LETTER OF OFFER ("Letter of Offer"/ "LOO")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as Equity Shareholder(s) of Hatsun Agro Product Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrars to the Offer. In case, you have sold your Equity Shares in Hatsun Agro Product Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was affected.

CASH OFFER BY

R.G.Chandramogan

("THE ACQUIRER")

a resident of No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai-600119 Tel No: +91 44-24530311

and Persons Acting in Concert with him

C.Sathyan, C Lalitha, Dolly Parijatham, (all residents of No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai - 600119, Tel No: +91 44-24530311) Deviga Suresh (resident of Old no.46, New no.36 Chairman A Shanmuga Nadar Road, Sivakasi-626123, Tel No: +91 9843180840) and S. Kayalvizhi (a resident of 162, Ramnadar Vilai, Tuticorin-628001 Tel No: 0461-2327932). to the existing shareholders of

HATSUN AGRO PRODUCT LIMITED (THE "TARGET COMPANY"/ " HATSUN")

(Registered Office: No.5-A Vijayaraghava Road, T.Nagar, Chennai-600017,
Tel No.:+91-44-28150014 Fax No: +91-44-28152508.

to acquire up to 4,22,943 equity shares of Rs.10/- each representing 6.23% of the outstanding voting equity share capital at a price of Rs.309/- (Rupees Three Hundred and Nine) per fully paid up equity share.

1. The Offer is being made by the Acquirer and PACs pursuant to Regulation 11(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto for consolidation of their shareholdings.
2. As on the date of the PA, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer and PACs will not proceed with the Offer in the event that such statutory approvals are not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same upto three working days **(i.e,Wednesday, May 14, 2008)** prior to the date of the closure of the offer **(i.e., Monday, May 19, 2008)**.
4. Regulation 26 of the Take over Regulations provide for an upward revision of Offer in respect of the price and the number of shares to be acquired, at any time up to seven working days (i.e.**Thursday, May 8, 2008**) prior to the date of closure of the offer. **i.e. Monday, May 19, 2008**. The same price will be paid by the Acquirer for all the shares tendered any time during the open offer. Any revision(s) in the offer price will be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement was made. The Acquirer can withdraw this offer, only under circumstances as mentioned under Regulation 27(1) and in this event the same would be informed by way of Public Announcement in the same news papers where the original Public Announcement has appeared.
5. The Offer is not subject to minimum level of acceptance.
6. The procedure for acceptance is set out in Clause 10 of this Letter of Offer
7. There has been no competitive bid in respect of this Open Offer Announced by the Acquirer till the date of this Letter of Offer.

As the Offer Price cannot be revised during seven working days prior to the date of closing of the Offer/bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each offer/ bid and tender their acceptance accordingly.

The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement) and Form of Withdrawal are available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
KARVY INVESTOR SERVICES LTD **Karvy Investor Services Limited** "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Tel: +91 40 2337 4714/2332 0752 Fax: +91 40 2337 4714 e-mail: cmg@karvy.com. Website: www.karvy.com	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road, Madhapur, Hyderabad - 500 086, INDIA Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814 E-mail: murali@karvy.com
Contact Person: Mr.M.P.Naidu	**Contact Person: Mr. Murali Krishna**
OFFER OPENS ON: WEDNESDAY, APRIL 30, 2008	**OFFER CLOSES ON: MONDAY, MAY 19, 2008**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Public Announcement	November 30, 2007	Friday	November 30, 2007	Friday
Specified Date	December 28, 2007	Friday	December 28, 2007	Friday
Last date for a competitive bid	December 21, 2007	Friday	December 21, 2007	Friday
Date by which Letter of Offer will be dispatched to the shareholders	January 08, 2008	Tuesday	April 26, 2008	Saturday
Offer opening Date	January 23, 2008	Wednesday	April 30, 2008	Wednesday
Last date for revising the offer price/ number of shares	January 31, 2008	Thursday	May 8, 2008	Thursday
Last date for withdrawal by shareholders	February 06, 2008	Wednesday	May 14, 2008	Wednesday
Offer closing Date	February 11, 2008	Monday	May 19, 2008	Monday
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and /or the share Certificate(s) will be dispatched / credited.	February 25, 2008	Monday	June 2, 2008	Monday

RISK FACTORS

Relating to the proposed offer

1. The Acquirer and the PACs reserve the right to withdraw the Offer in the event that statutory approvals for the purpose of this Offer that may be necessary at a later date are refused.

2. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer and PACs shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations.

3. In case the Acquirer and PACs are unable to make the payment of consideration within a period of fifteen days from the closure of the offer as per Regulation 22(12) to the shareholders who have accepted the offer due to non-receipt of statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the acquirer or failure of the acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the acquirer agreeing to pay interest to the shareholders for delay beyond fifteen days, as may be specified by SEBI from time to time.

CONTENTS

1. DEFINITIONS

Acquirer	Mr.R.G.Chandramogan
Board	Board of Directors
BSE	Bombay Stock Exchange Limited
BV	Book Value
BBM	Bachelor of Business Management
CDSL	Central Depository Services (India) Ltd.
CAIB	Certified Associate of Indian Bankers
DP or Depository Participant	Karvy Stock Broking Limited
EPS	Earning per share
FEMA	The Foreign Exchange Management Act, 1999, and subsequent amendments thereof.
FII(s)	Foreign Institutional Investors registered with SEBI
FOA or Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
FY	Financial Year
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ICWAI	The Institute of Cost and Works Accountants of India
Ltd.	Limited
Letter of Offer/LOO	This Letter of Offer
Manager or Manager to the Offer or Karvy	Karvy Investor Services Limited
ME	Mechanical Engineering
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRI's and FII's holding the Equity Shares of Hatsun
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 4,22,943 equity shares of Rs. 10/- each representing 6.23% of the outstanding voting equity share capital of Hatsun at a price of Rs.309/- per share
Offer Period	From Wednesday, April 30 , 2008 to Monday, May 19 , 2008
Offer Price	Rs.309/- per fully paid up Equity Share of Rs.10/- each of Hatsun
PAC's or Person Acting in Concert	Mr.C.Sathyan, Ms.C.Lalitha, Ms.Dolly Parijatham, Ms.S.Kayalvizhi and Ms.Deviga Suresh
Person eligible to participate in the Offer	Equity shareholders of Hatsun (other than the Acquirer and PACs with acquirer) whose names appear on the Register of Members of Hatsun at the close of the business hours on **Friday, December 28, 2007** (the "Specified Date") and also those persons who own the shares at any time prior to the closure of the Offer, but are not the registered equity shareholders
Pvt.	Private
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer on **Friday, November 30, 2007**
Registrars or Registrars to the Offer/ KCPL	Karvy Computershare Private Limited
RBI	Reserve Bank of India
RoNW	Return on Net Worth
The Regulations/SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, and subsequent amendments thereof.
Specified Date	Friday, December 28, 2007
Hatsun Agro Product Limited /Target Company/the Company	Hatsun

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HATSUN AGRO PRODUCT LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER(S) DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, KARVY INVESTOR SERVICES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 12, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER

3.1. Background to the offer

3.1.1. Mr.R.G.Chandramogan (Acquirer), Mr.C.Sathyan, Ms.C. Lalitha, Ms. Dolly Parijatham, Ms.S.Kayalvizhi and Ms.Deviga Suresh (PACs) are making this Public Announcement to acquire equity shares from the shareholders of Hatsun Agro Product Limited (Target Company).

3.1.2. The Acquirer and PACs are currently holding 46,68,626 Equity Shares of Rs.10/- of the Target Company representing 68.77% of its paid-up equity capital. The Acquirer and PACs are desirous of consolidating their shareholding in accordance with Regulation 11(2) of the Regulations.

3.1.3. The acquirer, PACs and the Target Company have not been prohibited by SEBI from dealing in Securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.4. No changes are proposed in the Board of Directors of the Target Company after the offer.

3.2. Details of the Proposed Offer

3.2.1. The PA, dated Thursday, November 29, 2007 as per Regulation 15(1) of the Regulations, was made in the following newspapers:

Newspaper	Language	Edition
Financial Express	English	**November 30, 2007:** Bangalore, Mumbai, Kolkata, Chandigarh, Kochi, Delhi, Hyderabad, Lucknow, Chennai. **December 1, 2007 :** Ahmedabad and Pune
Janasatta	Hindi	**November 30, 2007:** Kolkata, Chandigarh,New Delhi and Lucknow
Makkal Kural	Tamil	**November 30, 2007:** Coimbatore, Chennai and Madurai
Loksatta	Marathi	**November 30, 2007,** Mumbai

A copy of the PA is also available on SEBI's website (www.sebi.gov.in).

3.2.1(a) The corrigendum to PA dated Monday, April 28, 2008 is being made in the following news paper.

Newspaper	Language	Edition
Financial Express	English	**April 28, 2008:** Bangalore, Mumbai, Kolkata, Chandigarh, Kochi, Delhi, Hyderabad, Lucknow, Chennai, Ahmedabad, Pune.
Janasatta	Hindi	**April 28, 2008:** Kolkata, Chandigarh, New Delhi and Lucknow.
Makkal Kural	Tamil	**April 28, 2008:** Coimbatore, Chennai and Madurai
Loksatta	Marathi	**April 28, 2008,** Mumbai

A copy of the corrigendum to PA is also available on SEBI's website (www.sebi.gov.in).

