

# Hatsun Agro Product Limited

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HAPL\SEC\32\2023-24

July 26, 2023

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

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

**Stock Code: BSE: 531531**  
**NSE: HATSUN**

Dear Sir / Madam,

**Sub:** Transcript of the Interview given by Mr. R G Chandramogan, Chairman of the Company to CNBC TV 18 on July 20, 2023

**Ref:** Our Office Letter Ref No: HAPL\SEC\31\2023-24 dated July 21, 2023

Pursuant to Regulation 30 – Schedule III, Part A, Para A, item 15(b)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the transcript of the interview of Mr. R G Chandramogan, Chairman of the Company given to CNBC TV 18 on July 20, 2023 is enclosed for your information and records.

This information is also hosted on the Company's website at [https://www.hap.in/pdf/Transcript-\(Q1-23-24\).pdf](https://www.hap.in/pdf/Transcript-(Q1-23-24).pdf) as per Regulation 46(2)(oa)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you.

Yours faithfully,  
For Hatsun Agro Product Limited



**G Somasundaram**  
Company Secretary and Compliance Officer



**Hatsun Agro Product Limited**



**Transcript of the Interview given by Mr. R G Chandramogan, Chairman of the Company to CNBC TV18 on July 20, 2023, a day after the Meeting of the Board of Directors held on July 19, 2023:**

<b>Duration</b>	<b>CNBC TV18</b>	<b>Mr. R G Chandramogan</b>
Slot 1	Those numbers look quite good operationally atleast in the first quarter the gross margins improve while other expenditure was lower that's what helped the EBIDTA numbers. Mr. Chandramogan, Chairman of Hatsun Agro Product joins on the show. Hi Sir, good morning well you've grown by mid single digits for the past quarter could you break it up for us between volumes as well as pricing? How did both of them fare and also earlier you had told us that for the year you are looking at double digit revenue growth. Is that still on the cards? For FY 24?	See. This particular quarter compared to the earlier year same quarter, we had shortage of milk. So we have curtailed our business on the commodity where we sell almost 200 crores turnover that was possible we couldn't do it and we focused on consumer businesses and we left out the commodity. Hence the revenue has been less. We should have done 200 crores more subject to availability of milk and last year completely there was a crisis of availability of milk so we focused on this. Going forward the milk situation is improving this quarter and I believe things will start improving. But again commodity business may take little more time for us to get it. We may get into double digit without any difficulty.
Slot 2	Double digit growth for the year something that you continue to maintain right?	That's right.
Slot 3	All right and also could you tell us which is since we are focusing on the top line uh what was uh the contribution coming in from the ice cream business?	No no it is all businesses are contributed. It's not anything singular that just can't.
Slot 4	No. We wanted to know sir uh the contribution particularly from the ice cream business because I think that has a little better margins.	It is not the case. Actually the ice creams ice cream curd both are doing extremely well and milk is also doing well. It is not that any specific business has given return. It has been a general performance even

		milk has been hit. No issue for us. Only they suffered is on the commodity not on anything else.
Slot 5	Okay. Mr. Chandramogan good morning and thanks for joining in. Can you tell me exactly what was the volume growth in the quarter gone by Q1 and what was the price growth that you saw and uh on volumes particularly by the end of FY 24 what are you targeting?	See. Volume has grown in all the Branded segment but in the commodity we have lost it. Going forward 24 <sup>th</sup> , double digit growth will be automatically coming in this quarter itself and third fourth quarter we expect the double digit growth to be little better because we may again get into commodity with excess milk. Right now the milk supply is better than last year milk supply. This is the situation.
Slot 6	Okay sir. When you say double digit growth are you talking about high teens low teens if you can give us any indication and also on the margin front what are you targeting. Do you think 12 to 13 % margin is something that you can do?	Right now we have just come out of all the turbulence and let me settle down before committing any Margin. But we are sure that this margin whatever we are maintaining it can only be better and not less as such.
Slot 7	Uh Sir could you talk to us a little bit about uh you know this the non-south geographies and how uh they've been doing a little bit about distribution any new markets you have gotten into.	See earlier probably Tamilnadu used to be about 65% to 70% of our business. Last four years gradually it has been coming down and right now we actually can say that Tamilnadu contributes 50% and the rest of the 50% comes from other States where we have entered earlier. Gradually the volumes are picking up and today in the South Geography we are actually having 50% from Tamilnadu and rest is coming from rest of Tamilnadu and Maharashtra.
Slot 8	Okay. Allright uh you know when you joined us the last time around we have asked you with the kind of investments you have made you know your fixed assets is continuously been increasing over the last few years. The growth you know it's the basis for good growth in the coming years. You said 10,000 crores is possible in	I don't want to indicate any time frame and getting into that and we are gradually going on and we are confident that 10,000 we have capacity almost except for the balancing machines we don't know when covid will attack or some other economic recession.

	terms of revenues. By when will you hit that mark?	
Slot 9	With the current set up you know there is something untoward that comes about then obviously we will have to uh you know reassess it. But do you think that this year you are going to grow in double digit uh you are very certain about that	This year we are expecting double digit
Slot 10	Right. So do you think by FY 25 we should see that 10,000 crore mark in terms of revenues?	I don't want to commit anything on that type of favor
Slot 11	Okay. Ah sir you know you also have a debt of almost 1500 crores on your books as of March. Uh you've uh I think got an approval to sell one of your assets the sale of windmills of the Company for a consideration of 135 crores. Will this be pumped into reduce debt and any more assets that you are looking to sell?	There is no asset for sale except the windmill. Actually the windmill we had a different issue. Our requirement of power has been gradually increasing every year.in with ice cream, curd and all that. Our problem was that April and May, there is no wind season to generate power and give it to us. So we were also not having the reserves in the month of February March itself. So we decided to go for solar which shoots when the requirement increases solar power also increases with the summer. So we are shifting to solar. We are actually tying up 50 megawatts
Slot 12	Alright. So you are shifting to solar and hence the sale of this windmill got that but on the debt front any other plans to reduce debt from this 1500 crores how much do you think that you can bring it down by in the next one to two years?	I think next two years my option could be it will be less than 500 crores debt. Because heavy depreciation is available which is a cash inflow for us and capacities are mostly built. So the debt could be in two years less than 500 crores in my opinion.
Slot 13	You know sir you said that your margins will continue to improve from here so you know going by that you will be moving to around 12 to 13% at least at margins that we can work with double digit top line growth and margins of 12 to 13% on 150 basis points improvement from here?	Depending on probably the future requirements, possibilities are definitely there but I don't want to commit because we have just come out of all the turbulence and the committing with the present situation is difficult but moving forward we are pretty likely to do it.

Slot 14	Alright so we leave it at that all the best for the future and thanks a lot for joining in so that's Hatsun Agro big move in trade today nine percent higher almost and the Company says they continue to target double digit growth for FY 24 and they are also looking to bring down their debt in a big way from 1500 crores currently they are saying over the next one to two years it could come down to about 500 crores.	
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