Hatsun Agro Product Ltd.
Registered Office:
Domaine, Door No: 1/20A,
Rajiv Gandhi Salai (OMR),
Karapakkam, Chennai - 97. India.
P: +91 44 2450 1622
F: +91 44 2450 1422
E: info@hap.in | www.hap.in
CIN: L15499TN1986PLC012747

HAP

31st October, 2020

HAPL\SEC\53\2020-21

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, 5th 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: Intimation of dispatch of Postal Ballot Notice

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has completed the dispatch of Postal Ballot Notice to all the members of the Company whose names appeared on the Register of Members as on the cut-off date 29th October, 2020, to seek the consent of the members on the resolutions mentioned in the Postal Ballot Notice.

We enclose a copy of the Postal Ballot Notice containing the resolutions for your records.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For **HATSUN AGRO PRODUCT LIMITED,**

G. Somasundaram
Company Secretary

Arun ICECREAMS · Arokya Milk · HATSUN · ibaco · HATSUN · Santosa Vitamised Cattle Feed · daily · OYALO Pizza

HATSUN AGRO PRODUCT LIMITED

CIN : L15499TN1986PLC012747
Regd. Office : DOOR NO.1/20A, "DOMAINE", RAJIV GANDHI SALAI (OMR)
KARAPAKKAM, CHENNAI – 600 097.
Phone No.: 044-24501622, Fax: 044-24501422 | Email: secretarial@hap.in | Website: www.hap.in

NOTICE ISSUED TO THE MEMBERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To
The Members of Hatsun Agro Product Limited

Notice is hereby given pursuant to Sections 108 and 110 of the Companies Act, 2013 ("the Act") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") as amended from time to time including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and other applicable laws and regulations, if any, for obtaining the approval of the members for the business listed below, by way of Postal Ballot process:

The Explanatory Statement pertaining to each resolution proposed in this notice is annexed herewith.

The Company has appointed Mr. N Ramanathan, Practicing Company Secretary (CP No. F6665), Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and exercise your voting. before the close of working hours i.e. 5.00 P.M. on, Monday, the 30th day of November, 2020. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company or a person authorized by him on or before Wednesday, the 02nd December, 2020. The results of the postal ballot will be declared by the Chairman or a person authorized by him in this regard on or before Wednesday, the 02nd December, 2020, at the Registered Office of the Company. The results will also be posted on the website of the Company https://www.hap.in. The results will be intimated to the Stock Exchange/s where the shares of the Company are listed and also to the general public through press release in newspapers.

The Resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

Proposed Resolutions:

ITEM NO. 1 – Re-designation of Mr. K S Thanarajan (DIN: 00012285) as Non-Executive Non Independent Director pursuant to his relinquishment of the position of Chairmanship and withdrawal of Remuneration payable to him.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") along with the rules made thereunder, approval of members be and is hereby accorded to the

Re-designation of Mr. K S Thanarajan (DIN: 00012285) as Non-Executive Non Independent Director of the Company with effect from 19th October, 2020 pursuant to his relinquishment of the position of Chairman.

RESOLVED FURTHER THAT the remuneration payable to Mr. K S Thanarajan up to 31.03.2021 in the capacity as Non Executive Chairman which was approved by the Members through Postal Ballot on 7th March, 2020 stands withdrawn with effect from 20th October, 2020".

ITEM NO. 2 – Re-designation of Mr. R G Chandramogan (DIN: 00012389) as "Chairman" in the capacity of Non Executive Non Independent Director" with effect from 19th October, 2020 pursuant to his relinquishment of the position of "Managing Director" and payment of Remuneration to him in his re-designated capacity as Chairman (Non Executive Non Independent Director) with effect from 20th October, 2020.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the members be accorded to the:

i) Re-designation of Mr R G Chandramogan (DIN: 00012389) as "Chairman" of the Board in the capacity of Non Executive Non Independent Director with effect from 19th October, 2020, and

ii) Remuneration payable (apart from the remuneration as applicable to the other Non Executive Directors of the Company) to Mr R G Chandramogan (DIN: 00012389), appointed as Chairman of the Board in the capacity of Non Executive Non Independent Director by the Board at its Meeting held on 19.10.2020, for the period commencing from 20th October, 2020 to 31st March, 2021 as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and Mr G. Somasundaram, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.