3.2.2. The Acquirer and PACs are currently holding 46,68,626 Equity Shares of Rs.10/- of the Target Company representing 68.77% of its paid-up equity capital. The Acquirer and PACs are desirous of consolidating their shareholding in accordance with Regulation 11(2) of the Regulations. In compliance with the provisions of the Regulations, the Acquirer and PACs are making this PA for acquiring upto 4,22,943 representing 6.23% of the paid-up equity capital of the Target Company at a price of Rs.309/- per fully paid-up equity share in cash, from its shareholders whose names appear in the Register of Members or who are beneficial owners of its equity shares as on the Specified Date (i.e. **Friday, December 28, 2007**)

3.2.3. There are no partly paid-up equity shares of the Target Company.

3.2.4. As the offer involves payment of consideration in cash, the differential price referred to in explanation (iii) to regulation 20(11) of the Regulations is not applicable.

3.2.5. This is not a Competitive Bid.

3.2.6. This is not a conditional offer and the same is not subject to any minimum level of acceptance.

3.2.7. The acquirer and PACs have not acquired and do not have any intention of acquiring the shares of the Target Company after the date of the PA till the date of the closure of the offer.

3.3. Rationale For The Acquisition And Offer

3.3.1. This Offer is being made to the shareholders of the Target Company pursuant to Regulation 11(2) of the Regulations with the objective of consolidation of the holdings of the Acquirer and PACs.

3.3.2. The acquirer does not intend to make any major change in the existing lines of business of the target company.

4. BACKGROUND OF THE ACQUIRER

4.1. Mr. R. G. Chandramogan, aged 58 years, resides at No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai-600119 Tel. No: +91-44-24530311. He is one of the promoters and the Chairman & Managing Director of the Target Company. He has been in the Ice cream business for more than three decades. Though the Target Company was started in a very small scale it has achieved a turnover of Rs.58,528 lakhs for the financial year ended March 31, 2007.

Mr. C. G. Ramesh Babu, Chartered Accountants (Membership No.204013) having office at No.36, Fourth Main Road, Gandhi Nagar, Chennai-600 020 Tel. No: +91-44 42117905 Fax No: +91 44 2440 4685 has certified vide certificate dated November 29, 2007 that the networth of Mr. R. G. Chandramogan as on November 28, 2007 was Rs.13,327 lakhs.

4.2. The Acquirer and PACs have not entered into any arrangement between themselves for the acquisition of the shares in the Target Company except for the PACs authorizing the Acquirer to take necessary steps for the PA and for completion of the relevant formalities.

4.3. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulations made under the SEBI Act.

4.4. The Acquirer has duly complied with the provisions of Chapter II of the SEBI (SAST) Regulations.

4.5. Other companies promoted by the Acquirer are as under:

S.no	Name of the Acquirer	Companies Promoted
1.	R.G.Chandramogan	Tonokya Food Private Limited

The Acquirer and PACs do not hold any position on Board of Directors of any listed company except R. G. Chandramogan (Acquirer) being the Chairman and Managing Director of the Target Company and C. Sathyan (PAC) being the Executive Director of the Target Company.

4.6. Background of the Person Acting in Concert:

S.no	Name	Address	Phone number	Relationship with Acquirer
1	C. Lalitha	No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai-600119	+91 44- 24530311	Wife of Mr. R. G. Chandramogan
2	C. Sathyan	No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai-600119	+91 44-24530311	Son of Mr. R. G. Chandramogan
3	Dolly Parijatham	No.14, Sunrise Avenue Akkarai, Sholinganallur, Chennai-600119	+91 44-24530311	Daughter-in-law of Mr.R.G.Chandramogan
4	Deviga Suresh	Old no.46, New no. 36, Chairman A Shanmuga Nadar Road, Sivakasi - 626123	098431 80840	Daughter of Mr. R. G. Chandramogan
5	S. Kayalvizhi	No.162, Ramandar Vilai, Tuticorin - 628001	0461 2327932	Sister of Mr. R. G. Chandramogan

4.6.1. Shares held by the PACs are as under:-

S. No	Name of the PAC	No. of Shares held	% to Capital
1	C Lalitha	80,113	1.18
2	Dolly Parijatham	76,450	1.13
3	Deviga Suresh	40,000	0.59
4	S.Kayalvizhi	10,000	0.15
5	C.Sathyan	6,38,669	9.41
	Total Shares	**8,45,232**	**12.45**

4.6.1A Mr.R.G.Chandramogan is holding 38,23,394 out of which 3,81,977 Shares, previously held by late Mr. Raja KSP Ganesan were transmitted to Mr. R. G. Chandramogan on April 23, 2008 on completion of nomination formalities. Mr. R.G. Chandramogan was the nominee for all shareholding of late Mr. Raja KSP Ganesan in the Target Company. These shares are subject to a lien to ICICI Bank Ltd., having registered office at ICICI Tower, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. The ICICI Bank had granted loan facilities to Hatsun Agro Product Limited against these shares. The said lien of shares will be freed once Hatsun Agro Product Limited will repay this loan.

Further, lien had been released by ICICI Bank to enable Mr. R. G. Chandramogan to complete the transmission process for above said shares to Mr. R.G. Chandramogan. Now these shares were transmitted to Mr. R. G. Chandramogan on April 23, 2008. Mr. R. G. Chandramogan vide undertaking dated 14th March 2008 had undertaken to create the valid pledge within the period of 10 days from the date of transmission i.e. April 23, 2008.

This is further to be mentioned that the exemption from applicability of Regulations at the time of retransfer of shares from ICICI Bank to Mr. R. G. Chandramogan will depend on applicable Regulations/grant of exemption from SEBI at that point of time.

4.6.2. The PACs have not entered into any agreement with regard to the offer / acquisition of shares.

4.6.3. The principal areas of business and relevant experience of the PACs:

4.6.4. (a) Ms.Dolly Parijatham, aged 24, Ms.C.Lalitha, aged 53, Ms.Deviga Suresh, aged 32, and Ms.S.Kayalvizhi, aged 43 are housewives. Mr. C. Sathyan, aged 29 is Bachelor of Business Management with specialization in marketing. He is the Executive Director of the Target Company and is also a director in Tonokya Food Private Limited.

(b) Mr. C. G. Ramesh Babu, Chartered Accountants (Membership No.204013) having office at No.36, Fourth Main Road, Gandhi Nagar, Chennai-600 020 Tel: +91 44 4211 7905 Fax No: +91 44 2440 4685 has certified vide certificate dated November 29, 2007 that the networth of the PACs as on November 28,2007 are as under: -

(Rs. In Lakhs)

S. No.	Name of the PAC	Networth as on November 28, 2007
1	Dolly Parijatham	253
2	C. Lalitha	264
3	Deviga Suresh	176
4	S. Kayalvizhi	79
5	C.Sathyan	1937

(c) Details of Earlier Acquisition of Promoters and PACs as on date of the Public Announcement:

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares	Shares Sold		Compliance Status
		No.	%		No.	%	
Prior to SAST Opening balance		31,42,300	62.85	31,42,300	—	—	Complied
09.04.1997	Open Market	9,000	0.18	31,51,300	—	—	Complied
28.08.1997	Open Market	600	0.01	31,51,900	—	—	Complied
29.03.1999	Merger	5,77,750	9.02	37,29,650	—	—	Complied
31.03.1999	Open Market	6,250	0.09	37,35,900	—	—	Complied
15.09.1999	Open Market	36,250	0.57	37,72,150	—	—	Complied
04.10.1999	Open Market	67,100	1.05	38,39,250	—	—	Complied
23.10.1999	Open Market	2,08,300	3.25	40,47,550	—	—	Complied
22.11.1999	Open Market	3,700	0.06	40,51,250	—	—	Complied
24.11.1999	Open Market	2,500	0.04	40,53,750	—	—	Complied
13.01.2000	Transfer	—	—	40,15,150	38,600	0.60	Complied
15.05.2000	Open Market	31,200	0.49	40,46,350	—	—	Complied
07.11.2000	Transfer	—	—	40,36,350	10,000	0.16	Complied
07.11.2000	Transfer	10,000	0.16	40,46,350	—	—	Complied
20.11.2000	Open Market	600	0.00	40,46,950	—	—	Complied
23.01.2001	Open Market	2,500	0.04	40,49,450	—	—	Complied
29.03.2001	Transfer	—	—	40,34,450	15,000	0.24	Complied
19.04.2001	Open Market	1,25,000	1.96	41,59,450	—	—	Complied
25.08.2001	Transfer	—	—	41,42,450	17,000	0.27	Complied
13.10.2001	Transfer	—	—	41,41,450	1,000	0.02	Complied
29.10.2001	Open Market	19,700	0.30	41,61,150	—	—	Complied
29.10.2001	Preferential Allotment	3,00,000	4.48	44,61,150	—	—	Complied
30.11.2001	Open Market	200	0.00	44,61,350	—	—	Complied
28.01.2002	Transfer	100	0.00	44,61,450	—	—	Complied
28.03.2002	Open Market	2,05,000	3.03	46,66,450	—	—	Complied
28.03.2002	Transfer	—	—	46,61,450	5,000	0.07	Complied
08.08.2002	Transfer	2,00,000	2.95	48,61,450	—	—	Complied
08.08.2002	Transfer	—	—	46,61,450	2,00,000	2.95	Complied
28.08.2002	Transfer	—	—	44,61,450	2,00,000	2.95	Complied
25.09.2002	Open market	57,400	0.85	45,18,850	—	—	Complied
09.10.2002	Open market	50	0.00	45,18,900	—	—	Complied
16.10.2002	Open market	50,000	0.74	45,68,900	—	—	Complied
30.12.2002	Open market	68,000	1.01	46,36,900	—	—	Complied
14.01.2003	Open market	100	0.00	46,37,000	—	—	Complied
10.07.2003	Open market	200	0.00	46,37,200	—	—	Complied

29.01.2004	Merger	30,728	0.46	46,67,928	—	—	Complied
09.08.2004	Transfer	—	—	46,67,926	2	0.00	Complied
09.09.2004	Open market	500	0.00	46,68,426	—	—	Complied
15.10.2004	Open market	200	0.00	46,68,626	—	—	Complied
10.03.2006	Transfer	—	—	46,67,226	1,400	0.02	Complied
10.03.2006	Transfer	1,400	0.02	46,68,626	—	—	Complied

There was no further acquisition of shares of the Target Company by Promoters and PACs from March 10, 2006 to as on date of this Letter of Offer.

