

**BOARD OF DIRECTORS :**

NAME OF THE DIRECTORS	DIN NUMBER	DESIGNATION
Mr. Maddi Lakshmaiah	00013387	Chairman
Mr. Meadem Sekhar	02051004	Whole Time Director & CEO
Mr. Maddi Venkateswara Rao	00013393	Director
Mr. Maddi Ramesh	00013394	Director
Mr. Vadlamani Venkata Subramanya Ravi	00495102	Independent Director
Mrs. Rallabandi Lakshmi Sarada	07140433	Independent Director
Mr. Lakkaraju Shyam Prasad	07151102	Independent Director

CHIEF FINANANCIAL OFFICER	:	CA. Kothuri Satyanarayana
COMPANY SECRETARY	:	CS. K.RAMYA
BANKERS	:	Canara Bank Chirala – 523 155
STATUTORY AUDITORS	:	M/s. NATARAJA IYER & CO., Chartered Accountants, 1-10-126, Ashoknagar, Hyderabad – 500 020.
COST AUDITORS	:	M/s. Jithendra Kumar & Co., Cost Accountants, # 389, Iron yard, Opp Reliance Fresh, HB Colony, Vijayawada-520012.
SECRETARIAL AUDITORS	:	M/s. K. SrinivasaRao & Co., Company Secretaries, D.No.6-13-14A, 13/3, Arundelpet, Guntur-522002.
REGISTRAR & SHARE TRANSFER AGENT	:	BIGSHARE SERVICES PRIVATE LIMITED 306, 3 <sup>rd</sup> Floor, Right wing, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500082
REGISTERED OFFICE	:	12-B, Skylark Apartments, BasheerBagh, Hyderabad – 500 029, Ph:040-23228714
FACTORY ADDRESS	:	Jandrapet-523 165, Chirala, Prakasam District, Andhra Pradesh. Ph: 08594-222681
WEBSITES	:	<b>www.capol.in &amp; www.mlgroup.com</b>

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**44<sup>TH</sup> ANNUAL GENERAL MEETING NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Forty Fourth Annual General Meeting of the members of M/s. **Coromandel Agro Products and Oils Limited** will be held on Saturday 29<sup>th</sup> August, 2020 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 Financial Statements for the financial year ended 31.03.2020 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 Ramesh (DIN- 00013394) who retires by rotation under Article 122 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

4. **Re-appointment of Mrs. Rallabhandi Lakshmi Sarada (Din: 07140433), as an Independent Director of company**

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 Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, **Mrs. Rallabhandi Lakshmi Sarada (Din: 07140433)**, who being eligible for re-appointment as an Independent Director, has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom, the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director & Woman Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 19.03.2020 to 19.03.2025.”

5. **Re-appointment of Mr. Shyama Prasad Lakkaraju (Din: 07151102), as an Independent Director of company**

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 Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, **Mr. Shyama Prasad Lakkaraju (Din: 07151102)**, who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 19.03.2020 to 19.03.2025.”

**. 6. Ratification of Cost Auditors' Remuneration**

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

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs.25,000/-per annum be paid with all applicable taxes and reimbursement out of pocket expenses incurred in connection with the audit, payable to M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada, who are appointed as Cost Auditors of the Company to conduct Cost Audit of the Company for the financial year ending 31st March, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

**7. Maintenance of Register of Memebers and other Statutory Registers at a Place other than the Registered Office of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to section 94 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders be and is hereby accorded to keep and maintain the Register of Members, the Index of Members if any, other statutory registers and the copies of all annual returns and copies of certificates and documents required to be annexed thereto at its office situated at factory premises, Jandrapeta, Chirala, Andhra Pradesh – 523 165 with effect from 01-09-2020, instead of the registered office of the company.

**RESOLVED FURTHER THAT** the Board of Directors or any committee thereof of the company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto”.

By Order of the Board of Directors

Sd/-

(Meadem Sekhar)

Whole Time Director & CEO  
(DIN: 02051004)

Place : CHILAKALURIPET  
Date : June 30, 2020.

## 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 less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy for not more than 50 Members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 4:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
6. Route-map to the venue of the Meeting is provided at the end of the Notice (behind the Proxy form).
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 22<sup>nd</sup> August, 2020 to Saturday 29<sup>th</sup> August, 2020 (both days inclusive).
8. The Financial Statements, 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.
9. 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.
10. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Members holding shares in physical form are requested to notify/send to the following 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 – 500 082 at the earliest and not later than 21<sup>st</sup> August, 2020.
  - Particulars of their Bank Account, in case the same have not been sent earlier ; and
  - Any change in their address/mandate/Bank details
12. 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 and also to Company Registered office.

13. Shareholders should note that as per statutory provisions, if the dividend amount remains unpaid/unclaimed for a 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. Shareholders who have not received / claimed the said dividend are requested to claim the same before due date. Members, who have not en-cashed their dividend warrants, are requested to write to the Registrars & Share Transfer Agents.
14. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed herewith.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL/NSDL, on the items mentioned in this AGM Notice. The Company has appointed Mr. K. Srinivasa Rao, Partner of M/s. K. Srinivasa Rao & Co., Practicing Company Secretaries (Membership No. FCS. 5599) as scrutinizer for conducting the e-voting process and voting process in a fair and transparent manner. The voting period begins on Wednesday, 26<sup>th</sup> August 2020 at 09:00 hrs. and will end on Friday, 28<sup>th</sup> August, 2020 at 17:00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 21<sup>st</sup> August, 2020, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. The instructions for shareholders voting electronically are given at page No.69 of the Annual Report.
16. The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results along with the Scrutinizer's Report shall be placed on the website of the Company [www.capol.in](http://www.capol.in) within 48 hours of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to Bombay Stock Exchange.

**Information to Shareholders with respect to Items no: 2,3, 4&5, under Regulation 36(3) of SEBI(LODR) Regulations :**

S. No	Information particulars	Mr. Maddi Ramesh	Mr. Maddi Venkateswara Rao	Mrs. Rallabhandi Lakshmi Sarada	Mr. Shyama Prasad Lakkaraju
1	Brief resume of the Directors & Justification for appointment / re-appointment	Mr. Maddi Ramesh aged about 52 years residing at Chilakaluripet and having good experience of more than 25 years in Exports of Tobacco, Cotton Seed Meal, Linters etc., He is a Commerce Graduation.	Mr. Maddi Venkateswara Rao, aged about 64 years residing at Guntur and having rich experience of more than 37 years in Exports of Tobacco, Cotton Seed Meal, Linters etc., He did Master degree in Management and Business Administration (MBA).	Mrs. Rallabhandi Lakshmi Sarada aged about 38 years residing at Hyderabad and having 13 years experience in corporate affairs and Companies Act, Finance. She is a qualified Company Secretary.	Mr. Shyama Prasad Lakkaraju aged about 62 years residing at Guntur and having rich experience of more than 34 years in Finance, Direct and Indirect Taxation and company Law matters. He is a qualified Chartered Accountant.
2	Nature of his expertise in specific functional areas	Having good experience of more than 25 years in Exports of Tobacco, Cotton Seed Meal, Linters etc.,	Having rich experience of more than 37 years in Exports of Tobacco, Cotton Seed Meal, Linters etc.,	Having 13 years experience in corporate affairs and Companies Act, Finance, Business advisory, project consultancy services.	Having 34 years experience in Finance, Direct and Indirect Taxation and company Law matters and project consultancy services.
3	Relationships between Directors inter-se	Maddi Ramesh is son of Mr. Maddi Lakshmaiah and younger brother of Maddi Venkateswara Rao, who are also Directors of the company.	Maddi Venkateswara Rao is son of Mr. Maddi Lakshmaiah and elder brother of Maddi Ramesh, who are also Directors of the company.	No relationship	No relationship
4	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil	Nil	Nil	Nil
5	Shareholding of non-executive directors	32,765 equity shares (4.15%).	65,980 equity shares (8.35%).	Nil	Nil

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

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying 44<sup>th</sup> Annual General Meeting Notice.

**ITEM NO. 4 :**

**Mrs. Rallabhandi Lakshmi Sarada** is currently an Independent Director of the Company and the Member of the Audit Committee and Nomination and remuneration Committee. **Mrs. Rallabhandi Lakshmi Sarada** has completed her tenure as an independent and Women Director of the company for first five years and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of **Mrs. Rallabhandi Lakshmi Sarada** as an Independent Director and Women Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her experience and background and the contribution made by her as an Independent Director and Women Director during her current term, opined that the continued association of **Mrs. Rallabhandi Lakshmi Sarada** would be beneficial to the Company and therefore it is desirable to continue to avail her services as an Independent Director and Women Director. Accordingly, subject to approval of shareholders by way of Special Resolution at ensuing Annual General Meeting, it is proposed to re-appoint **Mrs. Rallabhandi Lakshmi Sarada** as an Independent Director and Women Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company effective from 19<sup>th</sup> March, 2020.

The Company has received a declaration from **Mrs. Rallabhandi Lakshmi Sarada** that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, **Mrs. Rallabhandi Lakshmi Sarada** confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. **Mrs. Rallabhandi Lakshmi Sarada** has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further **Mrs. Rallabhandi Lakshmi Sarada** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director.

In the opinion of the Board, **Mrs. Rallabhandi Lakshmi Sarada** fulfils the conditions for her appointment as an Independent Director and Women Director as specified in the Act read with the rules made thereunder and the Listing Regulations, **Mrs. Rallabhandi Lakshmi Sarada** is independent of the management.

Brief resume and justification for reappointment and Expertise in specific functional areas and nature of expertise of **Mrs. Rallabhandi Lakshmi Sarada** is given in the table as set out prior to the Explanatory Statement:

The Board recommends this resolution for approval of the Members

Except **Mrs. Rallabhandi Lakshmi Sarada**, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item no.4 of the notice for approval by Members.

**ITEM NO. 5 :**

**Mr. Shyama Prasad Lakkaraju** is currently an Independent Director of the Company and the Chairman and Member of the Audit Committee and Nomination and remuneration Committee. **Mr. Shyama Prasad**



**Lakkaraju** has completed his tenure as an independent Director of the company for first five years and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of **Mr. Shyama Prasad Lakkaraju** as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his experience and background and the contribution made by him as an Independent Director during his current term, opined that the continued association of **Mr. Shyama Prasad Lakkaraju** would be beneficial to the Company and therefore it is desirable to continue to avail his services as an Independent Director. Accordingly, subject to approval of shareholders by way of special Resolution at ensuing Annual General Meeting, it is proposed to re-appoint **Mr. Shyama Prasad Lakkaraju** as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company effective from 19<sup>th</sup> March, 2020.

The Company has received a declaration from **Mr. Shyama Prasad Lakkaraju** that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, **Mr. Shyama Prasad Lakkaraju** has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. **Mr. Shyama Prasad Lakkaraju** has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further **Mr. Shyama Prasad Lakkaraju** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director.

In the opinion of the Board, **Mr. Shyama Prasad Lakkaraju** fulfils the conditions for his appointment as an Independent Director as specified in the Act read with the rules made thereunder and the Listing Regulations, **Mr. Shyama Prasad Lakkaraju** is independent of the management.

Brief resume and justification for reappointment and Expertise in specific functional areas and nature of expertise of **Mr. Shyama Prasad Lakkaraju** is given in the table as set out prior to the Explanatory Statement:

The Board recommends this resolution for approval of the Members

Except **Mr. Shyama Prasad Lakkaraju**, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

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

#### ITEM NO. 6:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on June 29, 2020, the Board has, considered and approved the appointment of M/s. Jithendra Kumar & Co., Cost Accountants (Firm Registration No. 103347), Vijayawada as the Cost Auditor for the financial year 2020-21 for a remuneration of Rs.25,000/- per annum with all applicable taxes and reimbursement of out of pocket expenses.

M/s. Jithendra Kumar & Co., Cost Accountants have the necessary experience in the field of cost audit, and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board commends the remuneration of Rs.25,000/- per annum with all applicable taxes and reimbursement of out of pocket expenses to M/s. Jithendra Kumar & Co. as the Cost Auditors and the approval of the Members is sought for the same by an Ordinary Resolution.

The Board commends the Ordinary Resolution set out at Item no.6 of the notice for approval by Members.

**ITEM NO: 7:**

Pursuant to the provisions of the Companies Act, 2013, (the "Act") certain documents such as the Register of Members and Index of Members - separately for each class of equity & preference shares, register and index of debenture holder, Register and Index of any other Security holders, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the Register of Members reside .

In the interest of operational and administrative convenience, it is proposed to maintain the Register of Members, Register of Debenture Holders, Index of Members/ Debenture Holders and copies of annual returns and other Statutory Registers at the Company' s office situated at Jandrapeta, Chirala, a place other than its registered office.

Approval of the Shareholders is required under Section 94 of the Companies Act, 2013 for effecting the change in the place at which the Register and Index of Members etc are to be kept. The Board recommends the special resolution set out under Item No.7 of the Notice for approval by the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution set out under Item No. 7 of the Notice .

By Order of the Board of Directors

Sd/-

(Meadem Sekhar)

**Whole Time Director & CEO**  
**(DIN: 02051004)**

**Place : CHILAKALURIPET**

**Date : June 30, 2020.**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2020**

*Dear Shareholders,*

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020.

**FINANCIAL PERFORMANCE :**

Summary of Financial performance of the Company for the Financial Year 2019-20 is depicted below:

**STANDALONE**

**(R.s)**

Statement Of Profit & Loss Account	IND AS		
	2019-20	2018-19	2017-18
Sales (No excise duty other than GST)	98,20,75,489	95,60,87,691	65,72,11,246
Other Income	16,87,028	18,45,907	16,34,644
Interest	1,06,71,787	1,66,51,327	1,72,43,239
Profit Before Taxation	60,09,029	28,76,455	-6,70,60,175
Profit After Taxation	38,14,886	82,78,369	-5,76,76,595
Earnings Per Share of Rs.10/-	4.83	10.48	-73.01
Dividend Per Share of Rs.10/-	NIL	NIL	NIL

**STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK :**

Your Directors are happy to inform that overall performance of the company is better in spite of low yielding Cotton Seed (main raw material) and onslaught of COVID-19. Because of heavy rains in cotton growing areas and delayed procurement, the company started production from 1st November 2019, which was delayed by 15 days, and recoveries from processed seed of 38965 MT (41176 MT in the previous year), were low compared to the last year. Only respite for the company was it could get better average sale prices for all the products except for linters. The demand for linters did not pick-up as Chinese market is still suffering with heavy recession.