ITEM NO. 3 – Re-designation of Executive Director Mr. C Sathyan (DIN: 00012439) as "Managing Director" with effect from 19th October, 2020 and payment of Remuneration to him in his re-designated capacity as Managing Director with effect from 20th October, 2020.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-designation of Executive Director Mr. C Sathyan (DIN:00012439), as Managing Director of the Company with effect from 19th October, 2020 and his re-designation / appointment as Managing Director of the Company be and is hereby made for a period of 5 (five) years and the Remuneration payable to him in the capacity of Managing Director for the period commencing from 20th October, 2020 until the expiration of his tenure by 18th October , 2025 on the following terms and conditions until further revision is made:

Salary: Rs. 3,00,000/- (Rupees Three Lakhs only) per month.

HRA: Rs. 1,50,000/- (Rupees One Lakh and Fifty Thousand Only) per month.

Perquisites: The perquisites are classified into three Categories, Category A, B and C – as follows

CATEGORY `A'

SPECIAL ALLOWANCE:-

Special Allowance of Rs. 1,87,500/- (Rupees One Lakh Eighty Seven Thousand Five Hundred only) per month.

HOUSING:-

House Rent Allowance shall be subject to a ceiling of 50% of the Salary. If the Company provides the accommodation, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary.

MEDICAL BENEFITS:-

Reimbursement of actual medical expenses incurred for self and family subject to a ceiling of half month's salary in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.

LEAVE TRAVEL ALLOWANCE:-

Leave Travel Allowance for self and family in accordance with the rules specified by the Company subject to a ceiling of Rs.25,000 per month.

CLUB FEES:-

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

INSURANCE COVER:-

Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation: For the purpose of Category `A', `family' means the spouse, dependent children and dependent parents.

CATEGORY `B'

The Benefit of the Company's Provident Fund and Superannuation Scheme in accordance with the rules for the time being in force. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

Leave: Mr. C.Sathyan will be allowed leave and encashment thereof as per the Rules of the Company.

CATEGORY `C'

The Company shall provide a car with driver and telephone facility at the residence of Mr. C.Sathyan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. C.Sathyan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

The aggregate remuneration inclusive of salary, bonus, incentives, perquisites and allowances and other benefits payable to Mr. C.Sathyan, shall always be subject to the overall ceilings laid down in Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013.

MINIMUM REMUNERATION:-

Where in any financial year during the tenure of Mr. C. Sathyan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. C.Sathyan the above remuneration by way of salary, perquisites and others as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule V to the Companies Act, 2013, the Company shall seek permission of Shareholders as may be necessary in accordance with the provisions governing payment of remuneration in force at the relevant point of time.

The appointment is terminable by three months' notice or by payment of three months' salary in lieu thereof by either party.

"**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) and the Company Secretary of the Company be and are hereby authorised severally to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the above resolution."

ITEM NO. 4 – Approval for the declaration of Bonus shares on the fully paid up Equity shares of the Company (ISIN INE473B01035)

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) from time to time, the provisions of Article 174 of the Articles of Association of the Company, and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors or officer(s) of the Company duly authorized in this behalf), and subject to such approvals as may be required in this regard, approval of the Members be and is hereby accorded to the Board for capitalization of such sums standing to the credit of the free reserves and/or the securities premium account and/or the capital redemption reserve account of the Company, as may be considered necessary by the Board, for the purpose of the issue of bonus equity shares of ₹ 1/- each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding and whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the Record date as determined by the Board i.e., on 10th December, 2020, in the proportion of 1 (One) equity share for every 3 (Three) existing equity shares held by the Members as on the Record date.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the bonus equity shares and that the certificate(s) in respect of bonus equity shares shall be completed and thereafter be dispatched to the allottees, except in respect of those allottees who hold shares in dematerialized form, within the period prescribed or that may be prescribed in this behalf, from time to time.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall rank pari passu in all respects with the fully- paid up equity shares of the Company as existing on the Record date i.e., 10th December, 2020.

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to the extent they relate to Non-Resident Indians (NRIs), Overseas Citizen of India, Overseas Corporate Bodies (OCBs), Foreign Portfolio Investors (FPIs) and other foreign investors of the Company if any will be subject to the approval of the RBI, if applicable and as may be necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make appropriate adjustments necessary for the issue of bonus equity shares and in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements.