(d) The PACs have duly complied with the provisions of Chapter II of the SEBI (SAST) Regulations.

4.6.5. (i) This Offer is being made to the shareholders of the Target Company pursuant to Regulation 11(2) of the Regulations with the objective of consolidation of the holdings of the Acquirer and PACs.

(ii) The Acquirer and PACs do not have any plan to dispose off or otherwise encumber any asset of the Target Company in the next two years except in the ordinary course of business of the Target Company. However, the Acquirer and PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of its shareholders and in accordance with and subject to applicable laws, permissions and consents, if any.

5. OPTION TO THE ACQUIRER IN TERMS OF REGULATION 21(3).

Assuming full acceptance, the offer would not reduce the public shareholding below the minimum limit specified in the listing agreement with the Stock Exchange for the purpose of listing on a continuous basis.

6. BACKGROUND OF THE TARGET COMPANY

6.1. The Target company was incorporated on March 4, 1986 and is having its registered office at No.5-A Vijayaraghava Road, T.Nagar, Chennai-600017 Tel No: +91 44 2815 0014, Fax No: +91 44 28152508, email: secretarial@hatsun.com. Hatsun was incorporated on March 4, 1986 as Hatsun Foods Private Limited. The name was changed from Hatsun Foods Private Limited to Hatsun Milk Food Private Limited w.e.f August 7, 1995.Hatsun Milk Food Private Limited was subsequently converted into a public limited Company as Hatsun Milk Food Limited w.e.f August 11, 1995. Subsequently there was a change of name from Hatsun Milk Food Limited to Hatsun Agro Product Limited w.e.f April 7, 1998. The Target Company is engaged in processing and marketing of Milk, Ice creams & dairy products under the brand names ***'Arun', 'Arokya'*** and ***'Hatsun'.***

Mr. R.G.Chandramogan, one of the promoters of the Target Company, established a Partnership firm in the year 1970 under the name M/s. Chandramogan & Co.,for the manufacture and sale of Ice creams and Milk and Dairy based Products. These facilities were set up at Madras. The products of the firm were marketed under the brand name '**Arun**'.

Mr.R.G.Chandramogan promoted M/s.Hatsun Foods Private Limited on March 4, 1986. On April 1, 1986, the Target Company was admitted as a partner in M/s.Chandramogan & Co. During the same month, the partnership concern was dissolved and all the assets and liabilities vested with the Target Company except the brand name "**Arun**" which was vested with Mr.Chandramogan, which was consequently acquired by the Target company from Mr.Chandramogan.

In the year 1993, the promoters of the Target Company, had set up Hatsun Dairy Private Ltd for manufacture of Instant Milk Shake Powder at a cost of Rs. 125 lakhs at Salem. As the product did not move to their expectations, the target Company made certain modifications in the plant and made it suitable for processing liquid milk. Meanwhile, w.e.f March 8, 1994 M/s. Hatsun Dairy Private Ltd., was converted into Public Limited company as Hatsun Dairy limited and than name was changed to M/s. Hatsun Milk Products Ltd. M/s. Hatsun Milk Products Ltd, was amalgamated with M/s. Hatsun Agro Product Ltd with effect from April 1, 1998.

In the year 1996 the target Company had gone for net public offering 18,00,000 equity shares to public out of the total issue of 19,52,400 Equity Shares of Rs. 10/- each at a premium of Rs. 35/- per share. The balance was reserved for firm allotment to the promoters, their friends, relatives and business associates.

In the year 2001, Ajith Dairy Industries Ltd (ADIL) came up for auction through the High Court of Madras. The Target Company acquired 81% stake in ADIL. Later ADIL was amalgamated with the Target Company, w.e.f April 1, 2001.

In the year 2003 Hatsun Foods Company Limited was amalgamated with the Target company and the order of the court was effective from April 1, 2003.

Operations of the Company:

('000 Litres per day)

S.no	Nature of Product	*Licensed Capacity	*Installed Capacity
1.	Dairy	1,620	1,620
2.	Ice cream	NA	25

* The data is taken from the Target company's Annual report for the year ended 2006-07.

Facilities that company possess:

The Target Company has Dairy ingredient plants at Kancheepuram and Salem and also has coal boilers, at Kancheepuram with a capacity of 12 Tonnes per hour (TPH) and at Salem with a capacity of 8 TPH. The Target Company has cold storage depots at Bangalore, Belgaum, Vijayawada, Salem, Chennai, Kancheepuram, Madurai and Avinashi. The ice cream factory is automated and is accredited with ISO 9002 certification. Over the years, Arun has grown into a strong brand and has about 1000 exclusive Arun ice cream parlours.

6.2. The authorized share capital of the Target Company as on the date of this PA comprises of 1,00,00,000 equity shares of Rs.10/- each aggregating to Rs.10,00,00,000 and 20,00,000 Preference Shares of Rs.100/- each aggregating to Rs.20,00,00,000. The issued and subscribed share capital of the the Target Company as at the date of this PA comprises of 68,01,818 Equity Shares of Rs.10/- each and 5,08,000, 8% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each. The forfeited shares comprises of 13,000 Equity shares of Rs.10/- each. These shares were forfeited due to default made in payment of call money. The paid up capital of the Target Company as at the date of this PA comprises 67,88,818 equity shares of Rs.10/- each and 5,08,000, 8% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each. There are no partly paid-up Equity Shares of the Target Company as at the date of this PA. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity later. There are no shares under lock-in period.

6.3. The Equity Shares of the Target Company are listed and are infrequently traded on BSE. The last traded price as on **Thursday, November 29, 2007** was Rs.301/- on BSE with a volume of 2,665 equity shares.

6.4. As per the audited financial results for the year ended March 31, 2007 the Target Company has reported a Total Income of Rs.59,223 lakhs and a profit after tax of Rs.815 lakhs. As on March 31, 2007 the paid up equity & preference share capital, networth (excluding revaluation reserves) and the book value per share were Rs.679 lakhs, Rs.508 lakhs, Rs. 3,099 lakhs and Rs.45.65 respectively.

6.5. The Target Company has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

6.6. Share Capital Structure as on the date of PA

Issued and paid-up Equity Share Capital	No. of Equity Shares (Face Value - Rs. 10/-)/ Voting Rights	% of Equity Shares/ Voting Rights
Fully paid-up Equity Shares (a)	67,88,818	100
Partly paid-up Equity Shares (b)	Nil	Nil
Total Issued and paid-up Equity Shares (a+b)	67,88,818	100
Total	67,88,818	100

6.7.

Issued and paid-up Preferential Share Capital	No. of Preference Shares (Face Value - Rs. 10/-)/ Voting Rights	% of Preference Shares/Voting Rights
Fully paid-up Preference Shares (a)	5,08,000	100
Partly paid-up Preference Shares (b)	Nil	Nil
Total Issued and paid-up Preference Shares (a+b)	5,08,000	100
Total	5,08,000	100

6.8. The build-up of Equity capital of Hatsun since its inception is as follows:

Date of Allotment	Number of Shares Issued & % of shares issued		Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (Promoters / Ex-promoters / Others)	Status of compliance
04.03.1986	20	100	2000	Incorporation	Subscribers	Complied Companies Act, 1956
03.09.1986	3900	99.48	392000	Allotment for cash	Promoters	Complied Companies Act, 1956
26.06.1995	39200	100	392000	Subdivision of shares	Promoters	Complied Companies Act, 1956
31.07.1995	10,58,400	96.42	10,976,000	Bonus issue 27: 1	Existing shareholders	Complied Companies Act, 1956
31.07.1995	19,50,000	63.98	3,04,76,000	Allotment for cash	Promoters	Complied Companies Act, 1956
27.02.1996	19,52,400	39.05	5,00,00,000	Public Issue	Public	Complied Companies Act, 1956
29.03.1999	14,02,000	21.89	6,40,20,000	Allotment on Amalgamation	Shareholders of Hatsun Milk Products Limited	Complied Companies Act, 1956
31.03.2000	14,000	0.02	6,38,80,000	Forfeiture of shares	Defaulter of calls	Complied Companies Act, 1956
27.05.2000	1,000	0.001	6,38,90,000	Forfeiture annulled	Defaulter settled dues	Complied Companies Act, 1956
29.10.2001	3,00,000	4.48	6,68,90,000	Preferential Allotment	Promoter Act, 1956,	Complied Companies SEBI (Disclosure and Investor Protection) Guidelines, 2000, Preferential Issue Guidelines, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
28.01.2002	69,090	1.02	6,75,80,900	Allotment on Amalgamation	Shareholders of Ajith Diary Industries Limited	Complied Companies Act, 1956
29.01.2004	30,728	0.45	6,78,88,180	Allotment on Amalgamation	Shareholders of Hatsun Foods Company Limited	Complied Companies Act, 1956