Because of high prices of Cotton Seed and low yields, a discriminatory approach was adopted by the company in procurement calibrating sale prices and production costs. This approach made the company to sell almost all processed products during the year itself, except linters and leaving a little inventory for unseasonal months. The company achieved a turnover of Rs. 9820.75 lakhs as against Rs. 9560.88 lakhs in the previous year. The gross profit before taxes was Rs. 60.09 lakhs as against Rs. 28.76 lakhs and due to adjustment of differed tax liabilities net profit for the period under review was Rs.38.14 lakhs against Rs.82.78 lakhs during the last year.

Sell almost all processed products during the year itself, the procurement of Cotton Seed during COVID-19 lockdown and later became herculean task because of low volumes and unviable prices. This has led to shutdown of the factory in May 2020 itself.

The power projects in Tamil Nadu and Gujarat did not do well due to changed wind patterns and generated low income of Rs. 73.56 lakhs compared to Rs. 82.95 lakhs during the previous year.

Future outlook: The company is planning to open more procurement centers in Telangana, where production of cotton crop is likely to be more. It is also planning to expand existing factory infrastructure to cope up with the additional requirement of storage of Cotton Seed and other processed products and optimize the utilization of existing capacities of the plant.

The company is looking forward for alternative markets in view of border tensions with China. However it will pursue the existing buyers for sales as they need more volumes of linters.

Contrary to the expectations, during COVID-19 lockdown time, demand for oil continue to be the same and customers are looking for more safe and packed oils to avoid health complications. The Government of India continues to permit import of oils due to heavy local demand and its efforts of improving local oil seed

production is not adequate to supplement the imported oils. However your Directors are hopeful of better policies and encouragement to the local oil producers for reducing the burden on exchequer.

Weather predictions are showing positive signs of normal cotton crop in the ensuing season and also Telangana State Government suggested the farmers for choosing cotton crop instead of other crops and these indications give hope for more production of cotton seed and better utilization of capacities.

**EXPORT AND FOREIGN EXCHANGE EARNINGS :**

Your Directors wish to inform that the Company has exported 702.900 M.T. of Cotton Linters worth ₹ 97.88 lakhs during the year under review as against 902.870 M.T. worth ₹ 132.45 lakhs in the previous year.

**ANNUAL RETURN :**

The details forming part of the extract of the Annual Return in form MGT-9 as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure - I** and forms an integral part of this Report.

The extract of the Annual Return of the Company can be accessed on the website of the Company **www.capol.in**.

The copy of the Annual Return of the Company can also be accessed on the website of the Company **www.mlgroup.com**.

**MANAGEMENT DISCUSSION AND ANALYSIS :**

The Management Discussion and Analysis Report, as required under regulation 34 of the SEBI (LODR) Regulations 2015, forms part of the Annual Report as **ANNEXURE NO:V**

**DIRECTORS AND KEY MANAGERIAL PERSONNEL :****NAMES OF THE PERSONS WHO HAVE BEEN APPOINTED / CEASED TO BE DIRECTORS AND/OR KEY MANAGERIAL PERSONNEL OF THE COMPANY:****i. DURING THE YEAR :-**

- a) During the year the Board has appointed Mr. Meadem Sekhar (DIN: 02051004) as an Additional Director of the company with effect from 23.05.2019 and also confirmed as a director by the shareholders at the AGM held on 13.08.2019
- b) During the year the Board has also appointed Mr. Meadem Sekhar (DIN: 02051004) as a Whole Time Director, CEO & KMP of the company with effect from 23.05.2019 for a period of five years i.e 23.05.2019 to 22.05.2024. and the same was approved by the shareholders.
- c) During the year Mr. Maddi Lakshmaiah (DIN- 00013387), was appointed as a Non-executive Director of the company by the shareholders of the company by way of passing a Special Resolution at the AGM held on 13.08.2019.
- d) During the year Mr. Maddi Venkateswara Rao (DIN- 00013393), retire by rotation under Article 122 of the Articles of Association of the Company and being eligible, offer himself for reappointment as Director. The shareholders approved his re-appointment as director of the company at 43<sup>rd</sup> Annual General Meeting of the company held on 13.08.2019.
- e) Mr. Venkata Subramanya Ravi Vadlamani Din: (00495102), an Independent Director, was reappointed for a second term of another 5 (five) consecutive years effective from 1<sup>st</sup> April, 2019 by the shareholders of the company by way of passing a Special Resolution at the AGM held on 13.08.2019
- f) During the year Mr. Maddi Ramesh, Managing Director of the company has resigned from the office of Managing Director with effect from 23.05.2019.

**ii. AFTER THE END OF THE FINANCIAL YEAR AND UP TO THE DATE OF THE REPORT :-****DIRECTORS LIABLE TO RETIRE BY ROTATION IN ENSUING ANNUAL GENERAL MEETING :**

1. Mr. Maddi Venkateswara Rao (DIN- 00013393), retire by rotation under Article 122 of the Articles of Association of the Company and being eligible, offer himself for reappointment as Director. The Board recommends his reappointment.
2. Mr. Maddi Ramesh (DIN- 00013394), retire by rotation under Article 122 of the Articles of Association of the Company and being eligible, offer himself for reappointment as Director. The Board recommends his reappointment.

**RE-APPOINTMENT OF INDEPENDENT DIRECTORS IN ENSUING ANNUAL GENERAL MEETING :**

Subject to approval of shareholders at this ensuing Annual General Meeting of the company, the Board has re-appointed Mrs. Rallabhandi Lakshmi Sarada and Mr. Shyama Prasad Lakkaraju as an independent Directors of the company for a period of five years w.e.f 19.03.2020 for second term.

Mrs. Rallabhandi Lakshmi Sarada and Mr. Shyama Prasad Lakkaraju, Independent Directors, who are supposed to retire in this year, they being eligible for re-appointment and as per the recommendation of the Nomination and Remuneration Committee, their reappointment for a second term of another 5 (five) consecutive years effective from 19<sup>th</sup> March 2020 is very much beneficial to the company and therefore it is desirable to continue to avail their services as an Independent Directors. Accordingly it is proposed to reappoint Mrs. Rallabhandi Lakshmi Sarada and Mr. Shyama Prasad Lakkaraju as an Independent Directors of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

**RE-APPOINTMENT OF CHIEF FINANCIAL OFFICER:**

Mr. Satyanarayana Kothuri has been re-appointed as a Chief Financial Officer & KMP of the company by the Board for a period of five years with effect from 19.03.2020

**ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS :**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed. Significant highlights, learning and action points with respect to the evaluation were discussed by the Board.

<u>Sl. No</u>	<u>Particulars</u>	
i.	Observations of board evaluation carried out for the year:	NIL
ii.	Previous year's observations and actions taken:	NIL
iii.	Proposed actions based on current year observations:	NIL

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS :**

In terms with Section 149 (7) of the Companies Act, 2013, all the Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 Regulation 16(1)(b) of the SEBI(LODR) Regulations,2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS :**

During the year under review, one meeting of Independent Directors was held on 11.02.2020 in compliance with the requirements of Schedule IV of the Companies Act, 2013. Two independent directors viz., Mrs. Rallabandi Lakshmi Sarada and Mr. Lakkaraju Shyam Prasad, have attended to the meeting held by them on 11.02.2020. The Independent Directors at their meeting, inter alia, reviewed the Performance of Non-Independent Directors and Board as a whole Performance of the Chairperson of the Company taking into account the views of Executive Director and Non-Executive Directors. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**NUMBER OF BOARD MEETINGS :**

During the Financial Year 2019-20, Four (4) Meetings of the Board of Directors of the Company were held viz., 23<sup>rd</sup> May, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019, and 12<sup>th</sup> February, 2020, with a gap not exceeding a period of 120 days as prescribed under the Act.

**Board Meetings**

S. No.	Date of meeting	Total Number of directors as on the date of meeting	Number of directors attended
1.	23.05.2019	05	4
2.	13.08.2019	07	7
3.	13.11.2019	07	6
4.	12.02.2020	07	5

**A. Attendance of Directors**

S. No.	Name of the Director	Number of Meetings which were entitled to attend	Number of Meetings Attended
1.	Mr. Maddi Lakshmaiah	03	3
2.	Mr. Meadem Sekhar	03	3
3.	Mr. Maddi Venkateswara Rao	04	3
4.	Mr. Maddi Ramesh	03	2
5.	Mr. Vadlamani Venkata Subramanya Ravi	04	3
6.	Mrs. Rallabandi Lakshmi Sarada	04	3
7.	Mr. Lakkaraju Shyam Prasad	04	4

**GENERAL MEETINGS :**

During the Financial Year 2019-20, 43<sup>rd</sup> Annual General Meeting of the Company was held on Tuesday 13<sup>th</sup> August, 2019. Except the 43<sup>rd</sup> Annual General Meeting, no other meeting of the members were held in financial year 2019-20.

Type of Meeting	Date of Meeting	Total No. of members entitled to attend	Attendance	
			No. of members attended	% of total shareholding
Annual General Meeting	13.08.2019	306	14	66.54

**DIRECTORS RESPONSIBILITY STATEMENT :**

In conformity with the provisions under Section 134 (3) (c) which is introduced by the Companies Act, 2013 your directors confirm that:-

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected sound accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**AUDIT COMMITTEE :****(a) BRIEF DESCRIPTION OF TERMS OF REFERENCE :**

The Terms of Reference of this committee cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013, and as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft Auditors' Report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors of any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussion with external auditors, before the audit commences, the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Other matters as assigned/specified by the Board from time to time.
- k. The scope of the Audit Committee also includes matters which are set out in SEBI (LODR) Regulations 2015 and the rules made there under, as amended from time to time.

**(b) COMPOSITION, MEETINGS AND ATTENDANCE DURING THE YEAR :**

As on 31<sup>st</sup> March, 2020, The Audit Committee comprises of Three Independent cum Non-Executive Directors. The committee comprises as follows:

Directors	Chairman/ Member	Category
Mr. Vadlamani Venkata Subramanya Ravi	Chairman	I & N.E.D
Mrs. Rallabhandi Lakshmi Sarada	Member	I & N.E.D
Mr. Lakkaraju Shyama Prasad	Member	I & N.E.D

During the year, the Audit Committee was constituted under Section 177 of the Companies Act, 2013 and its meetings were held four times during the year ended March 31, 2020.

**Audit Committee Meetings**

S. No	Date of meeting	Total Number of Directors as on the date of meeting	Number of Directors attended
1.	22.05.2019	03	2
2.	12.08.2019	03	3
3.	12.11.2019	03	2
4.	11.02.2020	03	2

**Attendance of Audit Committee Members**

S. No	Name of the Director	No of Meetings which were entitled to attend	No. of Meetings Attended
1.	Mr. Vadlamani Venkata Subramanya Ravi	04	3
2.	Mrs. Rallabhandi Lakshmi Sarada	04	3
3.	Mr. Lakkaraju Shyama Prasad	04	3

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2020, the Board consists of six members, three of whom are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board is recommended by the Nomination and Remuneration Committee. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.



**NOMINATION AND REMUNERATION COMMITTEE :****(a) TERMS OF REFERENCE :**

The Company had constituted the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013. The scope of the Committee also includes matters which are set out in SEBI (LODR) Regulations, 2015 and the rules made there under, as amended from time to time. The broad terms of reference are to determine and recommend to Board, appraisal of the performance of the Managing Directors/Whole-time Directors and to determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Director and to recommend to the Board appointment/reappointment and removal of Directors. To frame criteria for determining qualifications, positive attributes and Independence of Directors and to create an evaluation framework for Independent Directors and the Board.

**(b) COMPOSITION, MEETINGS AND ATTENDANCE DURING THE YEAR :**

The Nomination and Remuneration Committee comprises of total three Non-Executive Directors cum Independent Directors and it meets twice in a year.

The committee comprises as follows:

Directors	Chairman/ Member	Category
Mr. Vadlamani Venkata Subramanya Ravi	Chairman	I & N.E.D
Mrs. Rallabhandi Lakshmi Sarada	Member	I & N.E.D
Mr. Lakkaraju Shyama Prasad	Member	I & N.E.D

The Committee held two meetings during the year ended March 31, 2020.

**Nomination and Remuneration Committee meetings**

S. No	Date of meeting	Total Number of directors as on the date of meeting	Number of directors attended
1.	12.08.2019	03	3
2.	11.02.2020	03	2

**Attendance of Nomination and Remuneration Committee meetings**

S. No	Name of the Director	No of Meetings which were entitled to attend	No. of Meetings Attended
1.	Mr. Vadlamani Venkata Subramanya Ravi	02	1
2.	Mrs. Rallabhandi Lakshmi Sarada	02	2
3.	Mr. Lakkaraju Shyama Prasad	02	2

**(c) SELECTION AND EVALUATION OF DIRECTORS :**

The Board has based on recommendations of the Nomination and Remuneration Committee, laid down following policies:

1. Policy for Determining Qualifications, Positive Attributes and Independence of a Director
2. Policy for Board & Independent Directors' Evaluation

**(d) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS :**

Based on the criteria laid down in the Policy for evaluation of Board and Independent Directors, the Board carried out the annual performance evaluation of Board Committees and the Independent Directors, whereas at a separate meeting, Independent Directors evaluated the performance of Executive Directors, Board as a whole and of the Chairman. Nomination and Remuneration Committee also evaluated individual directors' performance.

- i) As per the said Policy, evaluation criteria for evaluation Board inter alia covers: Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic road map for the Company & annual plans; growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory compliances and discharging its duties / responsibilities towards all stakeholders; Identification, monitoring & mitigation of significant corporate risks; composition of various committees, laying down terms of reference and reviewing committee's working etc.
- ii) Performance evaluation criteria for Executive Directors inter alia include: level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans; effectiveness towards ensuring statutory compliances; discharging duties/responsibilities towards all stakeholders; reviewing/monitoring Executive management performance, adherence to ethical standards of integrity & probity; employment of strategic perception and business acumen in critical matters etc.
- iii) Performance of Independent Directors is evaluated based on: objectivity & constructivity while exercising duties; providing independent judgment on strategy, performance, risk management and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interests of all stakeholders, particularly minority shareholders; upholding ethical standards of integrity & probity; updating knowledge of the Company & its external environment etc.,
- iv) Committees of the Board are evaluated for their performance based on: effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of Committee's powers as per terms of reference, periodicity of meetings, attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under committee's purview etc.,

**(e) REMUNERATION POLICY FOR DIRECTORS :**

The Committee has formulated Policy for Remuneration of Directors, Key Management Personnel and other employees. As per the Policy, remuneration to Non-executive Independent Directors include:

- a. Sitting Fees for attending meetings of the Board as well as Committees of the Board as decided by the Board within the limits prescribed under the Companies Act.
- b. Travelling and other expenses they incur for attending to the Company's affairs, including attending Committee and Board Meetings of the Company.

