

BOARD OF DIRECTORS :

NAME OF THE DIRECTORS	DIN NUMBER	DESIGNATION
Sri Maddi Lakshmaiah	00013387	Chairman
Sri Maddi Ramesh	00013394	Managing Director
Sri Vadlamani Venkata Subramanya Ravi	00495102	Independent Director
Sri Maddi Venkateswara Rao	00013393	Director
Smt Rallabandi Lakshmi Sarada	07140433	Independent Director
Sri Lakkaraju Shyam Prasad	07151102	Independent Director

CHIEF FINANCIAL OFFICER : CA. Kothuri Satyanarayana

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.

REGISTERED OFFICE : 12-B, Skylark Apartments,
BasheerBagh,
Hyderabad – 500 029,
Ph:040-23228714

FACTORY ADDRESS : Jandrapet-523 165,
Chirala,
Prakasam District,
Andhra Pradesh.
Ph: 08594-222684

WEBSITES : **www.capol.in & www.mlgroup.com**

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42nd ANNUAL GENERAL MEETING NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Second Annual General Meeting of the members of M/s. **Coromandel Agro Products and Oils Limited** will be held on **Tuesday, the 14th August, 2018 at 10.30 A.M.** at the Registered Office of the Company at 12-B, Skylark Apartments, Basheerbagh, Hyderabad - 500029 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Maddi Lakshmaiah (DIN- 00013387) who retires by rotation under Article 122 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. 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.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada, be and hereby appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year ending 31st March, 2018 and a remuneration of Rs.20,000/-per annum be paid with all applicable taxes and reimbursement out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company 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.

By Order of the Board of Directors

Sd/-

(Maddi Lakshmaiah)

Chairman

(DIN:00013387)

Place : CHILAKALURIPET

Date : May 28, 2018

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 on behalf of Members not exceeding 50 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 (Backside of the Proxy form).
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 08th August, 2018 to Tuesday 14th August, 2018 (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 – 500082 at the earliest and not later than 07th August, 2017.

-Any change in their address/mandate/Bank details; and

-Particulars of their Bank Account, in case the same have not been sent earlier.

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 Saturday, 11th August 2018 at 09:00 hrs. and will end on Monday, 13th August, 2018 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 7th August, 2018, 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.71 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 within 48 hours of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to Bombay Stock Exchange.

17. Information to shareholders with respect to Item no:2&3under Regulation 36(3) of SEBI(LODR)Regulations:

S.No	Information particulars	Maddi Lakshmaiah	Maddi Venkateswara Rao
1	Brief resume of the directors	Mr. Maddi Lakshmaiah, aged about 88 years, residing at ML Bungla, Chilakaluri Pet, Guntur Dist. He is an Engineering Graduate i.e BE (Mechanical). He is the chairman of ML group companies and he is having wide range of contacts with all multi-national tobacco manufacturers / merchants all over the world. He is a Member in Federations like FICCI, FIEO, FAPCCI, CII, Indo-German Chamber of Commerce, Indo-Japan Centre etc.,	Mr. Maddi Venkateswara Rao, aged about 62 years residing at Guntur and having a rich experience of more than 36 years in Exports of Tobacco, Cotton Seed Meal, Linters etc., He did Master degree in Management and Business Administration(MBA).
2	Nature of his expertise in specific functional areas	Having a rich experience in Tobacco, Cotton Seed Meal and Linters industries.	Having a rich experience of more than 36 years in Exports of Tobacco, Cotton Seed Meal, Linters etc.,
3	Relationships between directors inter-se	Maddi Lakshmaiah is the father of Mr. Maddi Venkateswara Rao and Mr. Maddi Ramesh, 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.
4	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil	Nil
5	Shareholding of non-executive directors	23,685 equity shares (3%).	23,410 equity shares (2.96%).

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the 42nd AGM Notice.

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 May 29, 2018, 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 2018-19 for a remuneration of Rs.20,000/- per annum with all applicable taxes and reimbursement of out of pocket expenses. In terms of the provisions of Section

148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board recommends this resolution for approval of the Members

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 Ordinary Resolution set out at Item no.4 of the notice for approval by Members.