6.9. Preference share capital build up:

Date of Allotment	Number of Shares Issued & % of shares issued		Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (Promoters / Ex-promoters / Others)	Status of compliance
06.10.2005	5,08,000	100	5,08,00,000	Issue of Preference shares	Kirti P Shah	Complied Companies Act, 1956

6.10. The status of compliance with Chapter II of SEBI (SAST) Regulations, 1997 is as follows:

The Target Company has filed the disclosures under Regulations 6(2) & 6(4) for the year 1997 on March 28, 2003 under SEBI Regularization Scheme, 2002. The disclosures under Regulation 8(3) of the SEBI (SAST) Regulations for the financial year ending March 31 for the years 1997,1998,1999,2000,2001,2002,2003,2004,2005,2006 and 2007 were filed in time. The disclosures for the Record date under Regulation 8(3) for the years 1997, 1998, 1999, 2000, 2001, 2002, 2003,2005,2006 and 2007 was filed on time. The Target Company has complied with Regulation 7(3) except for certain Instances. SEBI may initiate necessary actions for such delayed filing of disclosure under Regulation 8(3) for the year 1999 & for the record date during the year 2001 and non-compliance of Regulations 7(3) for the years 1997, 1999,2000, 2001 & 2002.

The promoters have filed the disclosures under Regulations 6(1)& 6(2) in time. The disclosures under Regulation 8(1) &(2) of the SEBI (SAST) Regulations for the financial years ending March 31 for the years 1997,1998,1999,2000, 2001,2002,2003,2004,2005,2006 and 2007 were filed in time. The disclosures for the Record date under Regulation 8(1) & 8(2) for the years 1997,1998,1999,2000,2001,2002,2003,2005,2006 and 2007 were filed in time. The promoters have complied with Regulation 7(1) of the Regulations.

6.11. No penal actions have been initiated by the Stock Exchanges against the Target Company till date. Till date trading of shares has not been suspended on any of the Stock Exchanges where the Target Company's shares are listed.

6.12. As on the date of PA there are no outstanding convertible instruments of the Target Company.

6.13. The Target Company has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, as amended or under any other regulation made under the SEBI Act.

6.14. As on the date of the PA, the Board of Directors of the Target Company are as below:

S.No	Name and Residential Address of the Director	Experience and Qualification	Date of Appointment	Designation in the company & other Directorships held
1.	R G Chandramogan No.14, Sunrise Avenue, Sholinganallur, Chennai-600 119	He is the promoter of the company. After finishing his schooling, he ventured into the ice cream business in the year 1970.He has been in the Ice cream business for more than 3 decades.	04.03.1986	Chairman& Managing Director and Tonokya Food Private Limited
2.	K S Thanarajan Flat No.33, Sairam Apartrments, No.3, Valmiki Street, T.Nagar, Chennai-600 017	He is a post graduate in Economics and is in-charge of day to day operations of the Dairy Division.	18.07.1995	Joint Managing Director
3.	C Sathyan No.14, Sunrise Avenue, Sholinganallur, Chennai-600 119	He is a Bachelor of Business Management with specialization in Marketing.	14.06.2001	Executive Director and Tonokya Food Private Limited
4.	P.Vaidyanathan 7AB, III Block, Kences Enclave, No.1, Ramakrishna Street, T.Nagar, Chennai-600017	He is a fellow member of The Institute of Chartered Accountants of India and associate member of The Institute of Company Secretaries of India and The Institute of Cost and Works Accountants of India. Mr. Vaidyanathan has had more than 33 years of experience in the Finance function. He is also on the Board of many reputed companies viz., City Union Bank Limited, Economist Communications Limited, Franklin Templeton Asset Management Private Limited and CUB Share Broking Services Limited.	29.03.1999	Independent Director and Integrated Enterprises (I) Limited Templeton Asset Management (India) Private Limited City Union Bank Ltd Economist Communications Ltd CUB Share Broking Services Limited

S.No	Name and Residential Address of the Director	Experience and Qualification	Date of Appointment	Designation in the company & other Directorships held
5.	Kirti P Shah 801, W.Main Street, North Manchester, Indiana-46962, USA	He is an engineer by profession and is managing business establishment in Indiana, USA.	07.01.2000	Director and Manager in Shah Family LLC, USA
6.	S.Thiagarajan Flat no.B/2, F/133, Anna Nagar East, Chennai-600102	He is a postgraduate in Economics and a Certified Associate of Indian Bankers (CAIB). He has over four decades of experience in financial services sector and has held senior positions in financial institutions. His areas of specialization include initiation of projects and its documentation, venture capital, preparation of business plans etc.	26.05.2003	Independent Director and Bee Hive Ventures Private limited ePUJA Services India P Limited
7.	B S Mani No.226, 5th Cross Domlur Layout, Bangalore-560071	He is a postgraduate in Tamil Literature and has a Diploma in Journalism from Cardiff, England. He has over 4 decades of experience in the field of journalism and is the Chairman of Karnataka Publications Limited which publishes a Tamil daily outside Tamilnadu.	29.03.2004	Independent Director and Karnataka News Publications Private Limited
8.	N Chandrasekharan 2A Milestone Apartments, No.14, Sriram Nagar, South Street, Alwarpet, Chennai-600018	He is a graduate in Mechanical Engineering with about 38 years experience. He has held various executive positions during his career.	28.03.2005	Independent Director and 1. EPT Engineering Services Private Limited 2. Fortune Valley Agro Farms Private Limited. 3. Enmas Process Technologies Private Limited 4. PSTS Heavy Lift and Shift Limited 5. Enmas Dynetics Limited 6. Cethar Energy Limited 7. EPT Technical Services (Partner)

In accordance with Regulation 22(9) the Acquirer and one of the PACs Mr.C.Sathyan shall recuse themselves and not participate in any matter(s) concerning or relating to this offer in the meeting of the Board of Directors of the Target Company.

6.15. Merger/demerger/spin off in the last three years.

There have been no Mergers/ demergers or spin offs in Hatsun during the last three years

Change of Name of the Target Company details since Incorporation :

From	To	W.E.F
Hatsun Foods Private Limited	Hatsun Milk Food Private Limited	07.08.1995
Hatsun Milk Food Private Limited	Hatsun Milk Food Limited	11.08.1995
Hatsun Milk Food Limited	Hatsun Agro Product Limited	07.04.1998

6.16. The Brief audited financial details of the Target Company for the last three years and the unaudited financial results for the period ended December 31, 2007 with limited review report from Statutory Auditor of the Target Company are as under:

(Rs in Lakhs)

P & L Statement	**Certified (Unaudited) Upto 31 December 2007**	**Audited**		
		2006-07	**2005-06**	**2004-05**
Income from operations	63,289	58,528	54,034	44,919
Other Income	267	695	764	159
Total Income	63,556	59,223	54,798	45,078
Total expenditure	59,232	55,490	51,483	42,971
Profit before Depreciation, Interest and Tax	4,324	3,733	3,316	2,106
Depreciation	1,356	1,579	1,549	1,377
Interest	1,048	1,008	937	569
Profit before Tax	1,920	1,146	830	160
Provision for Tax	716	331	405	87
Profit after Tax	1,204	815	425	74

Balance Sheet Statement	**Certified (Unaudited) Upto 31 December 2007**	**Audited**		
		2006-07	**2005-06**	**2004-05**
Sources of Funds				
Paid up share capital				
Equity Share Capital	679	679	679	679
Preference Shares	508	508	508	—
Reserves and Surplus (Excluding FII revaluation reserves)	3,403	2,420	1,869	1,622
Net worth	4,082	3,099	2,548	2,301
Secured Loans	8,665	5,236	7,025	6,925
Un-secured Loans	2,535	3,502	2,133	2,149
Deferred Income	85	139	148	104
Deferred Tax Liabilities	974	979	975	804
TOTAL	**16,849**	**13,463**	**13,339**	**12,285**
Uses of Funds				
Net fixed assets	15,495	14,360	13,374	12,593
Investments	—	—	—	—
Net current assets	1,354	(896)	(35)	(308)
Total misc. expenditure not written off.	—	—	—	—
Total	**16,849**	**13,464**	**13,339**	**12,285**

Other financial data	Certified (Unaudited) Upto 31 December 2007 (Not Annualized)	Audited 2006-07	2005-06	2004-05
Dividend %	25.00	20.00	20.00	—
Earning per share (Rs)	17.74	11.07	5.92	1.08
Return on net worth (%)	29.50	26.30	16.68	3.22
Book value per share (Rs)	60.13	45.64	37.53	33.89

6.17. The reasons for rise or fall in Total income and PAT is as follows:

Nine Months ended December '2007

During the Nine Months ended 31st December 2007, the Target Company's Total income increased by 47.36% over previous corresponding nine months ended 31st December 2006 to Rs.63,288.77 lakhs. Net Profit after tax increased by 236.06% to Rs.1,204.66 lakhs. The reason for increase in the profitability was due to increased Turnover, better realization and optimization of expenses.