• **REMUNERATION TO EXECUTIVE DIRECTORS :**

The appointment and remuneration of Executive Directors including Managing Director, Joint Managing Director and Whole Time Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Whole Time Director, comprises of salary, perquisites, allowances and other retirement benefits as approved by the shareholders at the General Meetings of the Company.

• **REMUNERATION TO NON-EXECUTIVE DIRECTORS :**

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non- Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

**REPORT ON CORPORATE GOVERNANCE :**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report with auditors' certificate thereon shall not be mandatory for the Company.

**VIGIL MECHANISM :**

The Company has set up vigil mechanism to enable the employees and Directors to report genuine concerns and irregularities, if any in the Company, noticed by them. The Whistle Blower Policy/ vigil mechanism (as amended) has been posted on the Website of the Company ([www.capol.in](http://www.capol.in) & [www.mlgroup.com](http://www.mlgroup.com))

**PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186 :**

There were no Loans, Guarantees, Investments and securities given/made/provided by the Company during the Year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

All related party transactions that were entered during the financial year were on at arm's length basis and were in the ordinary course of business. There are no related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required and the Details of Transactions with the related parties were mentioned in the Notes forming part of the Accounts.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY :**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**AMOUNTS TRANSFERRED TO RESERVES :**

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review

**DIVIDEND :**

The management do not recommend any dividend for the year ending March, 31<sup>st</sup> 2020 in view of the low earnings made by the Company.

**CHANGES IN SHARE CAPITAL :**

During the current year, there has been no change occurred in the capital Structure of the company.

**AUDITORS :****i. STATUTORY AUDITORS :**

M/s. NATARAJA IYER & CO., Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 11<sup>th</sup> August, 2017, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The Report given by the Auditors on the financial statement of the Company is part of this Report.

The Statutory Auditor's report does not make any qualification, reservation or adverse remark or disclaimer in his report

**ii. SECRETARIAL AUDITORS :**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has engaged services of M/s. K. Srinivasa Rao & Co, Company Secretaries in Practice, Guntur to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020. The detailed reports on the Secretarial Standards and Secretarial Audit in Form MR- 3 are appended as an Annexure III to this Report. There were no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company.

**iii. COST AUDITORS :**

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada to conduct Cost Audit relating of the Company for the year ending 31st March, 2021. The Company has received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder

Members are requested to consider the ratification of the remuneration payable to M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada as has been set out in the Notice of the 44<sup>th</sup> AGM of the Company.

**MAINTENANCE OF COST RECORDS :**

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records

**COST AUDIT :**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, Cost Audit is Applicable to the company for the financial year 2019-20. M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada has carried cost audit of the company for the financial year 2019-20.

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE COST AUDITOR IN HIS REPORT :**

The Cost Auditor's report for the year ended 31.03.2020 does not make any qualification, reservation or adverse remark or disclaimer in his report

**REPORTING OF FRAUDS BY AUDITORS :**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT :**

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year 31.03.2020 to which the financial statements relate and the date of this Report.

**CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 is given herein and forms part of the Board's Report (Annexure – II).

**PARTICULARS OF EMPLOYEES :**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report in Annexure -IV. There were no employees in the Company as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**HUMAN RESOURCE :**

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in-house training programs to develop leadership as well as technical/functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

The provisions of section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

**RISK MANAGEMENT :**

During the year, According to the Section 134 (3) (n) of the Act, the company had laid down a policy for management of risk. The risk management framework defines the risk management approach of the Company and also includes the periodical review of such risks. The board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

**INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK :**

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

The Internal Control System of the Company has been designed to provide for:

- ❖ Accurate recording of transactions with internal checks and prompt reporting.
- ❖ Adherence to applicable Accounting Standards and Policies.
- ❖ Compliance with applicable statutes, policies and management policies and procedures.
- ❖ Effective use of resources and safeguarding of assets.

The Company has appointed Mr. P.L. Ranganadh and Mr. V.H. Gupta , as Internal Auditors of the Company. The Audit Committee in consultation with the Internal Auditors formulates the Scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carryout audit, covering inter alia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. The internal auditors have expressed that the internal control system in the Company is effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

**DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :**

Your directors confirm that the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Your directors confirmed that the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year Company has not received any complaint of harassment.

**UNSECURED LOANS RECEIVED FROM DIRECTORS DURING THE YEAR 2019-20 :**

During the year 2019-20, the Company has received the following loans from the following Directors.

S.No	Name of the Director	Amount Received during the year
1.	Maddi Ramesh	Nil

**PUBLIC DEPOSITS :**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**REGISTRAR'S AND SHARE TRANSFER AGENTS :**

Registrar and Share Transfer Agents of the Company are M/s Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082.

**SECRETARIAL STANDARDS :**

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

**TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF :**

Pursuant to the provisions of section 124 of the Companies Act, 2013, the declared dividends which remained un paid or unclaimed for a period of seven years, have been transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF.

Dividend Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2012-13	05-08-2013	06-09-2020
2013-14	11-08-2014	12-09-2021
2015-16	10-08-2016	11-09-2023

**APPRECIATIONS AND ACKNOWLEDGEMENTS :**

Your Directors wish to express their grateful appreciation for the continued co-operation received from Canara Bank, Financial Institutions, Stock Exchanges, Government Authorities, Customers, Vendors and Stakeholders during the year under review.

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

By Order of the Board of Directors

Sd/-

(Meadem Sekhar)

Whole Time Director & CEO  
(DIN: 02051004)

Place : CHILAKALURIPET

Date : June 30, 2020.

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>for financial year ended on 31.03.2020</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS :**

i	CIN	L15143TG1975PLC001967
ii	Registration Date	12/12/1975
iii	Name of the Company	Coromandel agro products and oils limited
iv	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
v	Address of the Registered office & contact details	12-B, SKYLARK APARTMENTS, BASHEERBAGH, HYDERABAD, Telangana, India-500029. Email: capol@mlgroup.com, Website : www.capol.in & www.mlgroup.com
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED 306,3rd Floor, Right Wing, Amrutha Ville, Opp.Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500082. (CIN U99999MH1994PTC076534)

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company

Sl No	Name & Description of main products/services	NIC Code of the Product /service	Rs.	% to total turnover of the company
1	Cotton Seed D.O.C	111	44,05,44,978	44.86
2	Cotton Seed Washed Oil	111	41,74,00,764	42.50
3	Cotton Seed Hulls	111	9,93,49,529	10.12

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES : NIL**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NA	NA	NA	NA	NA	NA

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity) :****(i) Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS :</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1,68,773	-	1,68,773	21.36	2,02,273	-	2,02,273	25.60	4.24
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	3,74,663	-	3,74,663	47.43	3,74,663	-	3,74,663	47.43	-
d) Bank/FIIS	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>5,43,436</b>	<b>-</b>	<b>5,43,436</b>	<b>68.79</b>	<b>5,76,936</b>	<b>-</b>	<b>5,76,936</b>	<b>73.03</b>	<b>4.24</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>5,43,436</b>	<b>-</b>	<b>5,43,436</b>	<b>68.79</b>	<b>5,76,936</b>	<b>-</b>	<b>5,76,936</b>	<b>73.03</b>	<b>4.24</b>
<b>B. PUBLIC SHAREHOLDING :</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	1,62,374	1,62,374	20.55	63,249	-	63,249	8.01	- 12.54
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>1,62,374</b>	<b>1,62,374</b>	<b>20.55</b>	<b>63,249</b>	<b>-</b>	<b>63,249</b>	<b>8.01</b>	<b>- 12.54</b>



<b>(2) Non Institutions</b>										
a) Bodies corporates	-	2,050	2,050	0.26	-	2,050	2,050	0.26	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	82,140	82,140	10.40	67,475	80,290	1,47,765	18.70	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	84,190	84,190	10.66	67,475	82,340	1,49,815	18.96	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	2,46,564	2,46,564	31.21	1,30,724	82,340	2,13,064	26.97	-	-
<b>Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	543436	2,46,564	7,90,000	100.00	7,07,660	82,340	7,90,000	100.00	-	-

**(ii) SHARE HOLDING OF PROMOTERS :**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Maddi Lakshmaiah	23685	3.00	-	-	-	-	-3.00
2	Mr. M.Venkateswara Rao	23410	2.96	-	65980	8.35	-	5.39
3	Smt. M.Seetha Devi	18885	2.39	-	-	-	-	-2.39
4	Mr. M.Ramesh	32765	4.15	-	32765	4.15	-	-
5	Smt. M.Soumya	13385	1.69	-	13385	1.69	-	-
6	Kum. M.Sanhita	11335	1.43	-	11335	1.43	-	-
7	Smt. M.Radhika	15104	1.91	-	15104	1.91	-	-
8	Kum. M.Sanjana	15104	1.91	-	15104	1.91	-	-
9	Smt. M.Lalitha	15100	1.91	-	48600	6.15	-	4.24
10	M/s.Maddi Lakshmaiah & Co., Ltd.	153763	19.46	-	153763	19.46	-	-
11	M/s. K.S.Subbaiah Pillai & Co (India) Ltd.,	120900	15.30	-	120900	15.30	-	-
12	M/s. ML Agro Products Ltd.,	100000	12.66	-	100000	12.66	-	-
	Total	543436	68.79	-	576936	73.03	-	4.24

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE) :**

Sl. No.		Share holding Pattern	
		No. of Shares	% of total shares of the company
	At the beginning of the year	543436	68.79
	At the end of the year	576936	73.03

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) :

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>ICICI Bank Limited</b>				
	At the beginning of the year	49,563	6.27	49,563	6.27
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	49,563	6.27	49,563	6.27
<b>2</b>	<b>Nooney Mallikarjuna Swamy</b>				
	At the beginning of the year	36,500	4.62	36,500	4.62
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	36,500	4.62	36,500	4.62
<b>3</b>	<b>Gobbita Hanuma Krishna Sai</b>				
	At the beginning of the year	31,625	4.00	31,625	4.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	31,625	4.00	31,625	4.00
<b>4</b>	<b>Canara Bank, Bangalore</b>				
	At the beginning of the year	13,686	1.73	13,686	1.73
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	13,686	1.73	13,686	1.73
<b>5</b>	<b>P.M.Mohan Rao</b>				
	At the beginning of the year	7,510	0.95	7,510	0.95
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	7,510	0.95	7,510	0.95

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
<b>6</b>	<b>T.Mastan Reddy</b>				
	At the beginning of the year	7,000	0.89	7,000	0.89
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	7,000	0.89	7,000	0.89
<b>7</b>	<b>A.V.Badve</b>				
	At the beginning of the year	5,110	0.65	5,110	0.65
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	5,110	0.65	5,110	0.65
<b>8</b>	<b>Mrs. Surekha Anand Badve</b>				
	At the beginning of the year	5,010	0.63	5,010	0.63
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	5,010	0.63	5,010	0.63
<b>9</b>	<b>Smt.P.sucharitha Mohan Rao</b>				
	At the beginning of the year	5,010	0.63	5,010	0.63
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	5,010	0.63	5,010	0.63
<b>10</b>	<b>K.Satyanarayana</b>				
	At the beginning of the year	2,650	0.34	2,650	0.34
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2,650	0.34	2,650	0.34

## (v) Shareholding of Directors &amp; KMP :

Sl. No	Shareholding of Each Director & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
<b>1</b>	<b>M.LAKSHMAIAH</b>				
	At the beginning of the year	23,685	3.00	-	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	23,685	3.00	-	0.00
<b>2</b>	<b>M.VENKATESWARA RAO</b>				
	At the beginning of the year	23,410	2.96	65,980	8.35
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	23,410	2.96	65,980	8.35
<b>3</b>	<b>M.RAMESH</b>				
	At the beginning of the year	32,765	4.15	32,765	4.15
	Date wise increase/decrease in Promoters Share holding during the year: purchase of 50 shares on 13.11.2017 through transfer of shares by way of market sale from Kanakaiah Nallamalli	-	-	-	-
	<b>At the end of the year</b>	32,765	4.15	32,765	4.15
<b>4</b>	<b>K.SATYANARAYANA</b>				
	At the beginning of the year	2,650	0.34	2,650	0.34
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	2,650	0.34	2,650	0.34
<b>5</b>	<b>VADLAMANI VENKATA SUBRAMANYA RAVI</b>				
	At the beginning of the year	51	0.00	51	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	51	0.00	51	0.00
<b>6</b>	<b>RALLABHANDI LAKSHMI SARADA</b>				
	At the beginning of the year	-	0.00	-	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	-	0.00	-	0.00
<b>7</b>	<b>LAKKARAJU SHYAMA PRASAD</b>				
	At the beginning of the year	-	0.00	-	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	-	0.00	-	0.00
<b>8</b>	<b>K.RAMYA</b>				
	At the beginning of the year	-	0.00	-	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	-	0.00	-	0.00
<b>9</b>	<b>Meadem Sekhar</b>				
	At the beginning of the year	-	0.00	-	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	<b>At the end of the year</b>	-	0.00	-	0.00

**V INDEBTEDNESS :**

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	16,37,03,539	3,36,91,842	-	19,73,95,381
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	16,37,03,539	3,36,91,842	-	19,73,95,381
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	8,02,02,158	-	-	8,02,02,158
<b>Net Change</b>	-8,02,02,158	-	-	-8,02,02,158
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,35,01,381	3,36,91,842	-	11,71,93,223
ii) Interest due but not paid	-	2729040	-	2729040
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	8,35,01,381	3,64,20,882	-	11,99,22,263

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :****A. Remuneration to Managing Director, Whole time director :**

<b>Sl. No</b>	<b>Particulars of Remuneration</b>			
	<b>Gross salary</b>	<b>M.RAMESH Managing Director</b>	<b>MEADEM SEKHAR WTD &amp; CEO</b>	<b>Total Amount</b>
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,61,290	15,43,548	18,04,838
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	3,600	-	3,600
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others	4,000	-	4,000
	<b>Total (A)</b>	2,68,890	15,43,548	18,12,438
	<b>Ceiling as per the Act</b>			

**B. Remuneration to other directors :**

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount
		M.Lakshmaiah	M.V.R.	M.Ramesh	V.V.S.Ravi	R.L.S.	L.S.Prasad	
1	Independent Directors							
	(a) Fee for attending board and committee meetings	-	-	-	10,000	12,000	14,000	36,000
	(b) Commission	-	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	10,000	12,000	14,000	36,000
2	Other Non Executive Directors							
	(a) Fee for attending board and committee meetings	4,000	6,000	4,000				14,000
	(b) Commission	-	-	-	-	-	-	-
	(c ) Others, please specify.	-	-	-	-	-	-	-
	<b>Total (2)</b>	4,000	6,000	4,000	-	-	-	14,000
	<b>Total (B)=(1+2)</b>	4,000	6,000	4,000	10,000	12,000	14,000	50,000
	<b>Total Managerial Remuneration</b>							18,62,438
	<b>Overall Cieling as per the Act.</b>							

**C. Remuneration to Key Managerial Personnel other than MD/WTD :**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,00,000	9,31,392	12,31,392
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	3,00,000	9,31,392	12,31,392

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					

By Order of the Board of Directors

Sd/-  
**(Meadem Sekhar)**  
**Whole time Director & CEO**  
**(DIN:02051004)**

Place : CHILAKALURIPET

Date : June 30, 2020



## ANNEXURE-II TO THE DIRECTOR'S REPORT

## A. CONSERVATION OF ENERGY :

## 1. Energy Conservation Measures taken during the year :

In line with the company's commitment towards conservation of energy, all units continue with their endeavour to make more efficient use of energy through improved operational and maintenance practices. The measures taken in this direction at the unit are as under:

- a) Continuous Conservation of energy is accorded high priority;
- b) Our R&D team continuously reviews ongoing processes;
- c) All manufacturing plants continue their efforts in conserving energy in various forms like energy conservation projects, use of alternate sources & resources, continuous monitoring etc. of energy consumption throughout all plants and curtailing wastages.
- d) Saving in fuel consumption for steam generation from boiler operation;
- e) Eliminating steam leakages in distribution of generated steam;
- f) Employees have been trained in energy conservation measures;

## 2. Impact of Energy Conservation Measures :

The Energy Conservation Measures which were undertaken in the Company have resulted in reduction in power consumption, fuel consumption and improves the overall production performance.

