

HAP\SEC\70\2020-21

19th January, 2021

BSE Limited
Corporate Relationship Department
2nd Floor, New Trading Ring,
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
BandraKurla Complex,
Bandra(E), Mumbai – 400 051

Stock Code: BSE: 531531
NSE: HATSUN

Dear Sir / Madam,

Sub: Outcome of the Board Meeting held today i.e 19th January, 2021

Further to our intimation dated 8th January, 2021 and pursuant to Regulation 30 and 42 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company at their meeting held today, i.e., 19th January, 2021, has inter-alia

1. Approved the Unaudited Financial Results of the Company for the quarter ended 31st December, 2020. A copy of the Unaudited Financial Results as per SEBI format and the Limited Review Report of the Statutory Auditors of the Company for the quarter ended 31st December, 2020 are enclosed pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
2. Approved the Postal Ballot notice for the purpose of obtaining the approval of Shareholders for payment of Remuneration to Non Executive Directors and sending the same to the Shareholders of the Company in electronic / physical mode to their registered emails / registered addresses, who will be holding shares as on the cut off date, i.e 26th January, 2021.
3. Appointed Mr. N Ramanathan, Practicing Company Secretary (CP No. F6665) Partner of M/s SDhanapal& Associates, a firm of Practicing Company Secretaries as the Scrutinizer to scrutinize the Postal Ballot process in a fair and transparent manner.



4. On the recommendation of Nomination and Remuneration Committee, approved the payment of remuneration to Shri R G Chandramogan (DIN: 00012389), Chairman and Non-Executive Non-Independent Director. A brief profile of Mr. R G Chandramogan is annexed herewith - marked as **Annexure A**.
5. On the recommendation of Nomination and Remuneration Committee, approved the payment of remuneration to Shri D Sathyanarayan (DIN: 08489439), Non-Executive Non-Independent Director. A brief profile of Mr. D Sathyanarayan is annexed herewith - marked as **Annexure A**.
6. Approved the sale of fraction shares arose out of issue of bonus shares to the shareholders of the Company.

Besides the above, the Board also discussed the status of the below mentioned CAPEX projects for the financial year 2020-21 whose Updates are given below:

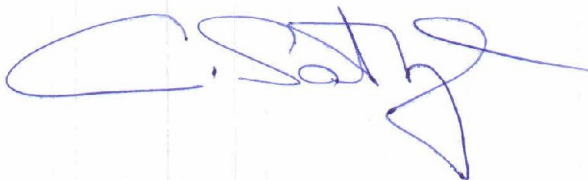
Milk and Milk Products Plant in Solapur, Maharashtra:

Plant has been erected with a capacity to handle 4 LLPD. Presently, the trial Production is under progress and the full-fledged commercial production is expected to commence by the end of January 2021.

Milk Products Plant in Udhiyur, Dharapuram, Tamil Nadu:

The Company has installed the facilities to manufacture Paneer with a capacity of 5 MT per day and now the trial production is under progress. Commercial Production is expected to commence by the end of January, 2021.

The Company is also proposing to set up milk processing unit with a capacity of 1.5 LLPD which is likely to commence the commercial production by the end of March 2021.



Ice Cream plant in Govindapur in Zaheerabad taluka, Sangareddy district, Telengana:

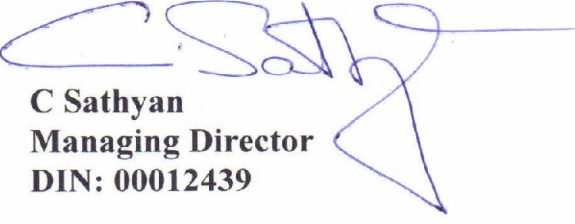
The construction activities are going on and the Plant with a capacity of about One Lakh Kgs per day is expected to be commissioned by the end of March, 2021. The expected capex outflow has been enhanced to Rs.311 Crore from the earlier estimation of Rs.245 crore.

Kindly take the above information on record.

We also wish to bring to the notice of the Exchange that the Board Meeting commenced at 11:30 A.M and concluded at 1:10 P.M today.

Thanking you.

Yours faithfully,
For Hatsun Agro Product Limited


C Sathyan
Managing Director
DIN: 00012439

Annexure – A:

Brief profile of Mr. R G Chandramogan:

Mr. R G Chandramogan, was the Managing Director of the Company until his re-designation as Chairman – Non Executive Director. He has been in the dairy business for more than four decades. In February 2018, the Indian Dairy Association awarded patronship to Mr. 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.

Brief profile of Mr. D Sathyanarayan:

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.

Educational qualification: B.Sc and Masters in Public Administration.