2006-07

During the year ended March 31, 2007, the Target Company's total income increased by 8.07% over previous year. Profit after tax increased to Rs.815 lakhs, a growth of 91.76% over the previous year 2005-06 the reason for increase in profitability was due to the measures adopted by the Target Company like rigorous cost control and through enhanced realizations combined with a strong supply chain management and optimum collection system.

2005-06

During the year ended March 31, 2006, the Target Company's total income increased by 21.56% over previous year. Profit after tax increased to Rs.425 lakhs, a growth of 474.32% over the previous year 2005-06 the reason for strong performance was due to better cash generation, by enhanced capability of supply chain management and optimum collection system.

2004-05

During the year ended March 31, 2005, the Target Company's total income increased by 24.30% over the previous year. Profit after Tax decreased by 86.35% over the previous year due to increase in the input costs, entry level export pricing of milk products, overall increase in the expenditure profile due to the creation of additional infrastructure.

6.18. Pre and post-Offer shareholding pattern of the Target Company, as on the date of PA is as follows:

Shareholders category	Shareholding & voting rights prior to the acquisition and offer		Shares/voting rights to be acquired in openoffer (Assuming full acceptances)		Share holding/ voting rights after the acquisition and offer	
	A		B		C=A+B	
	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group a. Parties to the Agreement, if any b. Promoters other than (a) above c. PACs with Promoters	—					
Total (a+b+c)						
2. Acquirer* a. Main Acquirer R.G.Chandramogan** **b. PACs with Acquirer:**	38,23,394	56.32	4,22,943	6.23		

Lalitha C	80,113	1.18	—	—		
Dolly Parijatham	76,450	1.13	—	—		
Deviga Suresh	40,000	0.59	—	—		
Kayalvizhi S	10,000	0.15	—	—		
C.Sathyan	6,38,669	9.40	—	—		
Total of 2(a+b)	**46,68,626**	**68.77**	**4,22,943**	**6.23**	**50,91,569**	**75.00**
3. Parties to the Agreement (Other than 1(a) and 2						
4.Public (other than parties to the agreement and Acquirer)						
a. Institutions/Mutual Funds/Banks	Nil	Nil	(4,22,943)	(6.23)		
b. Others (There are 3,425 shareholders in the Public Category)	21,20,192	31.23				
Total 4 (a+b)	21,20,192	31.23	(4,22,943)	(6.23)	16,97,249	25.00
GRAND TOTAL (1+2+3+4)	**67,88,818**	**100.00**			**67,88,818**	**100.00**

*Acquirer and PAC's with acquirer are part of the promoter group.

**3,81,977 Shares previously held by late Mr. Raja KSP Ganesan were transmitted to Mr. R. G. Chandramogan on April 23, 2008 on completion of nomination formalities. The above said shares are subject to a lien with ICICI Bank.

6.19. The details of changes in shareholding of Promoters as on the date of the Public Announcement.

Mr. R.G.Chandramogan

Period /year	Mode of Acquisition	Shares acquired		Cumulative Shares		Shares Sold		**Chapter -II. Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance	—	22,90,500	45.81	22,90,500	45.81			Complied
29.03.1999	Merger	5,77,650	9.02	28,68,150	44.80	—	—	Complied
31.03.1999	Open Market	6,250	0.09	28,74,400	44.89	—	—	Complied
15.09.1999	Open Market	36,250	0.57	29,10,650	45.46	—	—	Complied
13.01.2000	Transfer	—	—	28,72,050	44.86	38,600	0.60	Not Applicable
29.10.2001	Preferential allotment	3,00,000	4.48	31,72,050	47.42	—	—	Complied
28.03.2002	Open Market	2,05,000	3.03	33,77,050	49.97	—	—	Complied
08.08.2002	Transfer	2,00,000	2.95	35,77,050	52.92	—	—	Complied
28.08.2002	Transfer	—	—	33,77,050	49.97	2,00,000	2.95	Not Applicable
25.09.2002	Open Market	57,400	0.85	34,34,450	50.82	—	—	Not Applicable
14.01.2003	Open Market	100	0.00	34,34,550	50.82	—	—	Not Applicable
10.07.2003	Open Market	200	0.00	34,34,750	50.82	—	—	Not Applicable

29.01.2004	Merger	5,969	0.09	34,40,719	50.68	—	—	Not Applicable
09.08.2004	Transfer	—	—	34,40,717	50.68	2	0.00	Not Applicable
09.09.2004	Open Market	500	0.00	34,41,217	50.69	—	—	Not Applicable
15.10.2004	Open market	200	0.00	34,41,417	50.69	—	—	Not Applicable
23.04.2008	Transmission*	3,81,977	5.63	38,23,394	56.32	—	—	Complied

* 3,81,977 Shares previously held by late Mr. Raja KSP Ganesan were transmitted to Mr. R. G. Chandramogan on April 23, 2008 on completion of nomination formalities. These shares are subject to a lien with ICICI Bank.

C.Lalitha:

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares		Shares Sold		**Chapter -II, Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance		22,400	0.45	22,400	0.45	—	—	Complied
09.04.1997	Open Market	9,000	0.18	31,400	0.63	—	—	Complied
28.08.1997	Open Market	600	0.01	32,000	0.64	—	—	Complied
30.12.2002	Open Market	43,000	0.64	75,000	1.12	—	—	Not Applicable
29.01.2004	Merger	5,113	0.08	80,113	1.18	—	—	Not Applicable

C.Sathyan:

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares		Shares Sold		**Chapter -II, Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance	—	2,00,000	4.00	2,00,000	4.00	—	—	Complied
04.10.1999	Open Market	67,100	1.05	2,67,100	4.17	—	—	Complied
23.10.1999	Open Market	2,08,300	3.25	4,75,400	7.42	—	—	Complied
22.11.1999	Open Market	3,700	0.06	4,79,100	7.48	—	—	Complied
24.11.1999	Open Market	2,500	0.04	4,81,600	7.52	—	—	Complied
15.05.2000	Open Market	31,200	0.49	5,12,800	8.03	—	—	Complied
20.11.2000	Open Market	600	0.00	5,13,400	8.03	—	—	Complied
23.01.2001	Open Market	2,500	0.04	5,15,900	8.07	—	—	Complied
29.03.2001	Transfer	—	—	5,00,900	7.83	15,000	0.24	Not Applicable
19.04.2001	Open Market	1,25,000	1.96	6,25,900	9.79	—	—	Complied
25.08.2001	Transfer	—	—	6,08,900	9.53	17,000	0.27	Not Applicable

13.10.2001	Transfer	—	—	6,07,900	9.55	1,000	0.02	Not Applicable
29.10.2001	Open Market	19,700	0.30	6,27,600	9.38	—	—	Complied
30.11.2001	Open market	200	0.00	6,27,800	9.38	—	—	Complied
28.01.2002	Transfer	100	0.00	6,27,900	9.38	—	—	Complied
28.03.2002	Transfer	—	—	6,22,900	9.22	5,000	0.07	Not Applicable
29.01.2004	Merger	15,769	0.23	6,38,669	9.41	—	—	Not Applicable

Kayalvizhi

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares		Shares Sold		**Chapter -II, Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance	—	—	—	—	—	—	—	—
07.11.2000	Transfer	10,000	0.16	10,000	0.16	—	—	Complied

Dolly Parijatham:

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares		Shares Sold		**Chapter -II, Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance	—	—	—	—	—	—	—	—
09.10.2002	Open Market	50	0.00	50	0.00	—	—	Not Applicable
16.10.2002	Open Market	50,000	0.74	50,050	0.74	—	—	Not Applicable
30.12.2002	Open Market	25,000	0.37	75,050	1.11	—	—	Not Applicable
15.10.2004	Transfer	1,400	0.02	76,450	1.13	—	—	Not Applicable

Deviga Suresh

Period /year	Mode of Acquisition	Shares acquired		Cumulative shares		Shares Sold		**Chapter -II, Companies Act & SEBI (DIP) Guidelines Compliance
		No.	%	No	%	No.	%	
Prior to SAST Opening balance	—	40,000	0.80	—	0.80	—	—	Complied

There has been no change in shareholdings of all the above mentioned Promoters of the Target Company as on date of this Letter of Offer, other than those already mentioned in their above respective table.

**Complied with provisions of the Companies Act, 1956 and SEBI (DIP) Guidelines as applicable.

6.20. The Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in clause 49 of the listing agreements with stock exchanges.

6.21. Details of pending litigations/suits filed by the Target Company

The following are the details of the civil suit filed by the Target Company.