RESOLVED FURTHER THAT for the purposes of giving effect to the bonus issue of equity shares, the methodology for dealing with fractional shares, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing of documents with BSE Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and determine all other terms and conditions of the issue of bonus equity shares as the Board may in its absolute discretion deem fit."

ITEM NO. 5 – Approval for the raising of funds through Private placement of Equity Shares by way of Qualified Institutional Placement (QIP)

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

"**RESOLVED THAT** in accordance with the provisions of Sections 23, 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI Regulations'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with the Listing Agreement entered into by the Company with the stock exchanges where the shares of the Company are listed ("Listing Agreement") , the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, as

amended from time to time and in accordance with applicable rules, regulations, guidelines, circulars and clarifications issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), enabling provisions in the Memorandum and Articles of Association of the Company and also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies (Collectively "appropriate authorities" and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions (" requisite approvals") which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being for exercising the powers conferred on the Board by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot fully paid up equity shares of the Company of Face Value Re. 1 each, to Qualified Institutional Buyers ('QIB') whether members of the Company or not and whether resident or non-resident, on a private placement basis through a Qualified Institutional Placement ('QIP'),) through a placement document, at such time and in one or more tranches, at such price or prices as may be determined in accordance with the provisions of Chapter VI of the SEBI Regulations and on such terms and conditions and in such manner as the Board may in its absolute discretion determine in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/ or Legal Advisors, Rating Agencies/Advisors, Registrars, and all other Agencies/Advisors, provided however that the total amount raised through issuance of such Securities shall not exceed INR 900 Crores (Rupees Nine hundred Crores Only).

RESOLVED FURTHER THAT in terms of Chapter VI of SEBI Regulations, the allotment of equity shares as may be decided by the Board shall be completed within 365 days from the date of this resolution or such other time as may be allowed under the SEBI Regulations from time to time, at such price being not less than the price determined in accordance with the provisions of SEBI Regulations and such equity shares issued through the QIP shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI Regulations.

RESOLVED FURTHER THAT the relevant date for determination of the floor price of the Equity Shares to be issued shall be the date of meeting in which the Board or a committee thereof decides to open the proposed issue.

RESOLVED FURTHER THAT the pricing for the issue shall be determined in compliance with principles and provisions set out in Part IV – Regulation 176 of Chapter VI of SEBI Regulations ("QIP Floor Price") and the board may, however, subject to the approval of the shareholders of the Company, offer a discount of not more than 5% (Five Percent) on the QIP Floor Price or such other discount as may be permitted under the said SEBI Regulations.

RESOLVED FURTHER THAT in accordance with Regulation 179 of SEBI Regulations, a minimum of 10% of the equity shall be allotted to mutual funds and if mutual funds do not subscribe to the said minimum percentage or part thereof, such minimum percentage or part thereof may be allotted to other QIB's and no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to the promoter of the company.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu including dividend entitlement with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares to be issued shall be listed with the stock exchanges, where the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the issue, allotment, listing and trading of equity shares as above, the Board be and is hereby authorised on behalf of the company to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) and to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT the Equity Shares to be offered and allotted shall be in a dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Manager(s) in offering of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and to seek the listing of such securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers in such manner as it may deem fit."

By Order of the Board
For Hatsun Agro Product Limited
Sd/-
G. Somasundaram
Company Secretary

Place: Chennai
Date: 19-Oct-2020

Notes:

1. The Postal Ballot Notice is being sent to the shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on October 29, 2020. In view of the continuing restrictions on movement of persons at several places in the country caused by outbreak of COVID – 19 and the MCA Circulars, the Postal Ballot Notice is being sent only in electronic mode to those shareholders who have registered their e-mail addresses with the Company or with the Depositories or with the Company's RTA.

2. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on October 29, 2020 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by e-voting. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purpose only.

3. The explanatory statement and reasons for the proposed resolutions as required under Section 102 of the Companies Act, 2013, is annexed to this notice.
4. The Company has appointed Mr. N Ramanathan (FCS 6665) , Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, to act as the Scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.
5. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 29.10.2020.

The complete detail of the instructions for e-voting is annexed to this notice.

