

THIRTY FOURTH ANNUAL REPORT 2009 -10



BOARD OF DIRECTORS	:	Sri Y.Venkata Rao Sri Maddi Lakshmaiah Sri Maddi Ramesh Sri V.V.S. Ravi Sri Maddi Venkateswara Rao	Chairman Managing Director
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, 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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NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of **COROMANDEL AGRO PRODUCTS AND OILS LIMITED** will be held on July 14, 2010 at 12B, Skylark Apartments, Basheerbagh, Hyderabad at 10:30 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, 2010, 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 Dividend on Equity Shares for the year ended March 31, 2010.
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 : May 24, 2010

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 08-07-2010 to 14-07-2010 (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 May 24, 2010 have recommended payment of Dividend of 15 % (Rs.1.50 per equity share) for the year 2009-2010. 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 14, 2010 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, 2010 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.

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DIRECTORS' REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2010

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 34th Annual Report and Audited Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

	For the year Ended 31-03-2010 Rupees in Lakhs	For the year Ended 31-03-2009 Rupees in Lakhs
Sales and Other Income	8297.17	6515.14
Profit before Depreciation and Income Tax	179.56	133.29
Depreciation	28.35	28.23
Income Tax	55.57	13.61
Fringe Benefit Tax	—	0.47
Deferred Tax Expenses/(Benefit)	1.89	5.90
Net Profit after Tax	93.75	85.08
Add: Profit brought forward from previous year	376.66	320.82
APPROPRIATION	470.41	405.90
Dividend including Dividend Tax	13.86	9.24
Transfer to General Reserve	20.00	20.00
Surplus -- Balance in Profit & Loss Account	436.55	376.66

DIVIDEND

In view of the profits made by the Company during the year, your Directors recommend a Dividend on Equity Shares at 15% (Rs.1.50 per equity share) for approval of the Shareholders. The total amount of Dividend outgo (including dividend tax) will be Rs.13.86 Lakhs for the financial year ended March 31, 2010, which if approved at the ensuing 34th Annual General Meeting.

PERFORMANCE

The Company had passed through a critical phase during the period under review because of the recession in the International Economy and liberal oil import policy of Government of India. The low operating margins are due to poor recovery of oils because of the cotton crop failure resulted damage to Cottonseed due to draught conditions prevailed in the cotton growing area, steep fall in prices of edible oils in both domestic and international markets and huge interest burden on carry over stocks.

Further, the Government of India announced higher Minimum Support Price which caused substantial increase in Cottonseed prices. During the season, due to hike in raw material prices and lower price realization for final products, the Company decided to hold the

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production for a while to curtail huge losses. Hence the production and processing volume of Cottonseed came down to 50,441 MT from 53,972 MT as compared to the previous year.

The entire edible oil Industry in India is facing serious crisis due to the reasons mentioned above and hence your Directors decided to install some of the removed Delinters again to process only upto Delinted Seed as the market for the same was better. In spite of lower production, the Company fared well and earned Rs.151.21 lakhs as net profit before tax when compared to that of Rs.105.06 lakhs in the previous year.

Your Directors are pleased to inform that the Company has received an Award from All India Cottonseed Crushers' Association for being the "Second Highest Exporter of Cotton Linters" for the year 2008-2009.

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 5045.208 M.T. of Cotton Linters worth Rs1336.69 lakhs during the year under review as against 1,084.817 M.T. worth Rs.342.31 lakhs in the previous year.

PROSPECTS

As the prices yielded to cotton growers highly remunerative and yields are also better to the growers during the previous crop year, the acreage under cotton cultivation is likely to increase and thereby the availability of cotton seed may also be substantial and it certainly ensures the Company to increase production capacities 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, 2010, 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, 2010 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, 2010 is Nil.

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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 : May 24, 2010.

Sd/-
(Y. VENKATA RAO)
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 2009-10	Previous Year 2008-09
A POWER AND FUEL CONSUMPTION		
1. Electricity:		
a) Purchased Units	54,05,710	57,54,810
Total Amount	Rs. 2,09,85,945	Rs.2,08,46,644
Rate per Unit	Rs.3.88	Rs.3.62
b) Own Generation through Diesel Generators :		
Units	23,986	16,041
Units per Ltr. of Diesel Oil	2.80	2.22
Cost per Unit	Rs.13.04	Rs.15.14
2. Others/Internal Generation :		
Rice Husk(Tonnes)	2,890.365	3,248.705
Total Cost	Rs. 54,62,628	Rs. 53,20,201
Average Cost	Rs.1,890	Rs.1,638
B. CONSUMPTION PER UNIT OF PRODUCTION :		
ELECTRICITY :		
Cotton Seed	107.64	106.92
RICE HUSK :		
Cotton Seed	57.30 Kgs	60.19 Kgs

FORM “B”

NIL

For and on behalf of the Board

Place: GUNTUR
Date : May 24, 2010.

Sd/-
(Y. VENKATA RAO)
Chairman

COROMANDEL AGRO PRODUCTS AND OILS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

FORM
[SEE RULE 3]

COMPLIANCE CERTIFICATE

Registration No. of the Company : 001967
Authorised Capital : Rs.1,50,00,000/-

The Members of COROMANDEL AGRO PRODUCTS AND OILS LIMITED

We have examined the registers, records, books and papers of M/S. COROMANDEL AGRO PRODUCTS AND OILS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The Company being Public Limited Company comments are not required.
4. The Board of Directors duly met 4 (Four) times on 29.06.2009; 30.07.2009; 31.10.2009 and 28.01.2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions, if any, passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year from 24.07.2009 to 30.07.2009 but the requisite provisions of the Companies Act, 1956 with respect to the paper advertisement has not been complied.
6. The Annual General Meeting for the financial year ended 31st March, 2009 was held on 30th July, 2009 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not sanctioned any loans to its Directors or Persons or Firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts, which are falling under the provisions of Section 297 of the Act.



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10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. During the financial year ended March 31, 2010:
 - i) There was no allotment of shares. However there was transfer, transmission of securities during the financial year.
 - ii) Deposited the amount of dividend declared in a separate bank account on 01.08.2009 which is within five days from the date of declaration of such dividend.
 - iii) Paid dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed dividends have been transferred to Unpaid Dividend Account of the Company with Canara Bank.
 - iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due to refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
 - v) The Company complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Director, Additional Director, Alternate Director and Director to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director during the financial year, however the term of the Managing Director appointed is continuing.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such other Authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued any shares, debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.