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THIRTY FIRST ANNUAL REPORT AND ACCOUNTS

2006 - 07

**COROMANDEL
AGRO PRODUCTS AND OILS
LIMITED**



THIRTY FIRST ANNUAL REPORT 2006-07

BOARD OF DIRECTORS	:	Sri R. Narapa Reddy Sri Maddi Lakshmaiah Sri Y. Venkata Rao Sri Maddi Ramesh Sri V.V.S. Ravi Sri Maddi Venkateswara Rao	Chairman Managing Director
GENERAL MANAGER	:	Sri T. Mastan Reddy	
GENERAL 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	

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

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COROMANDEL AGRO PRODUCTS AND OILS LIMITED

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of **COROMANDEL AGRO PRODUCTS AND OILS LIMITED** will be held on 20th July, 2007 at 12B, Skylark Apartments, Basheerbagh, Hyderabad at 11.00 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, 2007, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended 31st March, 2007.
3. To appoint a Director in place of Sri R. Narapa Reddy, who retires by rotation under Article 122 of the Articles of Association of the Company and who, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri Y. Venkata Rao, who retires by rotation under Article 122 of the Articles of 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.

By Order of the Board

Place : GUNTUR
Date : June 11, 2007.

Sd/-
(MADDI VENKATESWARA RAO)
Managing Director

NOTES :

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. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14-07-2007 to 20-07-2007 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of Dividend.

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4. The Board of Directors in their meeting held on 11th June, 2007 have recommended payment of Dividend of 15% (Rs.1.50 per equity share) for the year 2006-2007. 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 after 20th July, 2007 to those members whose names appear in the Register of Members as on the date of the AGM.
5. 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).
6. Pursuant to Section 205A and 205C of the Companies Act, 1956, all unclaimed / unpaid dividend, as at March 31, 2007 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. Members are requested to contact the Company in respect of unclaimed / unpaid dividends declared on or after July 30, 2003.



COROMANDEL AGRO PRODUCTS AND OILS LIMITED

DIRECTORS' REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2007

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 31st Annual Report and Audited Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS

	For the year Ended 31-03-2007 Rupees in Lakhs	For the year Ended 31-03-2006 Rupees in Lakhs
Sales and Other Income	6953.28	5475.77
Profit before Depreciation and Income Tax	215.95	193.12
Depreciation	34.26	33.28
Income Tax	61.00	58.13
Fringe Benefit Tax	0.65	1.34
Deferred Tax Expenses/(Benefit)	0.53	7.72
Net Profit after Tax	119.51	92.65
Add: Profit brought forward from previous year	83.84	22.00
APPROPRIATION	203.35	114.65
Dividend including Dividend Tax	13.87	10.81
Transfer to General Reserve	20.00	20.00
Surplus – Balance in Profit & Loss Account	169.48	83.84

DIVIDEND

Your Directors are pleased to recommend payment of dividend on equity shares at 15% (Rs.1.50 per equity share). The total amount of dividend outgo (including dividend tax) will be Rs.13.87 Lakhs for the financial year ended 31st March, 2007, which if approved at the ensuing 31st Annual General Meeting.

PERFORMANCE

Your Company achieved 27.11% of rise in its turnover when compared to that of previous year.

The Company processed a record quantity of 68,099 MT of cottonseed as against 60,927 MT in the previous year. Due to the severe competition from the cottonseed processors under traditional method and from North India, the prices for cottonseed were marginally hiked during the year when compared to that of the previous year. The Company also earned Rs.181.69 lakhs as net profit before tax when compared to that of Rs.159.84 lakhs in the previous year.

Your Directors are pleased to inform that the Company has received Awards from All India Cottonseed Crushers' Association for being the "Second Highest Exporter of Cotton Linters" and "Second Highest Domestic Seller of Cottonseed Extractions" for the year 2005-2006.



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EXPORT AND FOREIGN EXCHANGE EARNINGS

Your Directors wish to inform that the Company has exported 3,070.608 M.T. of Cotton Linters worth Rs. 480.36 lakhs during the year under review as against 1,659.079 M.T. worth Rs. 205.58 lakhs in the previous year. The Prices of Cottonseed De-oiled Cakes are still better in the domestic market than the export market. Hence, De-oiled Cakes are being sold in the domestic market in toto.

PROSPECTS

As the monsoons have already set in the country, the weather forecast by the experts is also very positive even in the cotton growing area and also the remunerative prices yielded to cotton growers during the previous crop year, the acreage under cotton cultivation is likely to increase and thereby the availability of cotton seed will also be substantial and it certainly ensures the company to increase its production capacities further more in the ensuing season.

DIRECTORS

Sri R. Narapa Reddy and Sri Y. Venkata Rao, retire by rotation under Article 122 of the Articles of 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, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (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 of the Company for the year under review;

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

- (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, 2007 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, 2007 is Nil.

AUDITORS

M/s. A. Ramachandra Rao & Co., Chartered Accountants, Hyderabad, as Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company received a letter from M/s. A. Ramachandra Rao & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act.

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 11, 2007.

Sd/-
(R. NARAPA REDDY)
Chairman



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ANNEXURE TO THE DIRECTORS' REPORT

FORM – “A”

(SEE RULE – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2006-07	Previous Year 2005-06
A POWER AND FUEL CONSUMPTION		
1. Electricity:		
a) Purchased Units	62,25,181	57,26,129
Total Amount	Rs.2,17,84,506	Rs.1,99,73,751
Rate/Unit	Rs.3.50	Rs.3.49
b) Own Generation Through Diesel Generators :		
Units	26,510	28,589
Units per Ltr. of Diesel Oil	3.39	4.85
Cost/Unit	Rs.11.01	Rs. 5.60
2. Coal : (Specify quality & where used)		
Round Coal “C” Grade used in Boiler		
Quantity (Tonnes)	—	203.280
Total Cost	—	Rs. 4,05,180
Average Cost	—	Rs. 1,993
3. Others/Internal Generation :		
Rice Husk(Tonnes)	3,256.341	2,375.234
Total Cost	Rs.43,65,387	Rs. 30,10,595
Average Cost	Rs.1,341	Rs. 1,267
B. CONSUMPTION PER UNIT OF PRODUCTION :		
ELECTRICITY :		
Cotton Seed	91.62	94.25
Animal Feeds	45	45
RICE HUSK :		
Cotton Seed	47.82 Kgs	38.99 Kgs
COAL :		
Cotton Seed	—	3.34 Kgs

FORM “B”
NIL

For and on behalf of the Board

Place: GUNTUR
Date : June 11, 2007.

(R. NARAPA REDDY)
Chairman