Registered Folio No. / DP ID No. / Client ID No.	Number of shares held:

Dear Member,

Subject: Instructions for e-voting

Pursuant to the provisions of section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, to the members to cast their votes electronically on all resolutions set forth in the Notice of Postal Ballot. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e- voting facility. Members are requested to cast their electronic vote.

The e-voting facility is available at the link https://www.evoting.nsdl.com
The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Postal ballot notice.

Steps for Remote e-voting:-

1. Open the internet browser and type the following URL: https://www.evoting.nsdl.com
2. Click on Shareholder Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging for the first time, please enter the User ID and Password provided in this document.
5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of e-Voting opens. Click on e-Voting: Active Evoting Cycles.
7. Select "EVEN" of Hatsun Agro Product Limited.
8. Now you are ready for e-Voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolutions, you will not be allowed to modify your vote.
12. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc.

together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at secretarial@csdhanapal.com with a copy marked to evoting@nsdl.co.in

13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
14. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

General Instructions:

1. The remote e-voting period commences at 9.30 A.M. on Sunday, the 1st November, 2020 and ends at 5.00 P.M on Monday, the 30th November, 2020. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 29th October, 2020, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only will be entitled to avail the facility of remote e-voting.
3. Mr. N Ramanthan, Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries(Membership No.FCS 6665) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
4. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 29th October, 2020.
5. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.hap.in and on the website of the NSDL within two days of the declaration of results and communicated to National Stock Exchange of India Limited and BSE Ltd.
6. Shareholder whose e-mail ID is not registered with the Depositories/RTA can update their e-mail id using the link given below. On successful updation the shareholder will receive a copy of the notice of the postal ballot through e-mail.

   https://www.integratedindia.in/emailupdation.aspx

7. In case of any difficulties / grievances relating to the voting process, the members can contact:

   Mr. G. Somasundaram

   Company Secretary

   HATSUN AGRO PRODUCT LIMITED

   CIN : L15499TN1986PLC012747

   Regd. Office : DOOR NO.1/20A, "DOMAINE",

   RAJIV GANDHI SALAI (OMR)

   KARAPAKKAM, CHENNAI – 600 097.

   Phone No.: 044-24501622, Fax: 044-24501422 | Email: secretarial@hap.in | Website: www.hap.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1

Mr K S Thanarajan who was the Non Executive Non Independent Director of the Company was appointed as the Chairman of the Board on 21.06.2019 in compliance with the requirement of SEBI (LODR) Regulations, 2015 as amended (which mandated the separation of roles of Non Executive Chairperson and Managing Director or Chief Executive Officer by way of appointment of Non Executive Director as the Chairperson of the Board who shall not be related to the Managing Director or Chief Executive Officer of the Company as per the definition of the term "Relative" defined under the Companies Act, 2013) pursuant to the relinquishment of the position of Chairmanship by the then Chairman and Managing Director Mr R G Chandramogan who retained the Managing Directorship only after relinquishing his position of Chairman. Now, since the requirement of top 500 listed Companies separating the roles of Non Executive Chairperson and Managing Director or Chief Executive Officer by way of having a Non Executive Chairperson who is not related to the Managing Director or Chief Executive Officer (in accordance with the definition of the term "Relative" as per the Companies Act, 2013) with effect from 01.04.2020 has been deferred to 01.04.2022 vide SEBI Notification dated 10th January, 2020, the Board of Directors, on the recommendation of Nomination and Remuneration Committee approved the re-designation of Mr K S Thanarajan as Non Executive Non Independent Director only, accepting his relinquishment of the position of Chairmanship.

Pursuant to the relinquishment of Chairmanship by Mr K S Thanarajan and he being re-designated as Non Executive Non Independent Director only, the Remuneration payable to him for his advisory role (as approved by the Memebers through Postal Ballot on 07.03.2020) up to 31.03.2021 stands withdrawn w.e.f., 20th October, 2020.

The Board at its meeting held on 19th October, 2020, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the re-designation of Mr K S Thanarajan as Non Executive Non Independent Director only and withdrawal of his remuneration payable up to 31.03.2021 w.e.f., 20th October, 2020 as set out in the Resolution relating to his appointment.

Mr.K S Thanarajan and his relatives are interested in the resolution set out at Item No.1 of the Notice. None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution/s.