## 3. Total energy consumption and energy consumption per unit of production :

## Form A

(Form for disclosure of particulars with respect to conservation of energy)

## A POWER AND FUEL CONSUMPTION :

Sl.No.	Particulars	2019-20	2018-19
1	Electricity:		
	a) Purchased Units	3284110	3705250
	Total Amount	₹ 24809040	₹ 28179065
	Rate/Unit	₹ 7.55	₹ 7.61
	b) Own Generation		
	I) Through Diesel Generators:		
	Units	217	477
	Units per Ltr. Of diesel Oil	2.89	2.39
	Cost/Unit	₹ 23.36	₹ 12.15
	II) Through Steam Turbine/Generators	NIL	NIL
2	Coal: (Specify quality & where used) Round Coal "C" Grade used in Boiler. Quantity (Tonnes)	NIL	NIL
	Total Cost	₹ NIL	₹ NIL
	Average Cost	₹ NIL	₹ NIL
3	Furnace Oil	NIL	NIL
4	Others/Internal Generation:		
	Rice Husk (Tonnes)	1999.962	2074.440
	Total Cost	₹ 4601023	₹ 5328900
	Average Cost	₹ 2300.56	₹ 2568.84

**B CONSUMPTION PER UNIT OF PRODUCTION :**

Sl.No.	Particulars	2019-20	2018-19
1	ELECTRICITY:		
	Cotton Seed	<b>84.29</b> Units	90.00 Units
2	COAL:		
	Cotton Seed	-	-
3	Furnace Oil	-	-
4	RICE HUSK for Steam Generation:		
	Cotton Seed	<b>51.33</b> Kgs	50.38 Kgs

4. Steps taken by the company for utilising alternate sources of energy: None

5. Capital investment on energy conservation equipment: None

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

Continuous efforts are being made towards technology absorption, adaptation and innovation. Quality being the thrust area, the company has been taking effective steps to continue to improve quality to compete with international quality standards. LED lights are installed in place of regular tube lights in plant to reduce energy consumption.

Installation of Energy Monitoring System for greater accuracy of energy consumption

1. Benefits derived as a result of the above efforts:

Improved capability and productivity to meet the customer requirements.

2. Efforts in brief, made towards Technology absorption, adaptation and innovation:

The Company is continuously taking steps to improve the product and process technology in an effort to provide superior quality and cost effective products to consumers .

3. Imported Technology:

--- None ---

**C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :**

Your Directors wish to inform that the Company has exported **702.900** M.T. of Cotton Linters worth ₹ **97.88** lakhs during the year under review as against 902.870 M.T. worth ₹ 132.45 lakhs in the previous year.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
M/s. Coromandel Agro Products and Oils Limited,  
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Coromandel Agro Products and Oils Limited (hereinafter called the Company) for the financial year ended 31.03.2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(up to 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November,2018): (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(vi). The Company has identified the following laws as specifically applicable to the Company:

1. Food Safety and Standards Act, 2006 and the rules made thereunder;
2. Vegetable Oil Products Production and Availability (Regulation) Order, 2011.

We have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and the Uniform Listing Agreement entered with the said stock exchange pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 01st December, 2015). During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors about the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc., referred to above.

For K. Srinivasa Rao & Co.,  
Company Secretaries.,

Sd/-

**K. Srinivasa Rao, Partner**  
**FCS. No. 5599/ C. P. No: 5178**

**Place : Guntur**  
**Date : 30<sup>th</sup> June, 2020.**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’

To,  
The Members  
M/s. Coromandel Agro Products and Oils Limited  
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For K. Srinivasa Rao & Co.,  
Company Secretaries.,

Place : Guntur  
Date : 30<sup>th</sup> June, 2020.

Sd/-  
**K. Srinivasa Rao, Partner**  
FCS. No. 5599/ C. P. No: 5178

**Annexure - IV TO THE BOARD'S REPORT**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director During the F.Y 2019-20 (Amount In Rs)	Ratio of remuneration of each Director/to median remuneration of employees	Remuneration of Directors During the F.Y 2018-19 (Amount In Rs)	% Increase/(Decrease) in Remuneration in the Financial Year 2019-20
1	Maddi Ramesh Managing Director	2,68,890	2.366	19,83,600	(86.44)
2	Meadem sekhar Whole time Director & CEO	15,43,548	13.580	0.000	0.00
3	Maddi Venkateswara Rao Director	6,000	0.053	2,000	200.00
4	Maddi Lakshmaiah Chairman	4,000	0.035	8,000	(50.00)
5	V.V.S. Ravi Director	10,000	0.088	7,000	42.86
6	L.Shyam Prasad Director	14,000	0.123	15,000	(6.67)
7	R.Lakshmi Sarada Women Director	12,000	0.106	15,000	(20.00)

- i) The Median Remuneration of Employees of the Company during the Financial Year was Rs. 1,13,664.
- ii) There were 158 permanent employees on the rolls of the Company as on 31st March, 2020.
- iii) There were no employees in the Company as per Rule 5(2) of Chapter XIII, the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- iv) In the Financial Year 2019-20, There was a decrease of 0.97% in the median Remuneration of employees.
- v) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- vi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE V TO THE DIRECTORS' REPORT****MANAGEMENT DISCUSSION AND ANALYSIS :**

1. This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

**(a) INDUSTRY STRUCTURE AND DEVELOPMENTS :**

The Edible Oil market is likely to witness a stable growth rate over the forecast period driven by growing demand from emerging markets. Increasing family disposable incomes, rising urbanisation rates, changing dietary habits along with strengthening buyer power will support the Edible Oil market growth between 2020 and 2026.

Considering the rapidly changing market landscape, companies are changing their perspectives on expanding beyond traditional markets. In addition to focusing on widening applications, introducing new product portfolios, most food and beverage companies are planning to capture domestic and international markets.

Challenges related to distribution channels, intense competition, pricing issues and shifting consumer preferences will continue to put pressure on vendors' profit margins.

The retail segment is anticipated to boost the trades of edible oils owing to reputable chain of retail outlets and sturdy supply chain of edible oil products. Vegetable oil usage has elevated in developing nations owing to surging retail sector, rising requirement from growing population, and increment in the general household revenue. In addition to this, makers of edible oils are accepting enhances techniques of processing to provide affordable and healthier oil.

The global market for edible oil is expected to see a considerable development due to rising consumer health concerns towards the high prevalence of coronary heart deceases, diabetes, obesity etc., are primarily driving the demand for healthy edible oil. In the forthcoming years, vegetable oils with low fat, cholesterol, and calories are expected to receive huge reply owing to increasing awareness of health amongst users all over the world. Apart from this, foremost enhancement in retail network, rising economies, and increasing oil production & crop yields are few of the well-known reasons backing the development of the global market. In addition to this, rising fame of trans-fat free soybean oil & canola oil as well as promising preference for olive oil will boost the global edible oil market. Additionally, altering dietary habits, improving living standards, and increasing user preference for healthy edible oil are supporting the development of the global market.

**(b) OPPORTUNITIES AND THREATS :**

Demand for edible oils in the domestic market is great and one of the trends emerging in the market that will have a positive impact on the growth of the market up to pre-Covid -19 pandemic. But the Covid-19 Pandemic have influenced negatively on the consumption of Edible oils. Fluctuating price of raw material, restrictions on exports and imprts imposed due to Covid-19 restictions and guidelines imposed by WTO are the major challenges in the market. The fluctuation in the price is also due to various reasons such as environmental factors, crop diseases, and others. A fluctuation in the price of raw materials may have an adverse impact on the growth of the market during the forecast period.

**(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :**

Presently the company has dealing in segments of seed processing and Wind turbine generators.

**Seed Processing :** The overall performance of the company is better in spite of low yielding Cotton Seed (main raw material) and onslaught of COVID-19. Because of heavy rains in cotton growing areas and delayed procurement, the company could start production from 1st November 2019, which was delayed by 15 days, and recoveries from processed seed of 38965 MT (41176 MT in the previous year), were low compared to the last year. Only respite for the company was it could get better average sale prices for all the products except for linters. The demand for linters did not pick-up as Chinese market is still suffering with heavy recession.

Because of high prices of Cotton Seed and low yields, a discriminatory approach was adopted by the company in procurement calibrating sale prices and production costs. This approach made the company to sell almost all processed products during the year itself, except linters and leaving a little inventory for unseasonal months. The company achieved a turnover of Rs.9820.75 lakhs as against Rs. 9560.87 lakhs in the previous year. The gross profit before taxes was Rs.60.09 lakhs as against Rs. 28.76 lakhs and due to adjustment of differed tax liabilities net profit for the period under review was Rs.38.14 lakhs against Rs.82.78 lakhs during the last year.

The procurement of Cotton Seed during COVID-19 lockdown and later became herculean task because of low volumes and unviable prices. This has led to shutdown of the factory in May 2020 itself.

**Wind Turbine Generators :** The power projects in Tamil Nadu and Gujarat did not do well due to changed wind patterns and generated low income of Rs. 73.56 lakhs compared to Rs. 82.95 lakhs during the previous year.

**OUTLOOK :**

Edible oil market in India is projected to grow from around \$ 21.5 billion in 2019 to \$ 35.2 billion by 2025 due to increasing disposable income and rising consumer awareness about healthy lifestyle & wellness. Moreover, strong marketing activities by leading edible oil brands, changing tastes and preferences of consumers, expanding population, and shifting consumption pattern towards branded oils is leading to rising consumption of edible oils in the country. Surging penetration of processed foods is expected to continue driving consumption of edible oils in the country. West India dominated the country's edible oil market in 2019, and the region is expected to maintain its dominance during the forecast period. East and West regions also account for a significant market share, with the South region grabbing the smallest market pie.

Because of current stagnant domestic vegetable oil supplies, vegetable oil import volumes will continue to fill the majority of the supply-and demand gap over the next decade. However, vegetable oil consumption growth has been putting a lot of pressure on India's trade balance and budget due to the high dependence on imports. The Indian government might need to step up its efforts to increase domestic oilseed production or pursue other options, such as opening up to imports of GM oilseeds in order to cater to the country's rising vegetable oil demand. The favourable consumer dynamics of Indian market like rising disposable incomes, escalating population, urbanization and fast growing health consciousness among Indian population has kept the industry at high pedestrian. All these factors will be the growth benefactors of edible oils in the near future. Also, although Indian per capita consumption of edible oils is on the rise, yet we still lag behind the developed nations of the world which construes as a massive opportunity for edible oil players



**(d) RISKS AND CONCERNS :**

Owing to high import dependence, the edible oil prices in India are directly correlated to international oil price movements and currency movements that make profitability vulnerable to unexpected fluctuations. The domestic edible oil prices are directly linked to the prices of imported palm and soybean oil due to heavy reliance on imports and their substitutability with other oil varieties. While mustard oil is almost entirely produced within the country, soya bean oil is imported in significant quantities, Palm oil is almost entirely imported in crude form (for refining in port-based refineries) as well as in refined form. Given the high volatility in international edible oil prices and restriction on exports and imports due to Covid-19 virus, the domestic participants are exposed to the risk of unexpected squeeze on margins because of mismatch between the prices of raw materials and final products (which are both linked to domestic factors as well as global ones). Due to implementation of Covid-19 Lock Down's it impacted negatively on Production.

Your Company continues to place a strong emphasis on the risk management and has successfully introduced and adopted various measures for hedging the price fluctuations in order to minimize its impact on profitability. Also, your Company has initiated setting-up of a framework to upgrade itself to a robust risk management system. The key determinants of business risk profile of the company are their ability to overcome the regulatory risk and agro-climatic conditions. Other operational factors include operating efficiency, product diversity, market position, and ability to secure raw material as well as the commodity price and forex-risk management systems.

Thus, your Directors are optimistic in utilizing the production capacities and to overcome the post COVID-19 pandemic, to ensure better working results in the ensuing years.

**(e) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Company has well-established processes and defined the roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorization guidelines commensurate with the level of responsibility specific to the respective businesses. Adherence to these processes is ensured through frequent internal audits. The internal audits conducted are reviewed by the Audit Committee and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information which ensures that all transactions are properly reported and classified in the financial records.

**(f) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**

Cotton Seed is being processed on scientific basis and producing Edible Oil, De-oiled cake, Hulls and Linters. The Operational revenue of the company for the period under review increased to ₹ 9820.75 Lakhs as compared to ₹ 9560.87 Lakhs registering a growth rate of 2.72% on an annualized basis. The profit before Tax for the financial year under report was ₹ 60.09 Lakhs as against ₹ 28.76 Lakhs profit in the previous year.