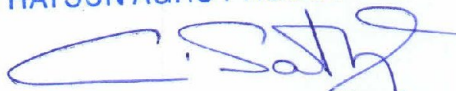


HATSUN AGRO PRODUCT LIMITED
CIN: L15499TN1986PLC012747
REGD.OFFICE: DOMAINE, DOOR NO. 1/20A, RAJIV GANDHI SALAI (OMR), KARAPAKKAM, CHENNAI - 600 097
Phone : 044-24501622; Fax: 044-24501422
E-mail: secretarial@hatsun.com; Website: www.hap.in
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

| Particulars | (Rs. in Lakhs except EPS) | | | | | |
|--|---------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | Quarter ended | Quarter ended | Quarter ended | Nine months ended | Nine months ended | Year Ended |
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | March 31, 2020 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Income | | | | | | |
| Revenue from operations | 139,459.40 | 132,699.86 | 134,018.38 | 400,087.05 | 404,195.74 | 530,833.44 |
| Other income | 117.86 | 165.46 | 205.05 | 425.96 | 1,247.46 | 865.10 |
| Total income | 139,577.26 | 132,865.32 | 134,223.43 | 400,513.01 | 405,443.20 | 531,698.54 |
| Expenses | | | | | | |
| Cost of raw materials consumed | 100,863.18 | 103,768.02 | 98,481.11 | 293,519.54 | 281,743.47 | 368,496.97 |
| Purchases of stock-in-trade | 94.73 | 92.03 | 20.54 | 239.10 | 134.49 | 268.89 |
| Changes in the inventories of finished goods, stock-in-trade and work-in-progress | (7,536.56) | (15,380.22) | (2,735.55) | (22,968.80) | 3,345.22 | 7,333.46 |
| Employee benefits expense | 4,676.55 | 4,861.84 | 4,121.39 | 14,181.05 | 12,455.16 | 16,770.77 |
| Finance costs | 2,891.18 | 2,760.18 | 2,773.13 | 8,399.03 | 7,797.99 | 10,585.07 |
| Depreciation and amortization expense | 7,837.48 | 7,457.30 | 7,769.37 | 23,302.29 | 21,841.36 | 29,648.16 |
| Other expenses | 20,663.04 | 19,999.31 | 20,804.40 | 56,161.92 | 63,340.94 | 82,955.88 |
| Total expense | 129,489.60 | 123,558.46 | 131,234.39 | 372,834.13 | 390,658.63 | 516,059.20 |
| Profit before tax | 10,087.66 | 9,306.86 | 2,989.04 | 27,678.88 | 14,784.57 | 15,639.34 |
| Tax expense | | | | | | |
| - Current tax | 3,542.86 | 3,787.40 | 443.90 | 10,644.62 | 4,640.12 | 5,280.00 |
| - Income tax relating to earlier period | - | - | (821.43) | - | (821.43) | (821.43) |
| - Deferred tax (Net) | (187.13) | (1,059.53) | 577.76 | (1,887.22) | 534.33 | (46.40) |
| Income Tax Expense | 3,355.73 | 2,727.87 | 200.23 | 8,757.40 | 4,353.02 | 4,412.17 |
| Profit for the period | 6,731.93 | 6,578.99 | 2,788.81 | 18,921.48 | 10,431.55 | 11,227.17 |
| 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 | - | - | - | - | - | 76.74 |
| - Income tax effect | - | - | - | - | - | (26.85) |
| Net items not to be reclassified to profit or loss in subsequent periods | | | | | | 49.89 |
| (ii) Other comprehensive income that will be reclassified to profit or loss in subsequent periods: | | | | | | |
| - Net movement in cash flow hedges | (58.31) | (52.15) | 0.89 | (124.06) | 55.89 | 175.51 |
| - Income tax effect | 20.37 | 18.22 | (0.31) | 43.34 | (19.53) | (61.32) |
| Net items to be reclassified to profit or loss in subsequent periods | (37.94) | (33.93) | 0.58 | (80.72) | 36.36 | 114.19 |
| Total comprehensive income for the period | 6,769.87 | 6,612.92 | 2,788.23 | 19,002.20 | 10,395.19 | 11,063.09 |
| Paid-up Equity share capital | 2,156.02 | 1,617.11 | 1,617.04 | 2,156.02 | 1,617.04 | 1,617.11 |
| Other Equity (excluding revaluation reserve) | | | | | | 88,830.79 |
| Earnings Per Share (Face value of Re. 1/- per share) Not annualised | | | | | | |
| (a) Basic | 3.12 | 3.08 | 1.30 | 8.78 | 4.88 | 5.59 |
| (b) Diluted | 3.12 | 3.05 | 1.29 | 8.78 | 4.84 | 5.21 |

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For HATSUN AGRO PRODUCT LTD.