A brief profile of Mr. K S Thanarajan is provided in Annexure A pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India for purposes of Item no.1 of this notice.

Item No. 2

Mr R G Chandramogan, Promoter of the Company relinquished his position of Chairman on 21.06.2019 and retained the position of Managing Director only, in compliance with the requirement of SEBI (LODR) Regulations, 2015 as amended mandating top 500 listed Companies separating the roles of Non Executive Chairperson and Managing Director or Chief Executive Officer by way of appointment of Non Executive Director as the Chairperson of the

Board who shall not be related to the Managing Director or the Chief Executive Officer of the Company as per the definition of the term "Relative" defined under the Companies Act, 2013 which was initially announced to be applicable with effect from 01.04.2020.

Now, since the above said requirement has been deferred to 01.04.2022 vide SEBI Notification dated 10th January, 2020, the Board of Directors, on the recommendation of Nomination and Remuneration Committee approved the re-designation of Mr R G Chandramogan as Chairperson of the Board pursuant to the relinquishment of Chairmanship of the Board by Mr K S Thanarajan.

Further, pursuant to the relinquishment of the position of Managing Director on 19.10.2020 by Mr R G Chandramogan and upon the recommendation of Nomination and Remuneration Committee, the Board accepted the relinquishment of position of Managing Director by Mr R G Chandramogan and re-designated him as Chairman of the Board in the capacity of Non Executive Non Independent Director.

Pursuant to the appointment of Mr R G Chandramogan as Chairman of the Board in the capacity of Non Executive Non Independent Director, he will not be holding the Executive position and his Remuneration / Revision in his Remuneration in the capacity of Non Executive Non Independent Director, for his advisory role, is to be approved by the Members. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the Members by way of Special Resolution is required every year, if the Remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate Remuneration payable to all the Non-Executive Directors taken together. Your approval is therefore sought for the remuneration and benefits, payable to Mr. R G Chandramogan for the period commencing from 20th October, 2020 till 31st March 2021, as provided below:

(a) Monthly remuneration of Rs. 7,50,000/- aggregating to a maximum of Rs. 45,00,000/- for the period from 20th October, 2020 till 31st March 2021;
(b) Provision of Travelling, Conveyance, Boarding and Lodging Facilities for the services rendered by him periodically.
(c) Besides the Mediclaim Insurance extended by the Company for him and his family, reimbursement of actual medical expenses incurred for self and family subject to a ceiling of Rs.3,75,000 in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.
(d) Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
(e) Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation: For the purpose of Category `A', `family' means the spouse, dependent children and dependent parents.

(f) The Company shall provide a car with driver and telephone facility at the residence of Mr. R G Chandramogan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. R G Chandramogan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

Mr. R G Chandramogan would be entitled to a remuneration as mentioned above and as covered in the proposed Resolution under Item No. 2 and as may be determined by the Board.

Mr R G Chandramogan holds 9,16,81,563 equity shares in the Company. He does not hold any share in the Company on a beneficial basis for any other person. Mr. R G Chandramogan, Mr C Sathyan and their relatives are interested in the Resolutions. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends the Resolution for your approval.

A brief profile of Mr. R G Chandramogan is provided in Annexure A pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India for purposes of Item no.1 of this notice.

Item No. 3

The Board of Directors of the Company ("the Board") at its meeting held on October 19, 2020 has, subject to approval of members, re-designated the position of Mr C Sathyan / appointed Mr C Sathyan (DIN: 00012439) as the Managing Director of the Company for a period of 5 (five) years from 19th October, 2020, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board at its Meeting.

It is proposed to seek the members' approval for the re-designation of the position of Mr C Sathyan / appointment of Mr C Sathyan as Managing Director of the Company and the remuneration payable to him in his capacity as Managing Director, in terms of the applicable provisions of the Act as mentioned in the Resolutions mentioned under item No.3 of the Notice.

Broad particulars of the terms of appointment and remuneration payable to Mr. C Sathyan are as under:

Salary: Rs. 3,00,000/- (Rupees Three Lakhs only) per month.

HRA: Rs. 1,50,000/- (Rupees One Lakh and Fifty Thousand Only) per month.