Name of the Statute	Nature of dues	Amount Rs. in '000	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Disallowance of non compete fees	**	1996-97	High Court of Judicature, Chennai
Income Tax Act	Disallowance of expenses and reduction of deduction under Chapter VIA	535	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax in Dispute	11,788	2002-03	Income Tax Appellate Tribunal
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	36	1993-94	Commercial Tax Officer
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	119	1995-96	Sales Tax Appellate Tribunal
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	3638	1995-96	Commercial Tax Officer-Tamilnadu
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	932	1996-97	Commercial Tax Officer-Tamilnadu
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	1083	1996-97	Appellate Assistant Commissioner
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	42	1997-98	Appellate Assistant Commissioner
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	39	1998-99	Appellate Assistant Commissioner
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	235	1999-00	Appellate Tribunal
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	4010	2000-01	High Court of Judicature, Chennai
Central Sales Tax	Sales Tax in Dispute	172	2000-01	Appellate Tribunal
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute (Incl. Penalty)	1076	2001-02	Appellate Assistant Commissioner
Sales Tax Act as applicable in Tamilnadu	Sales Tax in Dispute	630	2001-02	Appellate Assistant Commissioner
Sales Tax Act as applicable in Tamilnadu	Penalty in Dispute	527	2003-04	Appellate Assistant Commissioner and High Court of Judicature, Chennai

6.22. Mr.B.V.Nath
Compliance Officer
No.5-A Vijayaraghava Road,
T.Nagar, Chennai-600017,
Tel No.:+91-44-28150014
Fax No: +91-44-28152508.
e-mail: secretarial@hatsuncom

7. OFFER PRICE

7.1. Justification for the Offer Price

7.1.1. The Equity Shares of the Target Company are listed on BSE. The equity shares of the Target Company are not traded under the permitted category on any exchange.

7.1.2. The annualized trading turnover in the shares of the Target company in each of the above mentioned Stock Exchanges based on trading volume during May, 2007 to October, 2007 (Six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total no. of shares traded during 6 calendar months preceding the month in which the PA is made	Total no. of listed shares	Annualized trading turnover (as % of total listed shares)
BSE	166946	6788818	4.92

Source: www.bseindia.com

7.1.3. The equity shares of the Target Company are infrequently traded in view of the annualized trading turnover being 4.92% (by number of shares) of the listed shares. The number of listed equity shares being 67,88,818 excluding 13,000 shares which have been forfeited.

7.1.4. In terms of Regulation 20(5) of the Regulations, the Offer Price of Rs. 309/- per Equity Share is higher than any of the following:

a. Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	Not applicable
b. Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to November 29, 2007 (i.e. the date of Public Announcement)	Not applicable
c. Other Parameters	Audited 12 month financials (year ended 31 March 2007)
i. Return on Networth (%)	26.30
ii. Book Value per share (Rs.)	45.64
iii. Earnings Per Share (Rs.)	11.07
iv. Price/Earnings Ratio	The industry average PE ratio of the Food Processing Industry is 16.4 respectively (Source: Capital Market Volume XXII/17 dated October 22 - November 4, 2007

The offer price of **Rs. 309/-** is higher than the price computed under Regulation 20(5) of the Regulations.

7.1.5. The offer price of Rs.309/- per equity share of Rs.10/- each is higher than the prices based on the parameters referred to in 7.1.4 (a to c) above and is justified in terms of the regulation 20(11) of the Regulations.

7.1.6. There is no non-compete agreement.

8. FINANCIAL ARRANGEMENT FOR THE OFFER

8.1 The Acquirer and PACs, have made firm financial arrangements to meet their obligations in full under the Offer. For this purpose, the Acquirer and PACs intend to utilize their own resources and may also use funds borrowed against their investments / assets. The Acquirer has obtained a Sanction Letter for Loan to the tune of Rs. 1,000 lakhs by mortgaging his properties to M/s. Arun Oil Trade. M/s. Arun Oil Trade wide its letter dtd. November 27, 2007 has sanctioned Rs. 1,000 lacs as loan against security of properties of Mr. R. G. Chandramogan (the Acquirer). The rate of interest payable for the said loan will be @18% per annum and the said loan will be repayable within six months. The amount of Rs. 330 lakhs has already been deposited by way of cash in the Escrow account opened with Axis Bank Limited on November 29, 2007. M/s Arun Oil Trade has neither interested in acquisition /control over the Target Company nor falling under the definition of 2(1)(e) of the Regulations.

8.2 The maximum purchase consideration payable for the Offer assuming full acceptance of the Offer would be Rs.1,306.89 lakhs (i.e. 4,22,943 fully paid up equity shares of Hatsun at Rs .309/- per equity share).

8.3 In accordance with the provisions of Regulation 28 of the SEBI (SAST) Regulations, the Acquirer and PACs have created an Escrow account in the form of a Cash Deposit of Rs.330 lakhs being in excess of 25% of the total consideration payable under this offer with Axis Bank Limited, having its office at 82, Dr.Radhakrishnan Salai, Chennai - 600 004.

8.4 The Manager to the Offer M/s. Karvy Investor Services Limited have been empowered to operate the Escrow Account and a lien on the account has been marked in favour of the Manager to the Offer and they are empowered to realise the value of the aforesaid Escrow Account.

8.5 Mr. C. G. Ramesh Babu, Chartered Accountants (Membership No.204013) having office at No.36, Fourth Main Road, Gandhi Nagar, Chennai-600 020 Tel: +91 44 42117905 Fax No: +91 44 2440 4685 have certified vide their certificate dated November 29,2007 that the Acquirer and PACs have adequate resources to meet the entire financial requirements and obligations of the Offer.

8.6 The Manager to the Offer is satisfied about the ability of the Acquirer and PACs to implement the Offer in accordance with the Regulations as the Acquirer and PACs have adequate and firm financial resources to fulfill the Offer obligations. The sources of the funds required by the Acquirer and PACs for fulfilling their obligations under the offer are their own resources and may also include borrowings against their investments / assets.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 The offer being announced is not a conditional offer and is not subject to any minimum level of acceptance.

9.2 All shareholders except the Acquirer and the PACs who own the shares of the Target Company any time before the closure of the offer are eligible to participate in the offer.

9.3 The Letter of Offer ("LOO") together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of Hatsun (except the Acquirer and PACs) whose names appear on the Register of Members and to the beneficial owners of the shares of Hatsun whose names appear on the beneficial records of the respective depositories at the close of the business on **Friday, December 28, 2007 (the Specified Date)**.

9.4 The acceptance of the offer made by the Acquirer and PACs is entirely at the discretion of the equity shareholders of the Target Company and each shareholder of the Target Company to whom this offer is made is free to offer his shareholding in the Target Company in whole or in part while accepting the offer.

9.5 Any equity shares of Target Company that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of the Target Company may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected in case directions or orders to the contrary regarding these equity shares are not received together with the equity shares tendered under the offer. The Letter of Offer in some of these cases, where possible would be forwarded to the concerned statutory authorities for further action at their end.

9.6 Accidental omission to dispatch the letter of offer or any further communication to any person to whom the letter of offer is made or the non-receipt of the letter of offer by any such person shall not invalidate the offer in any way.

9.7 The instructions, authorizations and provisions contained in the form of acceptance and form of withdrawal constitute an integral part of the terms of this offer.

9.8 Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9.9 The acceptance of the Offer must be unconditional and should be sent in the Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s), which should be received by the Registrar to the Offer at the address mentioned below on or **before Monday, May 19, 2008 (the closure date)**. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

9.10 Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the equity shareholders of Target Company are advised to adequately safeguard their interest in this regard.

9.11 The Acquirer and PACs will acquire all the paid-up equity shares of the Target Company that are validly tendered in terms of this Offer up to a maximum of 4,22,943 Equity Shares of Rs 10/- each. Thus, the Acquirer and PACs will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the equity shares of the Target Company for which this Offer is made. In the event of the offer receiving a response of more than 100%, the Acquirer and PACs shall accept the shares on a proportionate basis.

9.12 Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and Transfer Deed (s) duly signed to the Registrar to the Offer Karvy Computershare Private Limited at Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road, Madhapur, Hyderabad 500 086, India, Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814, Contact Person: Murali Krishna, E-mail: murali@karvy.com, either by hand delivery during normal business hours from Monday to Friday 10.00 A.M to 5.00 p.m. (excluding Bank Holidays) or by Registered Post on or before the close of the offer i.e. **Monday, May 19, 2008** in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement.

9.13 Beneficial Owners and Shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e. **Monday, May 19, 2008** along with photocopy of the delivery instructions in "Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Escrow Depository Account.

DP Name :-Karvy Stock Broking Limited
DP ID IN 300394
Beneficiary ID : 16094853
Name of Account "KCPL Escrow A/c- HAPL Open Offer"
ISIN No. INE473B01019

Shareholders having their beneficiary account in Central Depository Services India Limited (CDSL) have to use inter-depository delivery instruction slip for the purpose of crediting there Shares in favour of the special depository account with NSDL.

9.14 All owners of shares, registered or unregistered (except the Acquirer and PACs), who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

9.15. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. **Monday, May 19, 2008**.

9.16 The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the offer, until the cheques/ drafts for the consideration and/ or the unaccepted shares/ share certificates are dispatched/ returned.

9.17 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder. Shareholders whose shares are held in dematerialized form to the extent not accepted will be intimated by post for the non-acceptance.

9.18 In case the shares tendered in the offer by the shareholders of the Target Company are more than the shares to be acquired under the offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis irrespective of whether the shares are held in physical or dematerialized form.

9.19 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance-cum Acknowledgement, which will be available on SEBI's website at http://www.sebi.gov.in from the offer opening Date i.e. **Wednesday, April 30, 2008** and apply in the same.

9.20 Shareholders who have sent their shares for demat need to ensure that the process of getting shares demated is completed well in time so that the credit in the Escrow Depository Account should be received on or before the date of closure of the Offer, i.e. **Monday, May 19, 2008**, else the application would be rejected.

9.21 Procedure for withdrawal of application

i) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days (i.e. **Wednesday, May 14, 2008**) prior to the Offer Closing Date i.e. **Monday, May 19, 2008.**

ii) Shareholders who wish to withdraw their shares from the Offer will be required to send the Form of Withdrawal duly completed & signed along with the requisite documents.

iii) In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details: -

-In case of physical shares: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered.