Managing Director

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2020

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 | (Rupees in lakhs) | | | | | |
|-------|--|------------------------------------|-------------------------------------|------------------------------------|--|--|------------------------------|
| | | Quarter ended December 31, 2020 | Quarter ended September 30, 2020 | Quarter ended December 31, 2019 | Nine months ended December 31, 2020 | Nine months ended December 31, 2019 | Year ended March 31, 2020 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| A | Segment Revenue | | | | | | |
| | (a) Milk & Milk products | 127,090.56 | 119,435.46 | 122,893.82 | 363,880.57 | 373,818.74 | 490,959.41 |
| | (b) Others | 12,368.84 | 13,264.40 | 11,124.56 | 36,206.48 | 30,377.00 | 39,874.03 |
| | Net Sales/ Income from Operations | 139,459.40 | 132,699.86 | 134,018.38 | 400,087.05 | 404,195.74 | 530,833.44 |
| B | Segment Results | | | | | | |
| | (a) Milk & Milk products | 13,827.42 | 12,204.53 | 7,400.95 | 38,054.15 | 25,789.84 | 31,919.79 |
| | (b) Others | (828.97) | (156.06) | (1,922.03) | (1,899.62) | (3,270.65) | (5,560.95) |
| | Total Segment Results | 12,998.45 | 12,048.47 | 5,478.92 | 36,154.53 | 22,519.19 | 26,358.84 |
| | Less: Finance costs | 2,891.18 | 2,760.18 | 2,773.13 | 8,399.03 | 7,797.99 | 10,585.07 |
| | Add: Interest income | 61.28 | 115.96 | 75.99 | 267.73 | 264.16 | 311.20 |
| | Net un-allocable expenditure /(income) | 80.89 | 97.39 | (207.26) | 346.35 | 200.79 | 445.63 |
| | Total Profit before tax | 10,087.66 | 9,306.86 | 2,989.04 | 27,678.88 | 14,784.57 | 15,639.34 |
| C | Segment Assets | | | | | | |
| | (a) Milk & Milk products | 262,481.34 | 215,548.18 | 227,308.40 | 262,481.34 | 227,308.40 | 228,542.82 |
| | (b) Others | 27,142.01 | 27,298.44 | 22,884.44 | 27,142.01 | 22,884.44 | 30,869.24 |
| | (c) Unallocated | 15,473.14 | 8,780.43 | 10,045.28 | 15,473.14 | 10,045.28 | 12,014.23 |
| | Total Segment Assets | 305,096.49 | 281,627.05 | 260,238.12 | 305,096.49 | 260,238.12 | 271,426.29 |
| D | Segment Liabilities | | | | | | |
| | (a) Milk & Milk products | 53,602.93 | 53,848.63 | 31,271.75 | 53,602.93 | 31,271.75 | 50,768.66 |
| | (b) Others | 4,704.35 | 3,838.23 | 4,352.64 | 4,704.35 | 4,352.64 | 3,867.13 |
| | (c) Unallocated | 150,272.13 | 134,194.15 | 130,965.21 | 150,272.13 | 130,965.21 | 126,342.60 |
| | Total Segment Liabilities | 208,579.41 | 191,881.01 | 166,589.60 | 208,579.41 | 166,589.60 | 180,978.39 |
| E | Net Capital employed | 96,517.08 | 89,746.04 | 93,648.52 | 96,517.08 | 93,648.52 | 90,447.90 |

- 2 The above unaudited financial results 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 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 19, 2021.
- 3 The Company received the Rights Call Money on 1064 partly paid up Rights Equity Shares during the quarter ended December 2020 and the same were converted in to fully paid up Equity Shares. The total number of partly paid up Rights Equity Shares converted in to fully paid up Equity Shares (out of the Rights Issue of 9510519 Equity Shares - partly paid up - made in the year 2018) was 9504185 shares. Thus, the balance number of partly paid up Rights Equity Shares amounting to 6334 were forfeited by the Board at its Meeting held on 19.10.2020. All the fully paid up Rights Equity Shares have been listed on the Stock Exchanges. The Company has completed all the formalities as per the provisions of Articles of Association (AoA) and as required under the SEBI (LODR) regulation 2015 with respect to forfeiture of partly paid up Rights Equity Shares.
- 4 The Board approved the issue of Bonus Shares in the ratio of one Equity Share of the face value of Re.1 each for every three fully paid up Equity Shares of Re. 1 each subject to the approval of shareholders through Postal Ballot. In compliance with the provisions of Articles of Association of the Company, the Company obtained the approval of Shareholders for Bonus Issue through Postal Ballot on 30.11.2020. Pursuant to the same, in consultation with the Stock Exchanges, the Record date was fixed as 10.12.2020 and the Board at its Meeting held on 11.12.2020 allotted 53890831 shares as Bonus Shares of the Company capitalising the reserves. As on the record date, the paid up Equity Share Capital was 161672492 Equity Shares of Re.1 each fully paid up. Post Bonus issue, the paid up Equity Share Capital stands at 21,55,63,323 Equity Shares of Re.1 each fully paid up.
- 5 The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial results in determining the impact on various elements of its financial results relating to COVID-19 pandemic. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables, inventories, other financial assets and other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

Place : Chennai
Date : January 19, 2021

For HATSUN AGRO PRODUCT LTD.


Managing Director

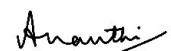
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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, 2020 ("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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Ananthi Amarnath
(Partner)

(Membership No. 209252)
UDIN: 21209252AAAAAY4970

Place: Chennai
Date: January 19, 2021