

BOARD OF DIRECTORS	:	Sri Maddi Lakshmaiah Sri Maddi Ramesh Sri V.V.S. Ravi Sri Maddi Venkateswara Rao Smt R. Lakshmi Sarada Sri L. Shyam Prasad	Chairman Managing Director
CHIEF FINANCIAL OFFICER	:	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  M/s. Jithendra Kumar & Co., Cost Accountants, # 389, Iron yard, Opp Reliance Fresh, HB Colony, Vijayawada-520012.  M/s. K.SrinivasaRao & Co., Company Secretaries D.No.6-13-14A, 13/3, Arundelpet, Guntur-522002.	
REGISTERED OFFICE	:	12-B, Skylark Apartments, Basheer Bagh, Hyderabad – 500 029	

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**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the Thirty Ninth Annual General Meeting of the members of M/s. **Coromandel Agro Products and Oils Limited** will be held on Friday, 14<sup>th</sup> August, 2015 at 10.30 A.M. at the Registered Office of the Company at 12-B, Skylark Apartments, Basheerbagh, Hyderabad, Telangana - 500029 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Maddi Venkateswara Rao (DIN- 00013393) who retires by rotation under Article 122 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Maddi Lakshmaiah (DIN- 00013387) who retires by rotation under Article 122 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. A. Ramachandra Rao & Co, Chartered Accountants (Firm Registration No. 002857S), Hyderabad, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: - (The Cost Auditors' Remuneration)

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016, amounting to Rs. 20,000/- (Rupees Twenty Thousands only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: - (Appointment of Mrs. Rallabhandi Lakshmi Sarada (DIN: 07140433) as an Independent and Women Director)

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Mrs. Rallabhandi Lakshmi Sarada (DIN: 07140433), who was appointed as an

Additional Director and Woman Director of the Company with effect from 19<sup>th</sup> March, 2015 under Section 161 & 149(1) of the Companies Act, 2013, be and is hereby appointed as an Independent Director & Woman Director of the Company to hold office for a term up to five consecutive years commencing from 19<sup>th</sup> March, 2015 to 18<sup>th</sup> March, 2020, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: - (Appointment of Mr. Lakkaraju Shyama Prasad (DIN: 07151102) as an Independent Director)

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Mr. Lakkaraju Shyama Prasad (DIN: 07151102), who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> March, 2015 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 19<sup>th</sup> March, 2015 to 18<sup>th</sup> March, 2020, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: - (Appointment of Mr. Maddi Ramesh (DIN: 00013394) as a Managing Director)

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the company be and is hereby accorded to the appointment of Mr. Maddi Ramesh (DIN: 00013394) as Managing Director and Chief Executive Officer (CEO) of the Company, for a period of 5 (five) years with effect from 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2020, on the terms and conditions including remuneration as set out as below, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Maddi Ramesh, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

A) Salary: 1,50,000/- Per Month

B) Perquisites: In addition to the above salary, the Managing Director shall be entitled to all perquisites such as Housing, Gas, Electricity, Water, Medical reimbursement, Club Fees, Medical Insurance, Leave Travel Concession and such perquisites be restricted to an amount equal to 7,000/- per month.

In addition to the above, the Managing Director will also be eligible to the following perquisites which shall not be included in the Computation of ceiling of remuneration:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Funds to the extent either singly or together not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary per each completed year of service and
- c) Encashment of leave at the end of tenure.
- d) Commission: In addition to the above salary and perquisites, commission is payable every year to the Managing Director and it will be calculated as follows:

5% of the net profit for the year will be calculated. From the amount so calculated, the aggregate of the salary and the perquisites mentioned above will be deducted and the balance amount will be allowed as commission during the year.