Perquisites: The perquisites are classified into three Categories, Category A, B and C – as follows

CATEGORY `A'

SPECIAL ALLOWANCE:-

Special Allowance of Rs. 1,87,500/- (Rupees One Lakh Eighty Seven Thousand Five Hundred only) per month.

HOUSING:-

House Rent Allowance shall be subject to a ceiling of 50% of the Salary. If the Company provides the accommodation, the expenditure on hiring furnished accommodation shall be subject to 50% of the salary.

MEDICAL BENEFITS:-

Reimbursement of actual medical expenses incurred for self and family subject to a ceiling of half month's salary in a year. Reimbursement of special medical expenses, if any, shall be subject to the approval of the Board of Directors.

LEAVE TRAVEL ALLOWANCE:-

Leave Travel Allowance for self and family in accordance with the rules specified by the Company subject to a ceiling of Rs.25,000 per month.

CLUB FEES:-

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

INSURANCE COVER:-

Personal Accident Insurance cover for self, the actual premium for which does not exceed Rs.5,000/- per annum.

Explanation: For the purpose of Category `A', `family' means the spouse, dependent children and dependent parents.

CATEGORY `B'

The Benefit of the Company's Provident Fund and Superannuation Scheme in accordance with the rules for the time being in force. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

Leave: Mr. C.Sathyan will be allowed leave and encashment thereof as per the Rules of the Company.

CATEGORY `C'

The Company shall provide a car with driver and telephone facility at the residence of Mr. C.Sathyan. Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal distance calls on telephone shall be billed by the Company to Mr. C.Sathyan. Use of car for personal purpose shall be valued in accordance with the income-tax Rules for such use if any and shall be treated as taxable income.

The aggregate remuneration inclusive of salary, bonus, incentives, perquisites and allowances and other benefits payable to Mr. C.Sathyan, shall always be subject to the overall ceilings laid down in Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013.

MINIMUM REMUNERATION:-

Where in any financial year during the tenure of Mr. C. Sathyan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. C.Sathyan the above remuneration by way of salary, perquisites and others as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration. If such minimum remuneration is in excess of ceiling, if any, prescribed under Schedule V to the Companies Act, 2013, the Company shall seek permission of Shareholders as may be necessary in accordance with the provision governing payment of remuneration in force at the relevant point of time.

The appointment is terminable by three months' notice or by payment of three months' salary in lieu thereof by either party.

Mr. C Sathyan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being re-designated / appointed as Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of Mr. C Sathyan under Section 190 of the Act.

A brief profile of Mr. C Sathyan is provided below pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India for purposes of item Nos. 1 to 3 of this notice.

Mr. Mr.C.Sathyan and R.G.Chandramogan being related in their capacity as Son and Father and their relatives may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolutions set out in Item No.3 of the notice for approval of the Members.

Item No.4:-

The equity shares of your Company are listed and actively traded on the National Stock Exchange of India Limited and BSE Limited. With a view to encourage the participation of small investors by making equity shares of the Company affordable, increasing the liquidity of the equity shares and to expand the retail shareholder base, the Board in its meeting held on 19th October, 2020 considered and approved a bonus issue of 1 (One) equity share for every 3 (Three) existing equity shares held as on the record date i.e., 10th December, 2020 after obtaining the approval of Members through Postal Ballot during the period commencing from 01st November, 2020 and ending on 30th November, 2020.

The total number of fully paid up Equity Shares of the Company eligible for calculation of Bonus Shares in the ratio of One Equity Share for every Three Equity Shares held stands at 161672492 as on the Record Date.

Issuance of Bonus Shares is subject to Members' approval in terms of Section 63 of the Companies Act, 2013 and the provisions of Articles 174 of the Association of the Company and any other applicable statutory and regulatory approvals.

In case of fractional entitlements arising out of the issue of bonus equity shares, the Board will make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, aggregating such fractions and allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members.

Accordingly, resolution No.4 of this Notice seeks Members' approval for capitalization of Rs.5,38,90,831 out of the amount standing to the credit of free reserves and/or the securities premium account and/or the capital redemption reserve account for the purpose of issue of bonus equity shares on the terms and conditions set out in the resolution.

No Director, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution except to the extent of their shareholding in the Company or to the extent of the shareholding of companies/institutions/trusts/other entities of which they are directors or members or trustees or hold other similar positions.

