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TWENTY SEVENTH ANNUAL REPORT AND ACCOUNTS

2002-2003

COROMANDEL AGRO PRODUCTS AND OILS LIMITED



TWENTY SEVENTH ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS	: Sri. R. Narapa Reddy Sri. M. Lakshmaiah Sri. Y. Venkata Rao Sri. M. Ramesh Sri. V.V.S. Ravi Sri. M. Venkateswara Rao	Chairman Managing Director
GENERAL MANAGER	: Sri. T. Mastan Reddy	
FINANCE MANAGER & SECRETARY	: Sri. K. Satyanarayana	
BANKERS	: Canara Bank Chirala – 523 155	
AUDITORS	: M/s.A.Ramachandra Rao & Co., Chartered Accountants, 3-6-369 A/11, 1 st Floor, Street No.1, Himayatnagar, Hyderabad – 500 029	
REGISTERED OFFICE	: 12-B, Skylark Apartments, Basheer Bagh, Hyderabad – 500 029	
FACTORY & ADMINISTRATIVE OFFICE	: Jandrapet, Chirala – 523 165 Andhra Pradesh	



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COROMANDEL AGRO PRODUCTS AND OILS LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of **COROMANDEL AGRO PRODUCTS AND OILS LIMITED** will be held on July 30, 2003 at 12B, Skylark Apartments, Basheerbagh, Hyderabad at 11.45 a.m. to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2003, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended 31st March, 2003.
3. To appoint a Director in place of Sri R. Narapa Reddy, who retires by rotation under Article 122 of the Articles of the Association of the Company and who, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri Maddi Lakshmaiah, who retires by rotation under Article 122 of the Articles of the Association of the Company and who, being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

The retiring Auditors M/s. A. Ramachandra Rao & Company are eligible for reappointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Company in the Extra-ordinary General Meeting held on 27th April, 1991 in relation to the exercise of borrowing power, the Board of Directors of the Company be and is hereby authorised to borrow money from time to time at its discretion either from the Company's Bankers or from the Directors or from elsewhere on such terms and conditions as to repayment, interest or otherwise as it thinks fit such sums as may be necessary for the purpose of the Company upto a limit of not exceeding in the aggregate Rs.2000 lakhs notwithstanding that the money to be borrowed, together with money already borrowed by the Company, will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

By Order of the Board

Place : GUNTUR
Date : June 16, 2003.

Sd/-
(MADDI VENKATESWARA RAO)
Managing Director



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NOTE :

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint proxy to attend and vote instead of himself and such a proxy need not be a Member. The proxy form duly completed must reach the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. In case there is any correction/change in your address registered with us, may we request you to communicate the same to us with pin-code to enable us to register it in our records.
4. The Register of Members and Share Transfer Books of the company will remain closed from 28.7.2003 to 30.7.2003 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of Dividend.
5. The Board of Directors in their meeting held on 16th June, 2003 have recommended payment of Dividend of 10% (Rs.1 per equity share) for the year 2002-2003. The payment of dividend is to be approved by the shareholders at the AGM. The aforesaid dividend, if declared at the AGM, will be paid on or before 29th August, 2003 to those members whose names appear in the Register of members as on the date of the AGM.
6. In order to provide protection against fraudulent encashment of the dividend payment instruments, shareholders are requested to intimate the Company, under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend payment instruments.
 - (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank account, viz.: (a) Name of the Bank (b) Name of the Branch (c) Complete address of the Bank with Pin Code Number (d) Account number and type, whether Savings (SB) or Current Account (CA).
7. Pursuant to Section 205A of the Companies Act, 1956, the amount of dividend for the financial year ended 31st March, 1996 and thereafter remaining unpaid or unclaimed for a period of seven years shall hereafter be transferred to the Investor Education and Protection Fund of the Central Government (the "Fund").

The company had individually informed the concerned Shareholders and those Shareholders who have still not encashed the Dividend Warrants for the financial year ended 31st March, 1996 (which is to be transferred to the fund on 28th October, 2003) or for any of the financial year subsequent thereto are therefore, requested to immediately forward the same to the Company for revalidation. It may also please be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 : Borrowings in excess of Paid-up Capital and free Reserves.

At the Extra-ordinary General Meeting of the Company held on 27th April, 1991 the Company had accorded its consent under Section 293(1)(d) of the Companies Act, 1956, to the Directors borrowing moneys upto a limit of Rs.1000 lakhs. Taking into account the further requirements of additional finance for the expansion programme undertaken by the Company, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purposes of the Company, borrow further sums of money amounting in the aggregate to a sum of not more than Rs.2000 lakhs, thereby raising the total borrowing limit from Rs.1000 lakhs to Rs.2000 lakhs from time to time over and above paid-up Capital and free Reserves of the Company.

None of the Directors is interested in the resolution.

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By Order of the Board

Place : GUNTUR
Date : June 16, 2003.

Sd/-
(MADDI VENKATESWARA RAO)
Managing Director



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DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2003

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 27th Annual Report and Audited Accounts of the Company for the year ended March 31, 2003.

