411.57
	Total Segment Liabilities	1,45,481.46	1,29,155.44	1,06,044.26	1,45,481.46	1,06,044.26
E	Net Capital employed	36,411.85	34,915.82	30,487.96	36,411.85	30,487.96

- 2 The above unaudited financials results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 16, 2018 and have been subjected to limited review by the Statutory auditors of the Company.
- 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. The Company has availed the exemption provided by SEBI vide Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 and accordingly has not provided the financial results for the year ended March 31, 2017 and the reconciliation for the equity as at March 31, 2017 and net profit or loss between the previous GAAP and IND AS for the year ended March 31, 2017 in this statement.
- 4 The Board of Directors of the Company at its meeting held on December 06, 2017, *inter alia*, considered and approved raising funds for the Company by way of issue of securities to the existing equity shareholders of the Company on a rights basis aggregating up to Rs. 900 crores, in accordance with the 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.
- 6 Reconciliation of net profit previously reported on account of transition from the previous GAAP to IND AS for the quarter and nine months ended December 31, 2016 is as under:

(Rupees in lakhs)		
Particulars	Quarter ended	Nine Months ended
	December 31, 2016	December 31, 2016
		Unaudited
Profit for the period under previous GAAP	2,881.49	9,004.57
Add/(less):		
Reversal of amortisation of Goodwill	68.25	204.75
Other IND AS adjustments (Net)	355.18	668.17
Income tax effect on above adjustments	(139.72)	(317.36)
Net profit for the period as per IND AS	3,165.20	9,560.13
Other Comprehensive income (net of tax)	58.66	43.62
Total Comprehensive income	3,223.86	9,603.75

- 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 Previous period figures have been regrouped wherever necessary, to conform to the current period presentation.

For and on behalf of the Board of Directors

R.G. Chandramogan

R.G.Chandramogan
Managing Director

Place : Chennai
Date : January 16, 2018



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HATSUN AGRO PRODUCT LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **HATSUN AGRO PRODUCT LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2017 ("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.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells LLP

4. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were reviewed by the predecessor auditor whose report dated January 18, 2017 expressed an unmodified opinion. These previously issued financial information have been restated to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been reviewed by us.

Our report is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, January 16, 2018