The Board recommends the resolution 4 for approval of the Members.

Item No. 5:-

The Company requires adequate capital to meet the needs of growing business. While it is expected that the internal generation of funds would partially finance the need for capital, the raising of funds through QIP route would be another source of funds to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution.

A Qualified Institutional Placement (QIP) of the shares of the Company would be less time consuming and more economical method than other modes of raising capital. Accordingly, the Company may issue securities by way of a QIP in terms of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations').

These securities will be allotted only to Qualified Institutional Buyers (QIBs) as per the SEBI Regulations. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities

will be decided by the Board (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being for exercising the powers conferred on the Board by the resolution) based on an analysis of the specific requirements after consulting all the concerned.

Therefore the proposal seeks to confer upon the Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to be appointed for the Issue.

As per Chapter VI of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange/s during the two weeks preceding the "relevant date." ("QIP Floor Price")

The Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'QIP Floor Price' as determined in terms of the SEBI Regulations, subject to Section 53 of the Companies Act, 2013.

The equity shares, if any, allotted on the issue shall be fully paid up and shall rank in all respects pari-passu with the existing Equity Shares of the Company.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued.

However, the same would be in accordance with the provisions of the SEBI Regulations, the Companies Act, 2013, and other guidelines/regulations/consents as may be applicable or required.

The "relevant date" for the above purpose, shall be the date of meeting in which the Board decides to open the proposed issue.

The Stock Exchange for the same purpose is the BSE Limited/National Stock Exchange of India Limited.

In case of QIP Issuance, the special resolution has a validity period of 365 days before which allotments under the authority of said resolution should be completed. The Directors recommend this Resolution at Item No.5 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

By Order of the Board

For Hatsun Agro Product Limited

Place: Chennai **Sd/-**

Date: 19-Oct-2020 **G. Somasundaram**

Company Secretary

Annexure A:

Name of the Director	Mr K S Thanarajan	Mr R G Chandramogan	Mr C Sathyan
Director Identification Number (DIN)	00012285	00012389	00012439
Date of Birth and Age	20-03-1949 (71 Years)	01-03-1949 (71 Years)	05-10-1978 (42 Years)
Date of Appointment at current designation / Date of first appointment on the Board	19th October, 2020	19th October, 2020	19th October, 2020
Profile / Qualifications & Experience	Mr.K.S.Thanarajan is a Non-Executive Non-Independent Director of our Company. He holds a masters' degree in economics from the University of Madras. He was in-charge of day to day operations of the dairy division of our Company. He has been in the dairy business for more than 20 years.	Mr. R.G. Chandramogan has been in the dairy business for more than four decades. In February 2018, the Indian Dairy Association awarded patronship to 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.	Mr. C. Sathyan, has held various executive positions during his career, spanning over 18 years. He was conferred with the title of 'Doctor of Letters' for his entrepreneurship and philanthropy by the International Tamil University, USA. He is in-charge of the day-to-day operations of the Company
Terms and conditions of appointment / re-appointment.	As detailed in the explanatory statement	As detailed in the explanatory statement	As detailed in the explanatory statement
Remuneration last drawn	Previously entitled to a Sitting Fee of Rs. 50,000/- per meeting of the Board and Rs. 10,000/-each per meeting of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee andCSR Committee. Entitled to a monthly Remuneration of Rs. 6,84,000/- from 01.04.2020 till 31.03.2021 which was approved by the Shareholders of the Company by way of passing a Special Resolution through postal ballot on 7th March, 2020.	Rs. 88,40,367	Rs. 82,23,700
Remuneration proposed to be paid	NIL	As detailed in resolution and explanatory statement	As detailed in resolution and explanatory statement
Directorship in other Companies & Membership/ Chairmanship of Committees of other Boards	None	Indian Ice Cream Manufacturers' Association	None

Shareholding in the Company	4,91,766 shares	9,16,81,563 shares	1,51,96,774 shares
Relationship with Other Directors, Manager and other Key Managerial Personnel of the company.	None	Mr C Sathyan (Son)	Mr R G Chandramogan (Father)
The number of Meetings of the Board attended during the FY 2020-21 i.e, upto 19th October, 2020.	3 (Three)	3 (Three)	3 (Three)