**(g) CAUTIONARY STATEMENT :**

Statements in the Boards' Report and Management Discussion and Analysis describing the Companies objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include, among others, economic conditions effecting demand / supply and price

conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

## 2. DISCLOSURE OF ACCOUNTING TREATMENT :

Where in the preparation of financial statements, during the year there was no different treatment from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements.

## OTHER KEY FINANCIAL INDICATORS :

<b>Ratios</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Change</b>	<b>% Change</b>
Debtors Turnover *	17.82	15.94	1.88	11.80%
Inventory Turnover *	8.42	5.36	3.06	57.20%
Interest Coverage Ratio **	2.80	2.01	0.79	39.11%
Current Ratio	1.51	1.24	0.27	21.73%
Debt Equity Ratio ^	0.37	0.35	0.02	6.63%
Operating Profit Margin (%) **	0.44	0.11	0.33	307.47%
Net Profit Margin (%) ^^	0.39	0.87	(-) 0.48	(-) 55.15%
Return on Net Worth ^^	3.34	7.50	(-) 4.16	(-) 55.47%

Notes: \*Increase in Debtors and Inventory turnover were primarily on account of quick liquidation of stocks during the year in proportion to the turnover of the company in FY 2019-20. \*\*The increase in Interest Coverage Ratio, Operating Profit Margins are improved primarily due to increase in processing volume, reasonable prices prevailed for raw materials and thereby the Company made Net Profit made by the Company during the year. ^As the Company is not having much debt, Debt Equity ratio is almost the same even in 2019-20. ^^Change in net profit margin and Return on Net Worth is because of the income-tax adjustments made against the profits earned in the year.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Coromandel Agro Products and Oils Limited**

**Report on Audit of the Standalone Financial Statements****Opinion**

1. We have audited the standalone financial statements of Coromandel Agro Products and Oils Limited (the Company), which comprise the Balance Sheet as at 31 March 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year then ended.

**Emphasis of matter**

Without qualifying our opinion, we bring to your attention to the following:

1. Due to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till May 17, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the Company's location and to rely on alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).
2. As a result of the above, the entire statutory audit of the Company has been carried out based on remote access of the data as provided by the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit of Company under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the General Manager / Chief Financial Officer of the Company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.
3. If we have carried out the audit physically at the Company location, we might have been able to verify further sufficient appropriate audit evidence regarding the documentation records supporting the transactions.
4. The Company has, based on current information available and based on the controls on information systems established for remote access of data for preparation of the financial statements for the year ended March 31, 2020 represented that all documentation records in respect of the transactions are being maintained properly and no further impact is expected on the financial performance of the Company for the year ended March 31, 2020 other than those included in the trial balance of the Company.
5. The financial performance of the Company has been thus prepared and presented by the company and audited by us in the aforesaid conditions.
6. We have also considered the disclaimers given in our report on Internal Financial Controls over Financial Reporting and our comments on matters referred in Company Auditors Report order 2016 in determining the nature, timing and extent of audit procedures applied in our audit of the Standalone financial statements of the company and the disclaimer does not affect our opinion on the standalone financial statements of the company.
7. We draw attention to Note 2.40 to the standalone financial statements for the year ended March 31, 2020, which describes the uncertainties and the management's assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations and financial position of the Company, In view of the highly uncertain economic environment, a definitive

assessment of the aforesaid impact in the subsequent periods is dependent upon circumstances as they evolve. Our conclusion is not modified in this matter.

### **Basis of Our Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate read with disclaimer made under Emphasis of matter to provide a basis for our opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit Matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters depending on the facts and circumstances of the entity and the audit performed that there are no key audit matters to communicate as there are no significant audit judgements relating to areas in the Standalone financial statements that involved significant management judgement including accounting estimates that have been identified as having high estimation and uncertainty.

### **Information Other than the Standalone Financial Statements and Auditors' Report thereon.**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and analysis and Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the standalone financial statements**

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity, cash flows of the Company in accordance with the Indian Accounting Standards ('Ind AS') and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

6. Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of the internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of the management's use the going concern basis of accounting and, based on the audit evidences obtained, whether any material uncertainty exists related to the events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained, read with disclaimer made under Emphasis of matter, all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) with respect to the matters to be included in the Auditor's Report under section 197(16) of the Act as amended.
  - h) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
  - i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i) the company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note No.2.30 to the standalone financial statements.
    - ii) the Company has no long-term contract including derivative contracts requiring disclosure of material foreseeable losses;
    - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For NATARAJA IYER & CO.  
CHARTERED ACCOUNTANTS  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
PARTNER  
ICAI Membership No. 013924

Place : Hyderabad  
Date : 30.06.2020

**Annexure A to the Independent Auditor's Report of even date to the members of Coromandel Agro Products and Oils Limited on the standalone financial statements for the year ended 31st March 2020.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the information examined by us in the course of audit, and to the best of our knowledge and belief and in light of the matters stated in the Emphasis of Matter Paragraph. we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, Plant and Equipment..
- b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which these assets are verified in a phased manner over a reasonable period of years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However as informed during the year no physical verification of Property, Plant and Equipment was conducted as per phased programme due to covid 19 lockdown.
- c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') in the standalone financial statements are held in the name of the Company.

In respect of immovable properties taken on lease and disclosed as Property, Plant and Equipment in the standalone financial statements, the lease agreements are in the name of the company

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification.
- (iii) According to the information and explanation given to us, the company has not granted any loans, whether secured or unsecured, to the companies, firms or other parties covered in the Register maintained u/s. Sec. 189 of the Companies Act, 2013 during the year. Hence sub clauses (a) and (b) of clause 3(iii) of the order are not applicable to the company for the year.
- (iv) According to the information and explanation given to us, the company has not given any loans, investments, guarantees, and security, in terms of provisions of section 185 and 186 of the Companies Act, 2013, and hence the sub-clause (iv) is not applicable to the company for the year.
- (v) The Company has not accepted any deposits during the year and hence, in our opinion, the sub-clause (v) is not applicable to the company for the year.
- (vi) As informed, the Company has made and maintained cost records and accounts as specified by the Central Government under Section 148 of the Companies Act, 2013. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate / complete.
- (vii) (a) The company is generally regular in depositing the undisputed statutory dues including employees provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, Cess with the appropriate authorities;  
According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, Employees' State Insurance, Income-tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues, were in arrears as at 31<sup>st</sup> March, 2020, for a period of more than six months from the date they became payable.
- (b) The net dues outstanding in respect of duty of excise and service tax on account of dispute are as follows:

Period	Forum where pending	Cess No.	Total Demand	Paid
01.11.2007 to 01.04.2008	CESTAT, SOUTHERN ZONE BENCH	CESTAT APPEAL NO. ST/1587/2010 dt 05.08.2010	Refund	to be received
01.05.2008 to 31.11.2008		CESTAT APPEAL NO. ST/1383/2010 dt 27.07.2010	3,14,152	3,14,152
01.03.2009 to 30.09.2009		CESTAT APPEAL NO. ST/2796/2011 dt 17.01.2012	4,01,327	NIL
01.01.2012 to 31.03.2012		CESTAT APPEAL MISC ORDER NO. 21180/2015 dt 27.07.2015	4,27,622	2,13,811
01.03.2011 to 28.02.2012		CESTAT NO. E/21557/2014-DB	Refund	to be received

- (viii) The Company has not defaulted in repayment of loans or borrowings to banks. The Company has no loans or borrowings payable to government and does not have any outstanding debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company as per section 406 of the Companies Act, 2013 and hence the sub-clause (xii) is not applicable to the company.
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the standalone Financial Statements to the extent applicable.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the sub-clause (xiv) is not applicable to the company for the year.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them with regard to the provision of section 192. Hence the sub-clause (xv) is not applicable to the company for the year.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, this clause is not applicable to this company.

For NATARAJA IYER & CO.  
CHARTERED ACCOUNTANTS  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
PARTNER

ICAI Membership No. 013924

Place : Hyderabad  
Date : 30.06.2020



**Annexure B to the Independent Auditors' Report of even date to the members of Coromandel Agro Products and Oils Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2020**

**Independent Auditors' Report on the Internal Financial Controls Under Clause (i) of Sub-Section 3 of Section 143 of the Act :**

In conjunction with our audit of the standalone financial statements of Coromandel Agro Products and Oils Limited (the Company) for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of the company as of that date.

**Basis for disclaimer**

As explained vividly in the Emphasis of Matters paragraph, we are unable to obtain sufficient appropriate audit evidence to verify the existence of internal financial controls over the financial reporting and whether they are operating effectively.

**Disclaimer of Opinion**

In our opinion and according to the information and explanations given to us and based on the matters specified in the Basis for Disclaimer Paragraph above, we are unable to express our opinion on the existence of internal financial controls over the financial reporting and their operative effectiveness compliance for the year ended March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

We have considered the above disclaimers in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statements of the company and the disclaimer does not affect our opinion on the Standalone financial statements of the company

**Management's Responsibility For Internal Financial Controls:**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and a guidance note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate, read with disclaimer made as above to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting:**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting include those policies and procedures that:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of Internal financial controls over financial reporting , including the possibility of collusion or improper management override of controls, material misstatements due to error of fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, the Company, in all material respects, read with basis for disclaimer has, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (ICAI).

For NATARAJA IYER & CO.  
CHARTERED ACCOUNTANTS  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
PARTNER

ICAI Membership No. 013924

Place : Hyderabad  
Date : 30.06.2020

(Rupees)

Particulars	Note	As at	
		31st March, 2020	31st March, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2.1	8,12,35,312	8,85,80,973
(b) Financial Assets			
(i) Investments	2.2	850	850
(c) Other non-current assets	2.3	1,22,19,703	1,21,86,468
<b>Total Non-Current Assets</b>		<b>9,34,55,865</b>	<b>10,07,68,291</b>
<b>(2) Current assets</b>			
(a) Inventories	2.4	11,66,34,766	17,85,01,746
(b) Financial Assets			
(i) Trade receivables	2.5	5,50,96,622	5,99,68,152
(ii) Cash and cash equivalents	2.6	1,80,773	2,62,454
(iii) Other Bank balances	2.7	1,42,337	1,42,337
(c) Current Tax Assets (Net)	2.8	13,70,985	8,04,792
(d) Other current assets	2.9	1,32,12,123	67,87,882
<b>Total Current Assets</b>		<b>18,66,37,606</b>	<b>24,64,67,363</b>
<b>Total Assets</b>		<b>28,00,93,471</b>	<b>34,72,35,654</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	2.10	79,00,000	79,00,000
(b) Other Equity (Refer SOCE)		10,62,27,966	10,24,13,080
<b>Total Equity</b>		<b>11,41,27,966</b>	<b>11,03,13,080</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.11	3,64,20,882	3,36,91,842
(b) Deferred tax liabilities (Net)	2.12	61,93,772	49,37,038
<b>Total Non-Current Liabilities</b>		<b>4,26,14,654</b>	<b>3,86,28,880</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.13	8,35,01,381	16,37,03,539
(ii) Trade payables	2.14	1,99,44,812	1,83,83,055
(iii) Other financial liabilities	2.15	1,42,337	1,42,337
(b) Other current liabilities	2.16	1,97,62,321	1,60,64,763
<b>Total Current Liabilities</b>		<b>12,33,50,851</b>	<b>19,82,93,694</b>
<b>Total Equity and Liabilities</b>		<b>28,00,93,471</b>	<b>34,72,35,654</b>
<b>Significant Accountintg Policies</b>	1		
<b>Notes on Accounts</b>	2		
The accompanying notes are an integral part of financial statements			

For and on behalf of the board

As per our report attached  
for NATARAJA IYER & CO.,  
Chartered Accountants  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
Partner  
M.No : 013924

Sd/-  
(MEADEM SEKHAR)  
Whole Time Director & CEO (Din No. 02051004)

Sd/-  
(MADDI VENKATESWARA RAO)  
Director (Din No.00013393)

Sd/-  
(KOTHURI SATYANARAYANA)  
Chief Financial Officer

Sd/-  
(K. RAMYA)  
Company Secretary

Place : HYDERABAD  
Date : June 30, 2020.

Place : CHILAKALURIPET  
Date : June 30, 2020.

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rupees)

Particulars	Note	For the Year Ended	
		31st March 2020	31st March 2019
Revenue From Operations	2.17	98,20,75,489	95,60,87,691
Other Income	2.18	16,98,231	18,45,907
<b>Total Income</b>		<b>98,37,73,720</b>	<b>95,79,33,598</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.19	81,25,13,938	82,95,16,862
Changes in inventories of Finished Goods	2.20	6,08,26,391	54,12,574
Employee benefits expenses	2.21	1,39,67,590	1,52,99,269
Finance costs	2.22	1,06,71,787	1,66,51,327
Depreciation and amortization expenses	2.23	74,09,754	85,14,333
Other expenses	2.24	7,23,75,231	7,96,62,778
<b>Total expenses</b>		<b>97,77,64,691</b>	<b>95,50,57,143</b>
<b>Profit before tax</b>		<b>60,09,029</b>	<b>28,76,455</b>
<b>Tax Expense:</b>			
(1) Current tax	2.12	9,37,409	5,53,430
(2) Deferred tax	2.12	12,56,734	(59,55,344)
<b>Total Tax Expense</b>		<b>21,94,143</b>	<b>(54,01,914)</b>
<b>Profit after Tax</b>		<b>38,14,886</b>	<b>82,78,369</b>
<b>Other Comprehensive Income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period</b>		<b>38,14,886</b>	<b>82,78,369</b>
<b>Earnings per equity share</b>			
(1) Basic Earnings Per Share (Rs.)	2.25	4.83	10.48
(2) Diluted Earnings Per Share (Rs.)	2.25	4.83	10.48
<b>Significant Accountintg Policies</b>	1		
<b>Notes on Accounts</b>	2		

The accompanying notes are an integral part of financial statements

For and on behalf of the board

As per our report attached  
for NATARAJA IYER & CO.,  
Chartered Accountants  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
Partner  
M.No : 013924

Sd/-  
(MEADEM SEKHAR)  
Whole Time Director & CEO (Din No. 02051004)

Sd/-  
(MADDI VENKATESWARA RAO)  
Director (Din No.00013393)

Sd/-  
(KOTHURI SATYANARAYANA)  
Chief Financial Officer

Sd/-  
(K. RAMYA)  
Company Secretary

Place : HYDERABAD  
Date : June 30, 2020.

