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HATSUN AGRO PRODUCT LTD.

SEBI
Sl. No.: 75715
Date: 27 OCT 2010
HAPL\SEC\160\2010-11
October 26, 2010

Securities and Exchange Board of India,
Plot No.C-4A, 'G' Block,
Bandra Kurla Complex,
Bandra East,
Mumbai 400 051.

Dear Sir,

Sub: Request for Guidance under Informal Guidance Scheme 2003 -- Reg.

1. We are a Chennai based Company engaged in the manufacturing and marketing of Liquid Milk and Ice cream.
2. We are listed with Bombay Stock Exchange Limited. We are a profit making dividend paying Company.
3. The Company made an issue of 250 nos. of 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.25 Crores on Preferential basis. The same was approved in the Annual General Meeting of the Company held on 05th August, 2009. A Copy of the Notice along with the Explanatory Statement is enclosed in **Annexure 1**. (It is Item No.10 in the Notice of the Annual General Meeting.)
4. The Company has taken the "In-principle" approval to the said preferential issue from Bombay Stock Exchange Limited vide Letter No.DCS/PREF/SR/PRE/793/09-10 dt: 14.08.2009. A copy of the letter of the "In-principle" approval of Bombay Stock Exchange Limited is enclosed in **Annexure 2**.
5. On approval of the Preferential Issue in the Annual General Meeting held on 05th August, 2009, the Board made an allotment of the said 250 nos. of 6% Unsecured Compulsorily Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.25 Crores, in the Board Meeting held on 22nd August, 2009. A copy of the Board Resolution is enclosed in **Annexure 3**.
6. The Company has issued 6% Unsecured Compulsorily Convertible Debentures and the specimen of the 6% Unsecured Compulsorily Convertible Debentures certificate issued by the Company is enclosed in **Annexure 4**.

For HATSUN AGRO PRODUCT LTD.


Company Secretary

Registered & Corporate Office :

5A, Vijayaraghava Road, T.Nagar, Chennai - 600 017. INDIA. Phone : +91-44-28150014 Fax : +91-44-28152508
Web : www.hatsun.com e-mail : hatsun@md2.vsnl.net.in



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7. As per the terms of the issue, the Debentures shall be convertible into Equity Shares after 01.10.2010 but before 31.12.2010

8. As per the terms of the issue and as stamped in the Debenture Certificate, the **Debentures are not transferable**. Enclosed is the certificate issued by Shri. R.Thiagarajan, Chartered Accountant to Bombay Stock Exchange Limited confirming that the certificates issued by the Company carried the words

"The debenture comprised in this certificate are not transferable."

A copy of the certificate issued by Shri R.Thiagarajan, Chartered Accountant is enclosed in **Annexure 5**.

9. From the above, you may notice that the 6% Unsecured Compulsorily Convertible Debentures have already suffered the period of lock-in, which is already more than 1 year.

10. As per the terms of the issue, the debenture holders may opt for conversion into Equity Shares at any time now and in any case before 31.12.2010.

11. These Debentures are being privately placed and were not listed in any Stock Exchange.

12. The Company has complied with all the terms and conditions of SEBI and Stock Exchange with regard to the preferential issue.

13. Under this background, we seek your guidance under the Informal Guidance Scheme, 2003 with regard to the following query:

- The Convertible Debentures issued by the Company has already suffered a lock-in period of 1 year from the date of allotment (i.e., 22.08.2009) of the said debentures.
- Hence, in our view, as per Regulation 78(3) of Issue of Capital & Disclosure Requirement Regulations 2009, the Equity shares that will be issued on conversion of the aforesaid 6% Unsecured Compulsorily Convertible Debentures shall not suffer any lock-in from the date of allotment, as the convertible debentures have already suffered a lock-in of more than a year.

For HATSUN AGRO PRODUCT LTD.


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14. We request your early guidance of the matter and we are enclosing herewith a Demand Draft for Rs.25,000/- (Rupees Twenty Five Thousand Only) in favour of Securities and Exchange Board of India, Mumbai payable at Mumbai.

Thanking you,

Yours faithfully

For HATSUN AGRO PRODUCT LIMITED

S.CHANDRASEKAR
COMPANY SECRETARY

Encl: as above.

Recd DD
of Rs. 25000/-
DD No. 152913
10/11/10

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