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, wherein any year during the currency of tenure of the Managing Director, the Company has no profits or its profits are not adequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the limits as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution: -

"RESOLVED THAT pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing/ Guarantee any sum or sums of money from time to time whether in Indian rupees or foreign currency from any one or more Company's bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed/ Guaranteed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs. 50.00 Crores (rupees fifty crores only) at any one time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution: -

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹ 50.00 Crores (rupees fifty crores only) at any one time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sd/-

(Maddi Lakshmaiah)

Chairman

(DIN:00013387)

Place : CHILAKALURIPET

Date : May 30, 2015.

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote on a poll, instead of himself / herself and such proxy need not be Member. The proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed, not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 08<sup>th</sup> August, 2015 to 14<sup>th</sup> August, 2015 (both days inclusive).
3. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting.
4. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered Office of the Company so as to reach at least 7 days before the date of the meeting to provide the required information.
5. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agent at: Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500082 at the earliest not later than 06<sup>th</sup> August, 2015.  
-Any change in their address/mandate/Bank details; and  
-Particular of their Bank Account, in case the same has not been sent earlier.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. In view thereof, members who have not furnished PAN are requested to furnish to the Registrar and Transfer Agents

7. Shareholders should note that as per statutory provisions, if the dividend amount remains unpaid/unclaimed for period of 7 years from the due date, the said unpaid/unclaimed amount will be transferred to Investor Education & Protection Fund (IEPF) set up by Central Government. As such unpaid / unclaimed amount in Dividend Accounts FY 2007-2008 has been transferred to IEPF. Shareholders who have not received / claimed the said dividend are requested to claim the same before due date. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents.
8. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in Page nos.56,57,58. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
10. Mr. K. Srinivasa Rao of M/s. K. Srinivasa Rao & Co., Practicing Company Secretaries (Membership No. FCS. 5599), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to ksn@mlgroup.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, Mr. K. Srinivasa Rao of M/s. K. Srinivasa Rao & Co, C/o CAPOL, 12B Skylark Apartments, Basheerbagh, Hyderabad – 500 029, not later than Thursday, August 13, 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 5 :**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item no. 5 for the approval of Members

**Item No. 6 & 7 :**

The Board of Directors co-opted Mr. Lakkaraju Shyama Prasad (DIN: 07151102) and Mrs. Rallabhandi Lakshmi Sarada (DIN: 07140433) as an Independent Directors w.e.f. March 19, 2015 and were appointed as an Additional Directors from that date pursuant to Section 161 of the Companies Act, 2013. They hold office till conclusion of this Annual General Meeting. Their term of office shall not be liable to retirement of directors by rotation.

Mrs. Rallabhandi Lakshmi Sarada is a qualified Company Secretary. She specializes in corporate affairs and Companies Act and also in Finance and has over 15 years of experience in various fields covering Business Advisory, Project Consultancies and Company Law Matters etc. The Board considers that her continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mrs. Rallabhandi Lakshmi Sarada as an independent Director & Woman Director and also that she fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent and Women Director. Accordingly the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice. Except Mrs. Rallabhandi Lakshmi Sarada, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Mr. Lakkaraju Shyama Prasad is a qualified Chartered Accountant. He specializes in Finance and has over 27 years of experience in various fields covering Business Advisory, Project Consultancies, Direct and Indirect Taxation and Company Law Matters etc. The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Lakkaraju Shyama Prasad as an independent Director and also that he fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director. Accordingly the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 7 of the Notice. Except Mr. Lakkaraju Shyama Prasad, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

**Item No. 8 :**

Subject to the provisions of the Companies Act, 2013 and the approval of the Shareholders at General Meeting, Mr. Maddi Ramesh has been appointed as Managing Director and Chief Executive Officer by the Board of Directors of the company with effect from 01<sup>st</sup> April, 2015 on the terms and conditions set out in the resolution for a period of 5 years. Mr. Maddi Ramesh joined the Company on 27<sup>th</sup> October, 2001 and also had been appointed as an Executive Director from 14<sup>th</sup> February, 2014 and rendering his full time valuable services to the Company. In view of his valuable services, your Directors recommend acceptance of resolution.

