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**THIRTY SECOND  
ANNUAL REPORT  
AND ACCOUNTS**

**2007 - 08**

**COROMANDEL  
AGRO PRODUCTS AND OILS  
LIMITED**



## THIRTY SECOND ANNUAL REPORT 2007-08

BOARD OF DIRECTORS	: Sri R. Narapa Reddy <span style="float: right;">Chairman</span> Sri Maddi Lakshmaiah Sri Y.Venkata Rao Sri Maddi Ramesh Sri V.V.S. Ravi Sri Maddi Venkateswara Rao <span style="float: right;">Managing Director</span>
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 <sup>st</sup> Floor, Street No.1, Himayathnagar, Hyderabad – 500 029
REGISTERED OFFICE	: 12-B, Skylark Apartments, Basheer Bagh, Hyderabad – 500 029
FACTORY & ADMINISTRATIVE OFFICE	: Jandrapet, Chirala – 523 165 Andhra Pradesh Phones : 08594 – 222682, 222686 Fax : 08594 – 222681 E-mail : capol@mlgroup.com

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## THIRTY SECOND ANNUAL REPORT 2007-08

### NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Shareholders of **COROMANDEL AGRO PRODUCTS AND OILS LIMITED** will be held on July 30, 2008 at 12B, Skylark Apartments, Basheerbagh, Hyderabad at 11.30 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, 2008, 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 March 31, 2008.
3. To appoint a Director in place of Sri M. Lakshmaiah, 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 V.V.S. Ravi, 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 23, 2008.

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 24-07-08 to 30-07-08 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of Dividend.

## COROMANDEL AGRO PRODUCTS AND OILS LIMITED

4. The Board of Directors in their meeting held on June 23, 2008 have recommended payment of Dividend of 20% (Rs.2.00 per equity share) for the year 2007-2008. 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 July 30, 2008 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, 2008 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.





## THIRTY SECOND ANNUAL REPORT 2007-08

**DIRECTORS' REPORT**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2008**

*Ladies and Gentlemen,*

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report and Audited Accounts of the Company for the year ended March 31, 2008.

**FINANCIAL RESULTS**

	<b>For the year Ended 31-03-2008 Rupees in Lakhs</b>	<b>For the year Ended 31-03-2007 Rupees in Lakhs</b>
Sales and Other Income	7328.96	6953.28
Profit before Depreciation and Income Tax	323.06	215.95
Depreciation	36.06	34.26
Income Tax	86.50	61.00
Fringe Benefit Tax	0.62	0.65
Deferred Tax Expenses/(Benefit)	10.06	0.53
Net Profit after Tax	189.82	119.51
Add: Profit brought forward from previous year	169.48	83.84
<b>APPROPRIATION</b>	<b>359.30</b>	<b>203.35</b>
Dividend including Dividend Tax	18.48	13.87
Transfer to General Reserve	20.00	20.00
Surplus – Balance in Profit & Loss Account	320.82	169.48

**DIVIDEND**

Your Directors are pleased to recommend a Dividend on Equity Shares at 20% (Rs.2.00 per equity share) for approval of the Shareholders. The total amount of Dividend outgo (including dividend tax) will be Rs.18.48 Lakhs for the financial year ended March 31, 2008, which if approved at the ensuing 32<sup>nd</sup> Annual General Meeting.

**PERFORMANCE**

Your Company achieved 5% of rise in its turnover when compared to that of previous year.

The Company processed 57,923 MT of cottonseed as against 68,099 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 hiked during the year when compared to that of the previous year. During the year, your Company installed New Hi-performance Delinters in the place of existing Delinters, but due to delay in machinery supply and also due to initial teething troubles, the Company is unable to utilize full capacity of Plant in the beginning months of the season. In spite of the lower production, the Company fared well and earned Rs.287.00 lakhs as net profit before tax when compared to that of Rs.181.69 lakhs in the previous year.

## COROMANDEL AGRO PRODUCTS AND OILS LIMITED

Your Directors are pleased to inform that the Company has received Awards from All India Cottonseed Crushers' Association for being the "Highest Exporter of Cotton Linters" and "Second Highest Domestic Seller of Cottonseed Extractions" for the year 2006-2007.

### EXPANSION & MODERNISATION

During the period under review, your Company has installed 13 Nos. of New Hi-Performance Delinters in Cottonseed Pre-processing Plant in place of existing Delinters, which can yield higher Linter recovery at optimum capacity utilization with best quality, having more demand in the International Market.

### FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits from the Public, except some Unsecured Loans brought by Promoter Directors and as such no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

### EXPORT AND FOREIGN EXCHANGE EARNINGS

Your Directors wish to inform that the Company has exported 3,290.782 M.T. of Cotton Linters worth Rs. 805.43 lakhs during the year under review as against 3,070.608 M.T. worth Rs.480.36 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 production capacities further more in the ensuing season.

### DIRECTORS

Sri M. Lakshmaiah and Sri V.V.S. Ravi, 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.



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### 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, 2008, 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;
- (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, 2008 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, 2008 is Nil.



## **COROMANDEL AGRO PRODUCTS AND OILS LIMITED**

### **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 23, 2008.

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 2007-08	Previous Year 2006-07
<b>A POWER AND FUEL CONSUMPTION</b>		
1. Electricity:		
a) Purchased Units	55,96,913	62,25,181
Total Amount	Rs.1,96,10,764	Rs.2,17,84,506
Rate/Unit	Rs.3.50	Rs.3.50
b) Own Generation Through Diesel Generators :		
Units	19,488	26,510
Units per Ltr. of Diesel Oil	2.28	3.39
Cost/Unit	Rs.13.71	Rs.11.01
2. Coal : (Specify quality & where used)		
Round Coal “C” Grade used in Boiler		
Quantity (Tonnes)	—	—
Total Cost	—	—
Average Cost	—	—
3. Others/Internal Generation :		
Rice Husk(Tonnes)	3,381.045	3,256.341
Total Cost	Rs.45,33,815	Rs.43,65,387
Average Cost	Rs.1,341	Rs.1,341
<b>B. CONSUMPTION PER UNIT OF PRODUCTION :</b>		
<b>ELECTRICITY :</b>		
Cotton Seed	96.83	91.62
Animal Feeds	45	45
<b>RICE HUSK :</b>		
Cotton Seed	58.37 Kgs	47.82 Kgs
<b>COAL :</b>		
Cotton Seed	—	—

**FORM “B”**

**NIL**

For and on behalf of the Board

Sd/-

**(R. NARAPA REDDY)**

**Chairman**

**Place: GUNTUR**

**Date : June 23, 2008.**