Place : CHILAKALURIPET  
Date : June 30, 2020.

## STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2020

## A. CHANGES IN EQUITY SHARE CAPITAL

(Rupees)

Particulars	As at	
	31st March, 2020	31st March, 2019
Outstanding at the beginning	79,00,000	79,00,000
Changes in equity share capital during the year	-	-
<b>Outstanding at the end</b>	<b>79,00,000</b>	<b>79,00,000</b>

## B. CHANGES IN OTHER EQUITY

For the year ended 31st March, 2020

Particulars	Reserves and Surplus					Other Comprehensive Income Actuarial Gain/(Loss) and Revaluation surplus/(deficit)	Total
	Retained Earnings	General Reserve	Capital Reserve	Revaluation Reserve	Capital Redemption Reserve		
As at 1st April, 2019	4,31,74,906	5,33,37,268	51,62,375	-	6,00,000	1,38,531	10,24,13,080
Profit / (Loss) for the Year	38,14,886	-	-	-	-	-	38,14,886
<b>As at 31st March, 2020</b>	<b>4,69,89,792</b>	<b>5,33,37,268</b>	<b>51,62,375</b>	<b>-</b>	<b>6,00,000</b>	<b>1,38,531</b>	<b>10,62,27,966</b>

For and on behalf of the board

As per our report attached  
for NATARAJA IYER & CO.,  
Chartered Accountants  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
Partner  
M.No : 013924

Sd/-  
(MEADEM SEKHAR)  
Whole Time Director & CEO (Din No. 02051004)

Sd/-  
(MADDI VENKATESWARA RAO)  
Director (Din No.00013393)

Sd/-  
(KOTHURI SATYANARAYANA)  
Chief Financial Officer

Sd/-  
(K. RAMYA)  
Company Secretary

Place : **HYDERABAD**  
Date : **June 30, 2020.**

Place : **CHILAKALURIPET**  
Date : **June 30, 2020.**

**2.1 PROPERTY, PLANT AND EQUIPMENT**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2020

(Rupees)

Description of Assets	Gross Carrying Value as at 01.04.2019	Additions during the year	Disposals/ Adjustments during the year	Gross Carrying Value as at 31.03.2020	Accumulated depreciation as at 01.04.2019	Depreciation Adjustment (Refer 2.1.2)	Depreciation for the year	Accumulated depreciation on disposals / adjustments during the year	Accumulated depreciation as at 31.03.2020	Carrying Value as at 31.03.2020	Carrying Value as at 31.03.2019
Land -freehold	44,66,858	-	-	44,66,858	-		-	-	-	44,66,858	44,66,858
Land and site Development - leasehold											
- Oil	10,92,769	-	-	10,92,769	35,462	-	18,880	-	54,342	10,38,427	10,57,307
- WTG	16,25,341	-	-	16,25,341	3,05,710	-	1,19,966	-	4,25,676	11,99,665	13,19,631
Building	1,51,56,049	-	-	1,51,56,049	79,91,570	-	6,43,435	-	86,35,005	65,21,044	71,64,479
Plant and Machinery	3,53,93,903	-	-	3,53,93,903	1,54,69,484	-	28,72,149	-	1,83,41,633	1,70,52,270	1,99,24,419
Wind Turbine Generators	6,39,13,809	-	-	6,39,13,809	1,03,09,692	-	35,32,665	-	1,38,42,357	5,00,71,452	5,36,04,117
Electrical Equipment	500	-	-	500	-	-	-	-	-	500	500
Furniture & Fittings	11,130	-	-	11,130	5,282	-	1,033	-	6,315	4,815	5,848
Laboratory Equipment	200	-	-	200	-	-	-	-	-	200	200
Vehicles	15,31,524	-	18,500	15,13,024	6,58,147	-	1,79,002	11,186	8,25,963	6,87,061	8,73,377
Computers	3,70,895	71,407	-	4,42,302	2,06,658	-	42,624	-	2,49,282	1,93,020	1,64,237
<b>Total</b>	<b>12,35,62,978</b>	<b>71,407</b>	<b>18,500</b>	<b>12,36,15,885</b>	<b>3,49,82,005</b>	<b>-</b>	<b>74,09,754</b>	<b>11,186</b>	<b>4,23,80,573</b>	<b>8,12,35,312</b>	<b>8,85,80,973</b>
Previous year total	12,35,33,525	29,453	-	12,35,62,978	2,03,38,843	61,28,830	85,14,333	-	3,49,82,005	8,85,80,973	-

(Rupees)

Particulars	As At	
	31st March, 2020	31st March, 2019
<b>2.2 INVESTMENTS</b>		
<b>Other investments</b>		
Post office saving certificate (Deposited with District Supply Office)	850	850
<b>Total</b>	<b>850</b>	<b>850</b>
<b>2.3 OTHER NON-CURRENT ASSETS</b>		
Security Deposits (Unsecured, Considered Good)	1,22,19,703	1,21,86,468
<b>Total</b>	<b>1,22,19,703</b>	<b>1,21,86,468</b>
<b>2.4 INVENTORIES</b>		
<b>(At lower of Cost or net realisable value)</b>		
Raw Materials	41,87,944	48,90,214
Finished Goods	8,80,39,782	14,88,66,173
Stores and Spares	2,38,97,012	2,42,40,064
Loose Tools	5,10,028	5,05,295
<b>Total</b>	<b>11,66,34,766</b>	<b>17,85,01,746</b>
<b>2.5 TRADE RECEIVABLES</b>		
Unsecured, considered good	5,50,96,622	5,99,68,152
<b>Total</b>	<b>5,50,96,622</b>	<b>5,99,68,152</b>
<b>2.6 CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks	97,271	63,494
Cash on hand	83,502	1,98,960
<b>Total</b>	<b>1,80,773</b>	<b>2,62,454</b>
<b>2.7 Other Bank Balances</b>		
Earmarked balances with banks - Unpaid/Unclaimed	1,42,337	1,42,337
<b>Total</b>	<b>1,42,337</b>	<b>1,42,337</b>
<b>2.8 Current Tax Assets(Net)</b>		
Advance Tax	20,11,875	11,19,065
TDS Receivable	2,96,519	2,39,157
	23,08,394	13,58,222
Less: Provision for Tax for the year	9,37,409	5,53,430
<b>Total</b>	<b>13,70,985</b>	<b>8,04,792</b>
<b>2.9 OTHER CURRENT ASSETS</b>		
Advances to Suppliers	92,68,465	19,565
Advances for expenses	17,72,898	20,29,431
Advances for others	15,90,448	40,80,125
Others	5,80,312	6,58,761
<b>Total</b>	<b>1,32,12,123</b>	<b>67,87,882</b>

(Rupees)

Particulars	As At	
	31st March, 2020	31st March, 2019
<b>2.10 EQUITY SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares: 14,00,000 (PY 14,00,000) of Rs. 10/- par value	1,40,00,000	1,40,00,000
Preference Shares: 10,000 (PY 10,000) of Rs. 100/- par value	10,00,000	10,00,000
<b>Total</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>
<b>Issued:</b>		
Equity Shares: 8,90,000 (PY 8,90,000) of Rs. 10/- par value	89,00,000	89,00,000
<b>Total</b>	<b>89,00,000</b>	<b>89,00,000</b>
<b>Subscribed and Paid-Up:</b>		
Equity Shares: 7,90,000 (PY 7,90,000) of Rs. 10/- par value	79,00,000	79,00,000
<b>Total</b>	<b>79,00,000</b>	<b>79,00,000</b>

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Equity Shareholder is entitled to one vote per share

**(i) Equity Shareholders holding more than 5% shares:**

Name	31st March, 2020		31st March, 2019	
	Number of	% of	Number of	% of
	Shares held	Shareholding	Shares held	Shareholding
M/s. Maddi Lakshmaiah & Co., Ltd.	1,53,763	19.46	1,53,763	19.46
M/s. K.S.Subbaiah Pillai & Co., (India) Ltd.	1,20,900	15.30	1,20,900	15.30
M/s. M.L. Agro Products Ltd.	1,00,000	12.66	1,00,000	12.66
Industrial Development Bank of India	-	-	99,125	12.55
Mr. Maddi Venkateswara Rao	65,980	8.35	-	-
ICICI Bank Ltd.	49,563	6.27	49,563	6.27
Smt. Maddi Lalitha	48,600	6.15	-	-

**(ii) Reconciliation of the number of shares outstanding and the amount of share capital :**

Description	31st March, 2020		31st March, 2019	
	No. of	Share Capital	No. of	Share Capital
	Shares	in Rs.	Shares	in Rs.
Number of equity shares at the beginning	7,90,000	79,00,000	7,90,000	79,00,000
Movement in equity during the year	-	-	-	-
Number of equity shares at the closing	7,90,000	79,00,000	7,90,000	79,00,000

In the last 5 years, the Company has not :

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in Cash
- allotted any bonus shares,
- bought back its shares.

**PROPOSED DIVIDEND ON EQUITY SHARES NOT RECOGNISED**

Particulars	2019-20	2018-19
Final Dividend	-	-
Dividend Distribution Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



Particulars	(Rupees)	
	As At	
	31st March, 2020	31st March, 2019
<b>2.11 Borrowings</b>		
Loan from Others (Unsecured) - Related Parties	3,64,20,882	3,36,91,842
<b>Total</b>	<b>3,64,20,882</b>	<b>3,36,91,842</b>
<b>2.12 CURRENT TAX AND DEFERRED TAX</b>		
<b>(a) Deferred Tax</b>		
Deferred Tax Liabilities		
– On Property, Plant & Equipment	1,70,83,054	1,85,14,555
– On Business Loss	(98,88,631)	(1,29,60,845)
– On MAT Credit	(9,37,409)	(5,53,430)
– On Provision for Leave encashment	(63,242)	(63,242)
<b>Total</b>	<b>61,93,772</b>	<b>49,37,038</b>
<b>(b) Income Tax recognised in Profit and Loss</b>		
Current Tax	9,37,409	5,53,430
Deferred Tax	12,56,734	(59,55,344)
<b>Total Income Tax expenses</b>	<b>21,94,143</b>	<b>(54,01,914)</b>
<b>(c) Reconciliation of Income Tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :</b>		
Profit before tax	60,09,029	28,76,455
Expected Tax Rate in India	15.60%	19.24%
Computed Tax Expenses	9,37,408	5,53,430
Income not considered for tax purposes	-	-
Effect of estimated non-deductible expenses	-	-
Others (including temporary difference)	-	-
<b>Income Tax expenses recognised in profit and loss</b>	<b>9,37,408</b>	<b>5,53,430</b>
<b>2.13 Borrowings</b>		
Loans repayable on demand(Secured)		
–from banks	8,35,01,381	16,37,03,539
Loan from bank is advanced by Canara Bank, secured by Hypothecation of Raw Materials, Consumable Stores, Finished Goods, Book Debts and are also secured by a first charge on the fixed assets except land and other assets of the Company related to windmill project. It is further secured by personal guarantees of Sri M. Lakshmaiah, Promoter Director and Sri M. Venkateswara Rao, Director in their individual capacities.		
<b>Total</b>	<b>8,35,01,381</b>	<b>16,37,03,539</b>
<b>2.14 TRADE PAYABLES</b>		
Trade payable - Micro, Small and Medium enterprises	-	-
Trade payable - Other than Micro, Small and Medium enterprises	1,99,44,812	1,83,83,055
<b>Total</b>	<b>1,99,44,812</b>	<b>1,83,83,055</b>
<b>2.15 OTHER FINANCIAL LIABILITIES</b>		
Unpaid / Unclaimed Dividend*	1,42,337	1,42,337
<b>Total</b>	<b>1,42,337</b>	<b>1,42,337</b>
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2020.		
<b>2.16 OTHER CURRENT LIABILITIES</b>		
Advances received from customers	60,80,744	26,69,202
Other payables	1,36,81,577	1,33,95,561
<b>Total</b>	<b>1,97,62,321</b>	<b>1,60,64,763</b>

	<b>(Rupees)</b>	
<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
<b>2.17 REVENUE FROM OPERATIONS</b>		
Revenue from sale of products	98,20,75,489	95,60,87,691
<b>Total</b>	<b>98,20,75,489</b>	<b>95,60,87,691</b>
<b>2.18 OTHER INCOME</b>		
Interest on Deposits	5,73,616	10,85,553
Insurance Claims	10,500	3,82,217
Other non-operating income	81,697	83,552
Contract Settlement	10,09,300	-
Export Incentive	23,118	70,369
Sundry Credit Balances written back	-	1,21,990
Excess Provision written back	-	1,02,226
<b>Total</b>	<b>16,98,231</b>	<b>18,45,907</b>
<b>2.19 COST OF MATERIALS CONSUMED</b>		
Opening stock	48,90,214	68,08,156
Add: Purchases	81,18,11,668	82,75,98,920
	<u>81,67,01,882</u>	<u>83,44,07,076</u>
Less:		
Closing Stock	41,87,944	48,90,214
<b>Total</b>	<b>81,25,13,938</b>	<b>82,95,16,862</b>
<b>2.20 CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Finished Goods</b>		
Opening Stock	14,88,66,173	15,42,78,747
Less: Closing Stock	8,80,39,782	14,88,66,173
<b>Total</b>	<b>6,08,26,391</b>	<b>54,12,574</b>
<b>2.21 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries,wages and Bonus (including Overtime, Exgratia and Gratuity)	1,13,35,713	1,18,70,366
Contribution to provident funds	11,83,618	13,42,869
Workmen and Staff welfare expenses	14,48,259	20,86,034
<b>Total</b>	<b>1,39,67,590</b>	<b>1,52,99,269</b>
<b>2.22 FINANCE COSTS</b>		
Interest expenses		
(a)Interest on		
i) Secured working capital loan	76,39,521	1,33,39,936
ii)Interest on unsecured loans	<u>30,32,266</u>	<u>28,61,034</u>
(b)Interest on Term Loan	-	4,50,357
<b>Total</b>	<b>1,06,71,787</b>	<b>1,66,51,327</b>
<b>2.23 Depreciation and Amortisation Expenses</b>		
Depreciation and Amortisation Expenses for the year	74,09,754	85,14,333
<b>Total</b>	<b>74,09,754</b>	<b>85,14,333</b>