None of the Directors except Mr. Maddi Ramesh, Mr. Maddi Venkateswara Rao and Mr. Maddi Lakshmaiah shall be deemed to be interested or concerned in the resolution.

**Item No. 9 :**

The Board of Directors of the Company envisages requirements of funds in future. As per the provisions of section 180(1)(c) of the companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set for any specific purpose unless the Shareholders by way of special resolution, have authorized the Board to borrow the monies for some higher monetary limits.



Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions, Bodies Corporate or Business Associates or any Other person or entity etc., in excess of paid up capital and free reserves of the Company by a sum not exceeding Rs. 50.00 Crores (Rupees Fifty Crores only) in Indian Rupees or Equivalent thereof in any foreign currency (ies) for the purposes of business activities of the company.

As per section 180(1)(c) of the companies Act, 2013 and other applicable provisions of companies Act, 2013, approval of the members is sought by way of a Special resolution.

Hence the Board of Directors recommend passing of the enabling resolution mentioned at item No. 9 in the notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

Your Directors, therefore, commend the resolutions for your approval.

**Item No. 10 :**

Pursuant to Section 180(1)(a) of the Companies Act, 2013 consent of the Company is required by way of a special resolution to create mortgage and/or charge on the movable/ immovable properties of the Company. The Members by way of a Special resolution passed at the Annual General Meeting of the Company is to accord their consent to the Board of Directors to mortgage and / or create charge on all or anyone of the movable/ immovable properties or such other assets of the company, subject to the limits of Rs. 50.00 Crores (Rupees Fifty Crores only) borrowed or to be borrowed.

As per section 180(1)(a) of the companies Act, 2013 and other applicable provisions of companies Act, 2013, approval of the members is sought by way of a Special resolution.

Hence the Board of Directors recommend passing of the enabling resolution mentioned at item No. 10 in the notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

Your Directors, therefore, commend the resolutions for your approval

By Order of the Board of Directors

**Sd/-**  
**(Maddi Lakshmaiah)**  
**Chairman**  
**(DIN:00013387)**

**Place : CHILAKALURIPET**  
**Date : May 30, 2015.**

## DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

*Dear Shareholders,*

Your Directors have pleasure in presenting the 39th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2015.

### FINANCIAL RESULTS

The Financial performance of the Company for the Financial Year 2014-15 is summarised in the following table:

(Amount in Rupees)

Particulars	Year Ended 31-03-2015 (Rs.)	Year Ended 31-03-2014 (Rs.)
Revenue from operations	1,313,478,932	1,258,279,733
Other income	7,493,877	2,920,041
Operating Expenditure	1,287,747,236	1,222,224,894
Profit before Interest, Depreciation & Tax	33,225,573	38,974,880
Depreciation	9,328,319	7,840,502
Interest	23,701,682	16,550,246
Profit before tax	195,572	14,584,132
Provision for income tax		
i) Current year Tax	-	(5,700,000)
ii) Deferred Tax	1,247,379	959,629
Profit after tax	1,442,951	9,843,761
Profit/ (Loss) Brought forward from previous years	84,653,968	75,965,533
Profit/ (Loss) Carry forward to Balance Sheet	86,096,919	84,653,968
Earnings per share (Basic/ Diluted)	1.83	12.46

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK :

The Company passed through a critical phase during the year under review in view of recession in the global economy, which resulted in steep fall in edible oil and cotton linter international market prices, especially in U.S.A and China.

Bi-furcation of united Andhra Pradesh into two states i.e Telangana and Andhra Pradesh caused an additional burden of interstate Sales Tax on the goods brought from Telangana to Andhra Pradesh ginners and in turn they passed on proportionate burden even on cotton seeds also. Further, the Government of India announced higher minimum support price for cotton procurement which caused substantial increase in cotton seed prices. Due to carried over accumulated stocks, hike in raw material prices, the interest cost is higher when it is compared to that of previous year.