-In case of dematerialized shares: by stating Name, Address, Number of shares tendered, DP Name, DP ID, beneficiary account number, photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favor of the special depository account.

-In either case: a copy of the acknowledgement received from the Registrar to the Offer upon tendering of the Shares, so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before **Monday, May 19, 2008** (the Offer Closing Date).

9.22 Shares subject to Lock in

The Acquirer and PACs shall acquire all the shares tendered by the shareholders even if they are subjected to lock in period. However, these shares shall continue to be under lock in for the residual period in the hands of the acquirer. The event in which these shares may be rejected/returned is in case of invalid applications and/ or the shares being rejected due to proportionate acceptance.

9.23 Eligibility for accepting the offer

This offer is made to all the Shareholders who are the holders of fully paid up equity shares (Except Acquirer and PACs) whose names appear in the register of shareholders on Friday, December 28, 2007, being the specified date and also to those persons who own the fully paid up shares of Target Company prior to the closure of the offer, but are not the registered shareholders. All equity shares of the Target Company irrespective of whether they are listed or unlisted shall be considered for the basis of acceptance.

9.24 STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

Statutory approvals

a. As on the date of the PA, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer and PACs will not proceed with the Offer in the event that such statutory approvals are not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

b. In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer and PACs agree to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

c. The Offer is not subject to receipt by Acquirer of approval of term lending banks/financial institutions of the Target Company for the proposed acquisition.

9.25 If there is competitive bid:

i. The public offers under all the subsisting bids shall close on the same date.

ii. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER.

10.1 The Shareholders of the Target company, who wish to avail themselves of this offer should forward the under mentioned documents by hand delivery or by registered post to the Registrars to the Offer at their office address mentioned on the first page of the Letter of offer so as to reach the Registrar on or before **Monday, May 19, 2008** (the Offer Closure Date) on their working days (Monday to Saturday) between 10.00 AM and 5.00 PM on any working day. In case of dematerialized shares, the Registrar is not bound to accept those offers, which have not yet been credited to the depository account opened for this purpose on the closure of the offer.

a) For Equity Shares held in dematerialized form:

i) Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository.

ii) Photocopy of the delivery instruction in “off-market” mode or counterfoil of the delivery instruction in “off market” mode, duly acknowledged by the relevant Depository Participant (DP).

iii) For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

iv) The details of the special depository account opened by the Manager named are as under:-

DP Name	KARVY STOCK BROKING LIMITED
DP ID	IN 300394
Beneficiary ID	16094853
Name of Account	“KCPL Escrow A/c- HAPL Open Offer”
ISIN No.	ISIN No. INE473B01019

Shareholders having their beneficiary account in Central Depository Services India Limited (CDSL) have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the Shareholder.

Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer (**i.e. Monday, May 19, 2008**).

b) For Equity Shares held in Physical form.

Registered Shareholders should enclose:

i Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/first shareholder whose names appear on the share certificate(s) (In case of joint holdings) in the same order in which their names appear in the Register of Members.

ii Original Share Certificate(s).

iii Valid Share Transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place, preferably, by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The Transfer Deed should be left blank except for the signatures as mentioned above. A blank Share Transfer Deed is enclosed along with the Letter of offer.

Unregistered Shareholders should enclose:

i Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.

ii Original share certificate(s)

iii Valid share transfer form(s) as received from market

iv Original contract note issued by the Broker through whom the shares were acquired.

It may be noted that if the specimen signature(s) of the acceptor differs with the specimen signature(s) recorded with the Target Company or if they are not in the same order, such shares are liable to be rejected under this Offer.

Non-Residents if any, should also enclose a copy of permission received from RBI for the shares held by them in the Target Company.

Neither the share certificate(s) nor transfer deed(s) nor the form of acceptance should be sent to the Acquirer or the Target Company or Manager to the Offer. The same should be sent to the Registrar to the Offer only.

10.2 **Procedure for acceptance of the offer by unregistered shareholders, owners of shares who have sent them for transfer or those who did not receive the Letter of Offer.**

10.2 (i) (a) Persons who hold shares of the Target Company but who are not registered shareholders are also eligible to participate in the offer. Such unregistered shareholders or eligible shareholders who did not receive the Letter of Offer may send their consent to the Registrar to the Offer, on a plain paper stating their Name, Address, No. of shares held, Distinctive Nos., Folio No., Number of Shares offered. Alternatively such shareholders if they so desire may apply on the form of acceptance cum acknowledgement obtained from the SEBI web site www.sebi.gov.in. The application on plain paper or on the form of acceptance should be tendered along with the original share certificates and valid share transfer deeds duly executed and witnessed as explained at 9.14 above. Shareholders whose shares have been sent for transfer but have not yet been received back by them should tender their applications as above along with documents to prove their title to the shares offered for acceptance, such as original brokers contract note, along with duly executed and witnessed transfer deed(s). The applications/ documents should be sent by registered post to the Registrars to the Offer as mentioned at 9.14 above and not to the Acquirer or to Hatsun or Sellers or to the Merchant Banker to the Offer. No indemnity is required from unregistered shareholders.

(b) It may be noted that if the specimen signature(s) of the Transferor differs with the specimen signature(s) recorded with Hatsun, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bonafide owner of such untransferred shares.

(c) Non-Residents if any should also enclose copy of permission received from RBI for the shares held by them in Hatsun Agro Product Limited and No Objection Certificate/Tax Clearance Certificate from the Income-Tax Authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration.In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholders.

(d) Payment of consideration will be made by crossed account payee cheques/demand drafts and sent by registered post to those shareholders whose share certificates and other documents are found in order and accepted by the Acquirer. All cheques/demand drafts will be drawn in the name of the First Holder in case of Joint Registered holders. In case of unregistered owner of the shares, payments will be made by crossed account payee cheque/ demand draft in the name of the person specified by such unregistered owner. Such unregistered owners may at their own option provide details of their Bank accounts in the Form of Acceptance and Authority/plain paper application.

(e) The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

1. duly attested death certificate and succession certificate (in case of single shareholder) in case of the original shareholder is deceased.
2. duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s).
3. In case of Companies, the necessary corporate authorizations (including Board Resolutions).
4. any other relevant documents

10.2 (ii) If the aggregate of the valid response to the Offer exceeds 4,22,943 fully paid up equity shares of Rs 10/- each , then the acquirer shall accept the offers received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. The Acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than marketable lot.

10.2 (iii) Barring unforeseen circumstances and factors beyond their control, the acquirer intend to complete all formalities pertaining to the purchase of the shares, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closure of this Offer. In case of delay in receipt of RBI approval for accepting shares from Non Resident shareholders, SEBI has the power to grant extension of time for the purpose of making payments subject to the acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by the SEBI.

10.2 (iv) In case of acceptance on proportionate basis or in cases where acceptances are rejected, the unaccepted/rejected share certificates, transfer deeds and other documents, if any, will be returned by registered post to the shareholders/ unregistered owners.

10.2 (v) The Manager to the Offer will hold in trust the share certificates, on behalf of shareholders/unregistered owners of shares of the Target Company who have accepted the Offer, till the acquirer completes the offer obligations in terms of the Regulations.

10.3 The marketable lot of the shares of the Target Company is one share.

11. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of the Target Company at the address of the Manager to the Offer, M/s.Karvy Investor Services Limited, "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Certificate of Incorporation and Memorandum and Articles of Association of Hatsun.
2. Copy of MOU dated Tuesday, November 27, 2007 between Karvy Investor Services Limited, the Manager to the Offer and the Acquirer.
3. Copy of appointment letter dated Tuesday, November 27, 2007 issued to Karvy Computershare Private Limited as the Registrar to the Offer.
4. The Net worth certificates of the Acquirer and PAC's dated November 29, 2007 from Mr. C. G. Ramesh Babu, Chartered Accountants Copy of Certificate from Auditors for adequacy of resources.
5. Annual Reports of the Target company for the financial years ended March 31,2005, 2006 and 2007 and the copy of certified accounts by the Management of Target Company for the year period ended September 30, 2007.
6. Copy of the letter dated November 29, 2007 issued by Axis Bank Ltd confirming deposit of Rs.330 lakh (representing an amount, being more than 25% of the maximum purchase consideration payable in terms of the Offer).
7. Copy of Public Announcement as published in the newspapers on November 30, 2007 and corrigendum to Public Announcement is being made on April 28, 2008.
8. Copy of SEBI Letter No.CFD/DCR/TO/SA/122942/08, dated April 15, 2008 in terms of Regulation 18(2).
9. Copy of Agreement entered into with M/s Karvy Stock Broking Limited for opening of Special Depository Account in the name and Style of "KCPL Escrow A/c- HAPL Open Offer"
10. Copy of loan sanction letter dated November 27, 2007 issued by M/s Arun Oil Trade towards credit facility to the tune of Rs.1000 Lakhs to Mr. R.G. Chandramohan (The Acquirer) as part of financial arrangement for this open offer.