	(Rupees)		
Particulars	31st March 2020		31st March 2019
<b>2.24 Other Expenses</b>			
<b>Manufacturing Expenses</b>			
Power & Diesel Consumed	2,48,73,694		2,81,84,860
Rice Husk & Coal Consumed	46,51,834		53,29,365
Stores and Spares consumed	2,59,01,581		2,25,02,048
Material Handling Charges	11,91,983	<b>5,66,19,092</b>	<b>15,43,036</b>
			<b>5,75,59,309</b>
<b>Repairs &amp; Maintenance</b>			
Machinery	27,18,736		80,86,728
Wind Turbine Generators	29,83,941		24,67,156
Building	13,190	<b>57,15,867</b>	<b>60,770</b>
			<b>1,06,14,653</b>
<b>Administrative Expenses</b>			
Advertisement Expenses	29,808		34,812
Rent	1,41,920		38,596
Insurance	11,68,509		10,78,574
Travelling	4,38,346		4,47,470
Rates & Taxes	7,90,294		8,48,280
Bank Charges	4,68,134		1,90,675
Printing and Stationery	1,35,097		1,12,297
Legal & Professional Charges	4,89,240		5,27,170
Directors' Sitting Fees	50,000		47,000
Managerial Remuneration & Commission	18,04,838		18,00,000
Loose Tools written off	6,806		37,956
Telephone and Postage Expenses	1,52,036		1,47,330
Subscription and periodicals	2,64,636		82,662
Office Expenses	3,74,263		3,45,605
Advances written off	9,888		4,04,882
Loss on sale of Asset	1,314		-
Vehicle Maintenance	4,03,114		4,58,561
Waste Treatment and Disposal Expenses	25,899		-
Other Expenses	4,667	<b>67,58,809</b>	<b>2,04,545</b>
			<b>68,06,415</b>
<b>Auditor's Remuneration</b>			
Audit Fee	2,00,000		1,62,000
Reimbursement of Expenses	29,451	<b>2,29,451</b>	<b>21,719</b>
			<b>1,83,719</b>
<b>Sales Expenses</b>			
Carriage Outwards	4,67,309		32,461
Export Expenses	10,45,700		18,07,152
Other Sales Expenses	15,39,003	<b>30,52,012</b>	<b>26,59,069</b>
			<b>44,98,682</b>
<b>Total</b>		<b>7,23,75,231</b>	<b>7,96,62,778</b>

**2.25 EARNING PER SHARE**

Particulars	31st March 2020	31st March 2019
Profit for the year	38,14,886	82,78,369
Profit for the year for diluted earning per share	38,14,886	82,78,369
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	7,90,000	7,90,000
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	7,90,000	7,90,000
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	4.83	10.48
Diluted earning per share (Rs.) ( --do-- )	4.83	10.48

**2.27 FINANCIAL INSTRUMENTS****Capital Management**

Company's capital management objectives are to :

- ensure the company's ability to continue as a going concern
- provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

For the purposes of the Company's Capital Management, capital includes issued capital and all other equity reserves. Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

Particulars	(Rupees)	
	As At	
	31st March 2020	31st March 2019
Equity Share Capital	79,00,000	79,00,000
Other Equity Reserves	10,62,27,966	10,24,13,080
<b>Total</b>	<b>11,41,27,966</b>	<b>11,03,13,080</b>

**Categories of Financial Assets and Financial Liabilities as at 31st March 2020**

Particulars	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	(Rupees)
					Total Fair Value
<b>Current Assets</b>					
Trade Receivables	-	-	-	5,50,96,622	-
Cash & Cash Equivalents	-	-	-	1,80,773	-
Other Bank balances	-	-	-	1,42,337	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,54,19,732</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade Payables	-	-	-	1,99,44,812	-
Other Financial liabilities	-	-	-	1,42,337	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,00,87,149</b>	<b>-</b>

**As at 31st March, 2019**

Particulars	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	(Rupees)
					Total Fair Value
<b>Current Assets</b>					
Trade Receivables	-	-	-	5,99,68,152	-
Cash & Cash Equivalents	-	-	-	2,62,454	-
Other Bank balances	-	-	-	1,42,337	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,03,72,943</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade Payables	-	-	-	1,83,83,055	-
Other Financial liabilities	-	-	-	1,42,337	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,85,25,392</b>	<b>-</b>

**Financial Risk Management Framework**

Company's activities expose it to financial risks viz credit risk and liquidity risk.

**Credit Risk**

Based on the overall credit worthiness of Receivables, coupled with their past track record, Company expects No / Minimum risk with regards to its outstanding receivables. Also, there is a mechanism in place to periodically track the outstanding amount and assess the same with regards to its realisation. Company expects all the debtors to be realised in full, and accordingly, no provision has been made in the books of accounts for doubtful receivables.

**Liquidity risk****(i) Liquidity Risk management**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring and forecasting actual cash flow and by matching the maturity profiles of financial assets and liabilities.

**(ii) Maturities of Financial Liabilities**

The following tables contains details of the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the earliest date on which the Company can be required to pay. Financial Liabilities include Trade Payables, Capital Purchases, Unpaid / Unclaimed Dividends etc., which are in the normal course of business having maturity plan of less than one year and non interest bearing.

Particulars	(Rupees)			
	Less than 1 Year	1-3 years	3 years to 5 years	5 years and above
<b>31st March, 2020</b>				
Long Term Borrowings	-	3,64,20,882	-	-
Short Term Borrowings	8,35,01,381	-	-	-
Trade Payables	1,99,44,812	-	-	-
Other Financial Liabilities	1,42,337	-	-	-
<b>Total</b>	<b>10,35,88,530</b>	<b>3,64,20,882</b>	-	-
<b>31st March, 2019</b>				
Long Term Borrowings	-	3,36,91,842	-	-
Short Term Borrowings	16,37,03,539	-	-	-
Trade Payables	1,83,83,055	-	-	-
Other Financial Liabilities	1,42,337	-	-	-
<b>Total</b>	<b>18,22,28,931</b>	<b>3,36,91,842</b>	-	-

As at 31st March, 2020, the Company had a working capital of Rs.3,53,32,583/- Including cash and bank balance & bank deposits of Rs. 3,23,110/-

As at 31st March, 2019, the Company had a working capital of Rs.4,80,87,513/- Including cash and bank balance & bank deposits of Rs. 4,04,791/-

### (iii) Financial arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period :

Particulars	(Rupees)	
	31st March 2020	31st March 2019
Secured Bank Overdraft facility		
- Expiring within one year	13,64,98,619	5,62,96,461
- Expiring beyond one year	-	-
<b>Total</b>	<b>13,64,98,619</b>	<b>5,62,96,461</b>

### 2.28 EMPLOYEE BENEFITS

#### Defined Contribution plan - as on 31st March, 2020

Particulars	(Rupees)	
	31st March 2020	31st March 2019
Assumptions taken by the LIC		
Discount Rate	7.50%	7.50%
Salary Escalation	7.00%	7.00%

### 2.29 RELATED PARTY TRANSACTIONS

List of related parties with whom transactions have taken place during the year :

i) Related Companies : Nil

ii) Key Managerial Personnel :

- |                             |                              |
|-----------------------------|------------------------------|
| a) Sri. M. Sekhar           | -- Whole Time Director & CEO |
| b) Sri. K Satyanarayana     | -- Chief Financial Officer   |
| c) Smt. K Ramya             | -- Company Secretary         |
| d) Smt. R. Lakshmi Sarda    | -- Independent Director      |
| e) Sri. VVS. Ravi           | -- Independent Director      |
| f) Sri. L. Shyama Prasad    | -- Independent Director      |
| g) Sri. M. Lakshmaiah       | -- Director                  |
| h) Sri. M. Venkateswara Rao | -- Director                  |
| i) Sri. M. Ramesh           | -- Director                  |

Details of transactions between the Company and its related parties are disclosed below:

Particulars	(Rupees)	
	As at 31st March 2020	As at 31st March 2019
i) Related Companies	-	-
ii) Key Managerial Personnel		
a) Remuneration and Commission		
Sri M. Ramesh	2,64,890	19,83,600
Sri. M. Sekhar	15,43,548	-
Sri K. Satyanarayana	9,31,392	9,47,923
Smt K. Ramya	3,00,000	38,392
b) Unsecured Loan taken during the year		
Sri M. Ramesh	-	2,06,12,493
c) Unsecured Loan repaid during the year		
Sri M. Ramesh	-	2,24,62,290
d) Unsecured Loan Outstanding as at 31 March 2020		
Sri M. Ramesh	3,64,20,882	3,36,91,842
e) Interest on Unsecured Loan		
Sri M. Ramesh	30,32,266	46,22,899
f) Sitting Fee		
Smt. R. Lakshmi Sarda	12,000	15,000
Sri. VVS. Ravi	10,000	7,000
Sri. L. Shyama Prasad	14,000	15,000
Sri M. Ramesh	4,000	-
Sri M. Lakshmaiah	4,000	8,000
Sri M. Venkateswara Rao	6,000	2,000

**2.30 Contingent Liabilities and Commitments (To the extent not provided for)****(Rupees)**

Particulars	As At	
	31st March 2020	31st March 2019
<b>Contingent Liabilities</b>		
Claims against the company not acknowledged as debts		
Excise Matters in dispute	53,772	15,59,197
Service Tax matters in dispute	4,27,622	2,13,811
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	-	-
<b>Outstanding Bank Guarantees</b>	-	-

2.31 While letters for confirmation of balance of sundry creditors, sundry debtors and material lying with vendors have been sent, only few responded. Rest are subject to reconciliation.

**2.32 Particulars of Managing Director's Remuneraton and other Payments****(Rupees)**

Particulars	As at 31st	As at 31st March
	March 2020	2019
<b>A Following amounts were paid to the Managing Director/Whole-time Director during the year</b>		
<b>M.D. Remuneration:</b>		
1 Salary	2,61,290	18,00,000
2 Employer's Contribution to Provident Fund & Superannuation Fund	3,600	1,83,600
	<u>2,64,890</u>	<u>19,83,600</u>
<b>Whole-time Director:</b>		
1 Salary	15,43,548	-
	<u>15,43,548</u>	<u>-</u>
Computation of Net profit as per Companies Act, 2013 showing the calculation of remuneration payable to the Managing Director		
Profit/ (Loss) as per Profit & Loss Account	38,14,886	82,78,369
Add: Provision for Taxes	21,94,143	(54,01,914)
Managerial Remuneration	18,08,438	19,83,600
Profit in accordance with sec 198 @5% thereof	<u>78,17,467</u>	<u>48,60,055</u>
Remuneration payable in accordance with sec 197 @5% thereof	3,90,873	2,43,003
However the remuneration paid is in accordance with and within the limits specified in Schedule V read with Section 197 of the Companies Act, 2013		
Effective Capital as per Schedule V	14,46,47,942	13,81,04,016
Eligible Remuneration as per Schedule V	42,00,000	42,00,000
Salary paid/ payable to Managing Director	2,61,290	18,00,000
Commission payable to Managing Director	-	-
Salary paid/ payable to Whole-time Director	15,43,548	-
<b>B Travelling Expenses include NIL paid to Managing Director (Previous Year NIL) and Rs. 1,40,000 paid to other Directors (Previous Year Rs. 1,30,000)</b>		

**2.33 SEGMENT WISE INFORMATION**

The company has identified two reportable segments viz. Seed Processing and Wind Turbine. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns and the internal business reporting system. The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

**(Rupees)**

Particulars	For the Year ended 31.03.2020			For the Year ended 31.03.2019		
	Seed Processing	Wind Turbine Generators	Total	Seed Processing	Wind Turbine Generators	Total
Revenue	97,47,19,056	73,56,433	98,20,75,489	94,77,92,773	82,94,918	95,60,87,691
Profit / Loss Before interest and Tax	1,62,07,816	4,73,000	1,66,80,816	1,76,46,367	18,81,415	1,95,27,782
Interest	1,06,71,787	-	1,06,71,787	1,62,00,970	4,50,357	1,66,51,327
Tax	30,38,729	(8,44,586)	21,94,143	1,08,27,819	(54,25,905)	54,01,914
Profit/ Loss after tax	24,97,300	13,17,586	38,14,886	1,22,73,216	(39,94,847)	82,78,369
<b>Other Information:</b>						
Assets	22,40,58,723	5,60,34,748	28,00,93,471	29,12,00,906	5,60,34,748	34,72,35,654
Liabilities	15,26,35,193	1,33,30,312	16,59,65,505	22,26,42,698	1,42,79,876	23,69,22,574
Capital Expenditure	71,407	-	71,407	29,453	-	29,453
Depreciation and Ammortisation	37,57,123	36,52,631	74,09,754	48,42,822	36,71,511	85,14,333

**2.34 Particulars in respect of Revenue from Operations**

SL No.	Particulars	For the Year Ended 31.03.2020		For the Year Ended 31.03.2019	
		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1	Cotton Seed Oil	5771.050	44,05,44,978	5600.260	38,38,38,305
2	Cotton Seed Cake	19707.316	41,74,00,764	20852.911	40,93,98,503
3	Cotton Seed Hulls	8301.665	9,93,49,529	14185.840	13,07,95,343 *
4	Linters 1st Cut	34.145	4,78,030	485.920	70,43,938 *
5	Linters 2nd Cut	702.900	97,88,230 *	502.020	73,91,829 *
6	Cotton Seed Soap Stock	773.725	64,65,740	1062.420	83,35,605
7	Cotton Seed Acid Oil	154.785	6,59,715	242.190	9,76,010
8	Cotton Seed Sludge Oil	16.035	32,070	13.240	13,240
9	W.T.G. Units		73,56,433		82,94,918
	<b>TOTAL</b>		<b>98,20,75,489</b>		<b>95,60,87,691</b>

\* These items include export turnover of Rs.97,88,230/- during the year ( Rs.1,32,44,788/- Previous Year)

**2.35 Analysis of Raw material Consumed**

SL No.	Particulars	For the Year Ended 31.03.2020		For the Year Ended 31.03.2019	
		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1	Cotton Seed	38964.978	81,25,13,938	41175.649	82,95,16,862
	<b>TOTAL</b>		<b>81,25,13,938</b>		<b>82,95,16,862</b>

**2.36 Value of imported and indigenous raw materials, components, stores and spares etc., consumed and percentage of each in total consumption**

SL No.	Particulars	For the Year Ended 31.03.2020		For the Year Ended 31.03.2019	
		%age	Value (Rs.)	%age	Value (Rs.)
1	Raw Materials				
	- Indigenous	100	81,25,13,938	100	82,96,08,012
	- Imported	-	-	-	-
2	Stores & Spares				
	- Imported	-	-	-	-
	- Indigenous	100	2,59,01,581	100	2,25,02,048

**2.37 Export Earnings in Foreign Currency**

SL No.	Particulars	For the Year Ended 31.03.2020		For the Year Ended 31.03.2019	
		Value (Rs.)		Value (Rs.)	
1	Export Turnover on FOB Basis	97,88,230		1,32,44,788	

**2.38 Value of Imports on CIF Basis**

SL No.	Particulars	For the Year Ended 31.03.2020		For the Year Ended 31.03.2019	
		Value (Rs.)		Value (Rs.)	
1	Spares	-		-	

**2.39 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :**

Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro, Small and Medium Enterprises which are outstanding for more than the stipulated period are given below:

Particulars	(Rupees)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
(a) Dues remaining unpaid as at 31st March		
- Principal	-	-
- Interest on the above	-	-
(b) Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the Act	-	-
(c) Amount of interest due and payable for the period of delay in payments made beyond the appointed	-	-
(d) Further interest due and payable even in succeeding year, until such date when the interest due as	-	-
(e) Amount of interest accrued and remaining unpaid as at 31st March.	-	-

**2.40.** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In view of the lock down across the country due to COVID-19 pandemic, operations in many of our locations (manufacturing, processing, selling and distributions, offices, etc) were scaled down or shut down in compliance with the directives / orders issued by the local panchayat / Municipal Corporation / State / Central Government authorities.