FINANCIAL RESULTS

	For the year Ended 31-03-2003 Rupees in Lakhs	For the year Ended 31-03-2002 Rupees in Lakhs
Sales and Other Income	3981.63	3724.36
Profit before Depreciation and Income Tax	141.61	57.10
Depreciation	22.79	14.79
Income Tax	9.33	0.80
Net Profit after Tax	109.49	41.51
Less: Loss brought forward from previous year	67.74	109.24
APPROPRIATION	41.75	(67.74)
Dividend including Dividend Tax	8.91	—
Transfer to General Reserve	10.00	—
Surplus/(Deficit) - Balance in Profit & Loss Account	22.84	(67.74)

DIVIDEND

Your Directors are pleased to recommend payment of dividend on equity shares at 10% (Rs.1 per equity share). The total amount of dividend outgo (including dividend tax) will be Rs.8.91 Lakhs for the financial year ended 31st March, 2003, which if approved at the ensuing 27th Annual General Meeting.

PERFORMANCE

Your Company achieved an alround growth in capacity utilisation, turnover and net profits when compared to earlier years. The Company processed 42,058 MT of cotton seed as against 39,448 MT in previous year. Inspite of slump in the International Market for Cotton Linters, your Company fared well during the period under review and hopes to continue to do so in the future.

The Directors are pleased to inform that the Company has received an Award from All India Cottonseed Crushers' Association for being the "Third Highest Exporter of Cotton Linters" and "Second Highest Domestic Seller of Cottonseed Extractions" for the year 2001-2002.

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

EXPORT AND FOREIGN EXCHANGE EARNINGS

Even though there has been recession for Cotton Linters in the International Market, your Company managed to export 267.800 M.T. of Cotton Linters worth Rs. 28.03 lakhs during the year under review as against 295.730 M.T. worth Rs. 48.74 lakhs in the previous year. Prices in the International market for De-oiled Cake ruled lower than the domestic market during the year. Hence there is no export turnover for De-oiled Cakes during the year.

PROSPECTS

As the monsoons failed throughout the Country in the last season, it affected the cotton seed availability caused the company to shut down its processing plant in the first week of April, 2003 itself. However, the company entered into an agreement with a leading edible oil seller on a long term basis to process their requirement in our factory.

The prices yielded to cotton growers may cause increase in cotton crop acreage resulting in more availability of raw material during the crushing season to come.

DIRECTORS

Sri R. Narapa Reddy and Sri M. Lakshmaiah retire by rotation under Article 122 of the Articles of the Association of the Company and, are being eligible, offer themselves for reappointment as Directors.

INDUSTRIAL RELATIONS

As in the past, the industrial relations remained cordial during the year under review.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Information as per Section 217 (1) (e) of the Companies (Amendment) Act, 1988 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

- I) Form "A" : Enclosed
- II) Form "B" : Enclosed

SECRETARIAL COMPLIANCE CERTIFICATE

The Compliance Certificate by practising Company Secretary under section 383A (1) has been enclosed herewith to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures;



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- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies (Amendment) Act, 1988 read with the Companies (Particulars of Employees) Rules 1975 for the year ended March 31, 2003 is Nil.

AUDITORS

The Auditors, M/s. A. Ramachandra Rao & Co., Chartered Accountants, Hyderabad retire at the 27th Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the whole-hearted and sincere co-operation the Company has received from Company's Bankers, Canara Bank, Dealers and Suppliers.

For and on behalf of the Board

Place : GUNTUR
Date : June 16, 2003.

Sd/-
(R. NARAPA REDDY)
Chairman

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

FORM – "A"

(SEE RULE – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY

	Current Year 2002-2003	Previous Year 2001-2002
A POWER AND FUEL CONSUMPTION		
1. Electricity:		
a) Purchased Units	46,53,398	45,12,249
Total Amount	Rs.1,72,45,858	Rs.1,94,24,019
Rate/Unit	Rs.3.70	Rs.4.30
b) Own Generation		
i) Through Diesel Generators:		
Units	82,801	1,42,582
Units per Ltr. of Diesel Oil	2.45	2.80
Cost/Unit	Rs.7.45	Rs.6.05
ii) Through Steam Turbine/Generators	—	—
2. Coal: (Specify quality & where used)		
Round Coal "C" Grade used in Boiler		
Quantity (Tonnes)	369.500	324.460
Total Cost	Rs.7,37,223	Rs.6,96,297
Average Cost	Rs.1,995	Rs.2,146
3. Furnace Oil	—	—
4. Others/Internal Generation:		
Rice Husk(Tonnes)	3807.940	3432.530
Total Cost	Rs.36,43,721	Rs.18,30,631
Average Cost	Rs.957	Rs.533
B. CONSUMPTION PER UNIT OF PRODUCTION:		
ELECTRICITY:		
Cotton Seed	111.91	117.48
Animal Feeds	45	45
Crude Oil	50	—
COAL:		
Cotton Seed	8.79Kgs	8.23Kgs
RICE HUSK:		
Cotton Seed	90.54Kgs	87 Kgs

FORM – "B"

NIL

For and on behalf of the Board

Place: GUNTUR

Date : June 16, 2003.

Sd/-

(R. NARAPA REDDY)

Chairman