DECLARATION BY THE ACQUIRER

The Acquirer severally and jointly accept full responsibility for the information contained in the PA and this Letter of Offer, Form of Acceptance, Form of Withdrawal and would be severally and jointly responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Acquirer

Mr.R.G.Chandramogan

Place: Chennai
Date: 23.04.2008

Enclosed:

a) Form of Acceptance-cum-Acknowledgement

b) Form of Withdrawal

c) Transfer Deed, if applicable

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

From: Date:

To
Karvy Computershare Private Limited
(Unit : Hatsun Agro Product Limited - Open Offer)
Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road,
Madhapur, Hyderabad 500 086, INDIA
Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814
Contact Person: Mr.Murali Krishna
E-mail: murali@karvy.com

Dear Sirs,

Sub: Open offer for Acquisition of up to 4,22,943 Equity Shares of Rs.10/- each of Hatusn Agro Product Limited representing up to 6.23% of its total voting rights at an Offer Price of Rs.309/- (Rupees Three Hundred and Nine Only) per fully paid up equity share by Mr. R. G. Chandramogan, ("Acquirer") in terms of the SEBI (SAST) Regulations, 1997 and subsequent amendments thereto.

I/We refer to the Letter of Offer dated 23.04.2008 for acquiring the Equity Shares held by me/us in Hatsun Agro Product Limited. I/We, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We also understand and accept that my/our acceptance of the Offer will become a fully valid and binding contract between me/us and you, only upon fulfillment of all the conditions mentioned in the Letter of Offer. I/We, hereby irrevocably and unconditionally accept the Offer and enclose the original Share Certificate(s) and duly signed Transfer Deed(s) in respect of my/our shares, as detailed below (please enclose additional sheet if required).

Sr. No.	Certificate No.		Distinctive No(s)		No. of shares
	From	To	From	To	
Total number of equity shares to be tendered					

I/We confirm that the equity shares of Hatsun Agro Product Limited which are being tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever. I/We note and understand that the original share certificate(s) and valid share transfer deeds will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer gives the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the acquirer will pay the purchase consideration only after the verification of the documents and signatures. I/We authorize the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Merchant Banker and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us equity share Certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my depository account at my sole risk. I/We or my/our legal heirs/legal representatives do not have any claim over the same and my/our acceptance under the said Offer cannot be disputed upon. I/We authorize the Acquirer or its Merchant Banker or Registrars to the Offer to send by UCP/Registered Post the draft/pay order, in settlement of the amount to the sole/first holder at the address mentioned below

If the shares are in Dematerialized form

I/We hold shares in Dematerialized Form, accept the Offer and enclosed photocopy of the delivery instruction duly acknowledged by DP in respect of my equity shares as detailed below:

DP Name	
DP ID	
Beneficiary ID	
Name of Shares	
Name of Beneficiary	

I/We have done an off market transaction for crediting the shares to the **"KCPL Escrow Account - HAPL Open Offer"** (Special DP Account) for which necessary instructions have been given to my DP. I/We note and understand that the shares would lie in the "Escrow Depository A/c. for the open offer made by the Acquirer" with Karvy Stock Broking Limited as Depository Participant in Depository Account No.**16094853** with DP ID No.IN 300394 until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

Yours faithfully,
Signed and Delivered

Full Name(s) of the Holders	Address	Signature(s)

Note: In case of joint holdings all must sign. A Corporation must affix its common seal.

Place: Date:

So as to avoid fraudulent encashment in transit, the shareholders may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank & Branch ________________________ **Account Number**________________________ ***Savings Current/(others; please specify)***

————————————————Tear along this Line————————————————

Acknowledgement slip

Received from

Mr./Ms.____ Folio No.________________________ Number of certificates Enclosed________________________ Certificate Numbers________________________

Total number of shares Enclosed________________________

Stamp of collection Centre Signature of Official Date of Receipt

Note All future correspondence. if any, should be addressed to the Registrars to the Offer

INSTRUCTIONS

For Shareholders holding shares in Dematerialized form

a. Shareholders having their beneficiary account in Central Depository Services Limited have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

b. Ensure that their shares are credited in favour of the special depository account, before the closure of the Offer.

c. Shareholders should enclose the following:

i) Form of Acceptance duly completed and signed.

ii) A photocopy of the Delivery instruction in "Off Market" mode or counterfoil of Delivery Instruction in "Off Market" mode, duly acknowledged by the DP.

iii) For each Delivery Instruction the Beneficial Owner should submit a separate form of Acceptance.

Shareholders holding Physical shares should enclose

a. Form of Acceptance duly completed and signed.

b. Original Share Certificate(s)

c. Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen

signature lodged with Hatsun Agro Product Limited , and duly witnessed.

Unregistered owners should enclose

a. Form of Acceptance duly completed and signed.

b. Original Share Certificate(s)

c. Brokers contract note in original

d. Transfer deed(s) executed by the registered holders of the shares.

NRIs/OCBs/Foreign shareholders should submit

a. The previous RBI approvals (Specific or general) that they would have obtained for acquiring shares of Hatsun Agro Product Limited.

b. No Objection Certificate/Tax clearance Certificate, indicating the amount of tax to be deducted by Acquirer before remitting the consideration, from the Income-Tax Authorities under the Income Tax Act, 1961.

Other Documents as necessary

a. Duly attested death certificate and succession certificate (in case of single shareholder) if the original shareholder is deceased.

b. Duly Attested Power of attorney, if any person apart from the shareholder has signed the application form and / or transfer deed(s).

c. No Objection Certificate from the charge holder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance.

d. In case of companies, the necessary corporate authorization (including Board Resolutions)

e. Any other relevant documentation.

TEAR HERE

Note : All future correspondence, if any, should be addressed to the Registrars to the offer at the following address:

KARVY
Karvy Computershare Private Limited

Karvy Computershare Private Limited
(Unit : Hatsun Agro Product Limited - Open Offer)
Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road, Madhapur, Hyderabad 500 086, INDIA
Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814
Contact Person: Mr.Murali Krishna E-mail: murali@karvy.com

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this offer any time up to three working days prior to the date of closure of offer i.e. on or before Monday, May 19, 2008. In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE**	
	OFFER OPENS ON	**WEDNESDAY, 30 APRIL , 2008**
	LAST DATE OF WITHDRAWAL	**WEDNESDAY, 14 MAY, 2008**
	OFFER CLOSES ON	**MONDAY, MAY 19, 2008**

From:

Tel No. Fax No.: E-mail:

To,

Karvy Computershare Private Limited
(Unit : Hatsun Agro Product Limited - Open Offer)
Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road,
Madhapur, Hyderabad 500 086, INDIA
Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814
Contact Person: Mr.Murali Krishna
E-mail: murali@karvy.com

Sub : Open offer to acquire up to 4,22,943 equity shares of Rs. 10/- each representing up to 6.23% of the voting rights of Hatsun Agro Product Limited at an Offer price of Rs.309/- (Rupees Three Hundred and Nine) by Mr. R. G. Chandramogan, ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the letter of offer dated 23.04.2008 for acquiring the equity shares held by me/us in **Hatsun Agro Product Limited.**

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/ our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer.

I/We note that this Form of Withdrawal should reach the Registrars to the Offer at the address mentioned in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirer/Registrar to the Offer/Manager to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No.	Certificate No.s	Distinctive Nos.		No. of Shares
	Tendered	From	To	
	Withdrawn			

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We hold the following equity shares in dematerialized form and tendered the Equity Shares in the Offer and had done an off-market transaction for crediting the Shares to the "KCPL Escrow A/c- HAPL Open Offer" (Special Depository Escrow Account) as per the following particulars:

DP Name - Karvy Stock Broking Limited	**Client ID -16094853**	**DP ID - IN 300394**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialized equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same has also been duly attested by them under their seal.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed & Delivered by	Full Names (s) & Address	Signature (s)	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

Place:_____________________ Date:________

Tear along this Line

Folio No.		Sr. No.		__________ **Ltd.Unit :** _______ **Open Offer**	**Acknowledgement Slip**

Received from Mr./Ms.____________		Signature of Official and Date of Receipt	Stamp of Registrar to the Offer
Address			
Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.			

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.

2. Shareholders should enclose the following:

   i. For Equity Shares held in demat form:

      _ Duly signed and completed form of Withdrawal.

      _ Copy of the form of acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip.

      – Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP.

   ii. For Equity Shares held in physical form:

      Duly signed and completed form of withdrawal.

      Copy of the form of acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.

      Incase of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holding(s) in the same order and as per specimen signatures registered with Hatsun Agro Product Limited, and duly witnessed at the appropriate place.

   iii. Un registered owners should enclose:

      _ Duly signed and completed Form of withdrawal.

      _ Copy of the Form of Acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.

3. The withdrawal of Share will be available only for the Share Certificate/shares that have been received by the registrar to the Offer/special Depository Escrow Account.

4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company / Depository as the case may be.

5. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the offer.

6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is only available to registered shareholders.

7. Shareholders holding shares in dematerialized form are required to issue the necessary standing instruction for receipt of the credit in their DP Account.

— — — — — — — — — — — — — — — — — — TEAR HERE — — — — — — — — — — — — — — — — — —

Note : All future correspondence, if any, should be addressed to the Registrars to the offer at the following address:

KARVY
Karvy Computershare Private Limited

Karvy Computershare Private Limited
(Unit : Hatsun Agro Product Limited - Open Offer)
Plot No. 17 to 24, Vithalrao Nagar, Hi tech City Road, Madhapur, Hyderabad 500 086, INDIA
Tel: +91 40 2342 0818-28 Fax: +91 40 2342 0814
Contact Person: Mr.Murali Krishna E-mail: murali@karvy.com