The Company has made initial assessment of its cash flow for the next one year and the carrying values of its assets as at the balance sheet date and has concluded that there are no adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of the known events arising from COVID-19 pandemic in the preparation of the financial statements as on 31.03.2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from the estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

**2.41.** Previous period figures are re-arranged / re-grouped wherever necessary.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

	(Rupees)	
Particulars	31st March 2020	31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax for the year	60,09,029	28,76,455
Adjustments for :		
Depreciation and amortisation	74,09,754	85,14,333
Loss on sale of Asset	1,314	-
Interest Paid	1,06,71,787	1,66,51,327
<b>Operating Profit Before Working Capital Changes</b>	<b>2,40,91,884</b>	<b>2,80,42,115</b>
<b>Movements in Working Capital:</b>		
(Increase)/Decrease in Trade Receivables	48,71,530	(2,52,90,133)
(Increase)/Decrease in Inventories	6,18,66,980	1,17,11,194
(Increase)/Decrease in Other Current Assets	(64,24,241)	4,09,63,636
(Increase)/Decrease in Other Bank Balances	-	1,82,658
Increase/(Decrease) in Trade Payables	15,61,755	(28,52,269)
Increase/(Decrease) in Other Financial Liabilities	-	(1,14,20,113)
Increase/(Decrease) in Short Term Borrowings	(8,02,02,158)	(2,60,12,125)
Increase/(Decrease) in Other Current Liabilities	36,97,558	(31,81,596)
<b>Cash Generated from Operations</b>	<b>94,63,308</b>	<b>1,21,43,366</b>
Income taxes paid (Net of refund)	(15,03,600)	2,27,056
<b>Net Cash Generated from Operating Activities</b>	<b>79,59,708</b>	<b>1,23,70,422</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(71,407)	(29,453)
Sale of Property, Plant and Equipment	6,000	-
(Increase)/Decrease in Deposits	(33,235)	2,97,222
<b>Net Cash (used in) / Generated from Investing Activities</b>	<b>(98,642)</b>	<b>2,67,769</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	27,29,040	27,73,102
Interest and Finance Charges paid	(1,06,71,787)	(1,66,51,327)
<b>Net Cash used in Financing Activities</b>	<b>(79,42,747)</b>	<b>(1,38,78,225)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(81,681)</b>	<b>(12,40,034)</b>
Cash and Cash Equivalents at the beginning of the year	2,62,454	15,02,488
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,80,773</b>	<b>2,62,454</b>

For and on behalf of the board

As per our report attached  
for NATARAJA IYER & CO.,  
Chartered Accountants  
ICAI FRN : 002413S

Sd/-  
(E.SRI RANGANATH)  
Partner  
M.No : 013924

Sd/-  
(MEADEM SEKHAR)  
Whole time Director & CEO (Din No. 02051004)

Sd/-  
(MADDI VENKATESWARA RAO)  
Director (Din No.00013393)

Sd/-  
(KOTHURI SATYANARAYANA)  
Chief Financial Officer

Sd/-  
(K. RAMYA)  
Company Secretary

Place : HYDERABAD  
Date : June 30, 2020.

Place : CHILAKALURIPET  
Date : June 30, 2020.



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****NOTE [1] – SIGNIFICANT ACCOUNTING POLICIES****1. COMPANY INFORMATION**

Coromandel Agro Products and Oils Limited (CAPOL) is a Public Limited company incorporated and domiciled in India. CAPOL has its factory and Administrative Office at Jandrapet-523165, Chirala, Andhra Pradesh, India and registered office at Flat No. 12B, Skylark Apartments, Basheerbagh, Hyderabad-500 029, Telangana, India. CAPOL is manufacturer of extracting oil, de-oiled cake and other joint products from Cotton Seeds since 1976. The Shares of the Company are listed on BSE Limited.

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed in its meeting held on 30<sup>th</sup> June, 2020.

**2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

These Financial Statements have been prepared under the Historical cost basis in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) – to the extent modified, read with Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act and Rules thereunder as well as the guidelines issued by the Securities and Exchange Board of India (SEBI).

The Company’s presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are rounded to the nearest Indian Rupee except where otherwise indicated.

**3. USE OF JUDGMENTS AND ESTIMATES**

In the preparation of the Company’s financial statements the management had made judgements, estimates and assumptions that may affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. In view of the uncertainty about these assumptions and estimates they may result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continuously evaluates these estimates and assumptions based on the most recently available information. The following are the areas where estimates and judgments in applying accounting policies have been made which may have the most significant effect on the amounts recognized in the financial statements are as below:

- Estimates in the useful lives of Property, Plant & Equipment (PPE)
- Valuation of Inventories
- Provisions
- Evaluation of recoverability of Deferred Tax Assets
- Contingencies

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to the accounting estimate are recognised in the period in which the estimate is revised and in any future periods affected.

**4. PROPERTY, PLANT AND EQUIPMENT**

- (i) Property, Plant & Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, non-recoverable taxes, borrowing cost and other directly attributable cost, attributable to bring the asset to its working condition for its intended use.
- (ii) Gain and losses on disposal/de-recognize of an item of property, plant and equipment are measured as a difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed/de-recognized.
- (iii) Depreciation on property, plant and equipment (except Land Development Cost) is provided on Straight Line Method, as per the life prescribed in Schedule II of the Companies Act, 2013.

Depreciation on Land development cost incurred for leased land is provided on straight line method over the lease period of the land.

- (iv) The assets residual value, useful lives and methods of depreciation are reviewed at each financial year end, and adjustment if any, is made prospectively.

## **5. INVENTORIES**

Inventories include raw materials, finished goods, stores and spares and loose tools. All the inventories are valued at lower of cost or net realizable value. Cost of inventories comprises of purchase price, non-recoverable taxes and appropriate portion of allocable overheads, wherever applicable, and cost is ascertained on monthly weighted average basis.

## **6. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement and also on translation of monetary items at the end of year is recognized as gain or loss in the Statement of Profit and Loss, as the case may be.

## **7. EMPLOYEE BENEFITS**

### **Short Term Employee Benefits**

Company's contributions paid / payable during the year to ESIC are recognized as expense in the Statement of Profit and Loss.

Company contributes to the appropriate authorities its share of Members Provident Fund Account as per the Employees Provident Fund Act, 1952, is recognized as expense in the Statement of Profit and Loss.

### **Gratuity**

Company has taken a Master Policy with the Life Insurance Corporation of India to cover its liability towards employees' gratuity. The premium amount paid to LIC is recognized as expense in the Statement of Profit and Loss.

### **Compensated Absences**

The employees are entitled to accumulate leave subject to certain limits, for encashment on superannuation. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of independent actuarial valuation.

## **8. REVENUE RECOGNITION**

Revenue from contracts with customers is recognized as and when the company satisfies the performance obligation by transferring control of promised goods or services to a customer, which usually coincides with title passing to the customer and the customer taking physical possession.

When the performance obligation is satisfied, the company recognizes as revenue the transaction price that is allocated to that performance obligation in the contract based on the standalone selling price of the goods and services promised. The transaction price is the amount of consideration to which the company is entitled.

### **Interest Income**

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and the interest rate settled with the Bank.

## **9. TAXES ON INCOME**

Tax comprises of Current tax and Deferred Tax. Current tax is the expected tax payable on the taxable income or Book profit for the current year. The amount of current tax reflects the best estimate of the tax amount to be paid or received after considering the uncertainty, if any, related to income taxes.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## **10. PROVISIONS AND CONTINGENCIES**

Provision is made in the books of account where there is a present obligation as a result of past event that probably requires an outflow of resources and reasonable estimate can be made.

A disclosure for contingent liability is made when there is a possible obligation or present obligation that arises from past event and the outflow of resources embedding economic benefit is not probable.

A contingent liability or a provision at the balance sheet date is not disclosed or recognised unless the possibility of any outflow of resources in settlement is remote

Contingent Assets are neither recognised nor disclosed in the financial statements.

## **11. FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial instruments are recognized as financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Initially a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in the Statement of Profit and loss. Subsequently, financial instruments are measured according to the category in which they are classified.

### **Financial Assets**

Financial assets other than equity instruments are classified into financial assets at fair value through profit or loss and at amortised cost using effective interest rate method.

The company subsequently measures the trade receivable at their transaction price, if they do not contain a significant financing component.

The company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and transfer qualifies for de-recognition under Ind AS 109.

### **Financial Liabilities**

Financial liabilities are classified into financial liabilities at fair value through profit or loss and at amortised cost using effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, carrying amount is considered as fair value, as it approximates fair value due to the short term maturity of these liabilities.

A financial liability is de-recognised when the obligation is discharged, cancelled or expires.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amounts are presented in the financial statements, if there is a currently legal enforceable right to offset the recognized amount and the company intends to settle or realize on net basis.

## **12. IMPAIRMENT OF ASSETS**

At each balance sheet date, the company assesses whether there is any indication that any asset may be impaired. If any indication exists, the recoverable amount of such assets is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of Cash Generating Unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that

reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

### **13. LEASES**

At the inception of lease, the lease arrangement is classified as either as finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on operating lease, lease payments made are recognized in the Statement of Profit and Loss on straight-line basis over the term of lease.

### **14. FAIR VALUE MEASUREMENT**

Fair value is the price that is received / paid to buy / sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal market or in its absence most advantageous market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

**15.** Accounting policies not specifically referred above are consistent with generally accepted Accounting practices.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

**E-Voting instructions**

Pursuant to the Provisions of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 44<sup>th</sup> Annual General Meeting to be held on Saturday, 29<sup>th</sup> August, 2020, at 10.30 AM. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the E-Voting facility.

The instructions for shareholders voting electronically are as under :

The E-Voting Sequence Number and period of E-Voting are set out below :

EVS(N(E-VOTING SEQUENCE NUMBER) : 200730007

COMMENCEMENT OF E-VOTING : Wednesday, 26<sup>th</sup> August, 2020 at 09.00 A.M IST

END OF E-VOTING : Friday, 28<sup>th</sup> August, 2020 at 05.00 P.M IST

**STEPS & INSTRUCTIONS FOR E-VOTING :**

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on **Wednesday, 26<sup>th</sup> August, 2020** at 09.00 A.M and ends on **Friday, 28<sup>th</sup> August, 2020** at 05.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date (record date) of **22<sup>nd</sup> August, 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

(vii) If you are a first time user - follow the steps given below :

<b>For Members holding shares in Demat Form / Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non – Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).









# COROMANDEL AGRO PRODUCTS AND OILS LTD.,

CIN.NO-L15143TG1975PLC001967

RegdOffice : 12-B, Skylark Apartments, Basheerbagh, HYDERABAD - 500 029.

Phone: 040-23228714, Fax :040-23228713, E-mail:capol@capol.in

## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		E-mail Id:	
Registered Address		Folio No/ Client ID :	
		DP ID:	

I/We, being a member/members of the Company holding .....shares here by appoint

- 1).....of.....having email ID .....or falling him
- 2).....of.....having email ID .....or falling him
- 3).....of.....having email ID .....or falling him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44<sup>th</sup> ANNUAL GENERAL MEETING of the company to be held at 12-B, Skylark Apartments, Basheerbagh, HYDERABAD - 500 029, on Saturday 29<sup>th</sup> August 2020 at 10:30 AM. and at any adjournment(s) thereof in respect of such resolutions as are indicated below.

	Ordinary Resolutions / Special Resolutions	For	Against
	<b>Ordinary Business:</b>		
1	Consider and Adopt Audited Financial Statements, Reports of Board of Directors and Auditors thereon (Ordinary Resolution)		
2	To appoint a Director in place of Sri 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 (Ordinary Resolution)		
3	To appoint a Director in place of Sri Maddi Ramesh (DIN- 00013394) who retires by rotation under Article 122 of the Articles of Association of the Company and being eligible, offers himself for re-appointment (Ordinary Resolution)		
	<b>Special Business:</b>		
4	Ratification of remuneration of the Cost Auditors. (Ordinary Resolution)		
5	Re-appointment of Sri.Lakkaraju Shyam Prasad, (Din: 07151102), as an Independent Director of company for second term ( <b>Special Resolution</b> )		
6	Re-appointment of Smt. Rallabandi Lakshmi Sarada, (Din: 07140433), as an Independent Director of company for second term ( <b>Special Resolution</b> )		
7	Maintenance of Register of Memebers and other Statutory Registers at a Place other than the Registered Office of the Company.		

Signed this.....day of.....2020

Signature of the Member

Signature of the Proxy Holder.

Affix  
Revenue  
Stamp

Note: This form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of The Company not less than 48 hours before the commencement of the meeting.

-----cut along the dotted line-----



# COROMANDEL AGRO PRODUCTS AND OILS LTD.,

CIN.NO-L15143TG1975PLC001967

RegdOffice : 12-B, Skylark Apartments, Basheerbagh, HYDERABAD - 500 029.

Phone: 040-23228714, Fax :040-23228713, E-mail:capol@capol.in

## ATTENDANCE SLIP

DP Id		Folio No.	
Client Id		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the 44<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at 12-B, Skylark Apartments, Basheerbagh, Hyderabad-500 029 on Saturday, the 29<sup>th</sup> August 2020 at 10:30AM.

Name of the member/Proxy (IN BLOCK LETTERS)

Signature of the member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall, Members are requested to bring their copies of the Annual Report to the meeting.