By Order of the Board of Directors

Place : CHILAKALURIPET
Date : May 28, 2018.

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2018**

Dear Shareholders,

Your Directors have pleasure in presenting the 42nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL PERFORMANCE

Summary of Financial performance of the Company for the Financial Year 2017-18 is depicted below:

STANDALONE

(R.s)

Statement Of Profit & Loss Account	IND AS		
	2015-16	2016-17	2017-18
Sales (including excise duty)	1,41,17,79,157	1,02,42,69,807	68,16,49,856
Other Income	85,23,274	28,23,422	16,34,644
Interest	1,84,52,221	1,65,60,170	1,72,43,239
Profit Before Taxation	79,96,435	2,59,477	-6,70,60,175
Profit After Taxation	55,87,328	-1,27,100	-5,76,76,595
Earnings Per Share of Rs.10/-	7.07	-0.16	-73.01
Dividend Per Share of Rs.10/-	1.25	NIL	NIL

STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK:

The Company passed through a critical phase during the year under review in view of recession in the country due to implementation of de-monetization in Nov., 2016 and GST in July, 2017, which caused to prevail on all products of the Company like Cottonseed De-oiled cakes, hulls and oils prices at abnormally low level and no parity between cottonseed prices and its products from Nov., 2016 till the end of April, 2018. Besides the recession in domestic market, Chinese market also suffered recession during the reviewing period, which resulted steep fall in cotton linter prices in International Market.

Further, the cotton crop in Andhra Pradesh and Telangana states got affected by pink boll worms, which resulted the heavy damage of cotton crop in both states and in turn the processing volumes of the company are also fallen from 38,580 to 30,564 MT of cotton seed during the year under review. Due to carried over accumulated stocks, the interest cost is higher when it is compared to that of previous year.

Wind power projects in Gujarat and Tamilnadu states did not generate power as per the estimates because of bad weather conditions in the country during the year under review.

Government of India is also very much keen to enhance the MSP for all agricultural products to encourage, support and improve the farmers income, cotton crop will definitely be sown more in the season to come in India. As the weather forecast given by the experts is very positive in cotton growing areas, which may yield better volumes and improve the availability of cottonseed, your Directors are optimistic in utilizing the full production capacities to ensure better working results in the ensuing years.

EXPORT AND FOREIGN EXCHANGE EARNINGS:

Your Directors wish to inform that the Company has exported **606.540** M.T. of Cotton Linters worth ₹ **237.33** lakhs during the year under review as against 2,492.390 M.T. worth ₹ 1032.90 lakhs in the previous year. The company also exported **119.730** M.T of Cottonseed Hulls worth ₹ **10.11** lakhs during the year under review

EXTRACT OF 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.

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

CHANGE IN THE COMPOSITION OF THE BOARD:**i. DIRECTORS LIABLE TO RETIRE BY ROTATION IN ENSUING ANNUAL GENERAL MEETING**

Mr. Maddi Lakshmaiah (DIN- 00013387) and Mr. Maddi Venkateswara Rao (DIN-00013393), retire by rotation under Article 122 of the Articles of Association of the Company and being eligible, offer themselves for reappointment as Directors. The Board recommends their reappointment.

ii. DIRECTORS RE-APPOINTMENTS IN 41st AGM:

Mr. Maddi Lakshmaiah (DIN- 00013387) and Mr. Maddi Venkateswara Rao (DIN-00013393), retire by rotation under Article 122 of the Articles of Association of the Company and being eligible, offer themselves for reappointment as Directors. The shareholders approved their re-appointment as directors of the company at 41st Annual General Meeting of the company held on 11.08.2017.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out annual evaluation of its own performance and that of its committees and individual Directors. The Nomination and Remuneration Committee of the Board is also required to carry out evaluation of every Director's performance. Accordingly, your Company has carried out the performance evaluation during the year under review.

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 and that there is no change in status of Independence.

NUMBER OF BOARD MEETINGS:

During the Financial Year 2017-18, Four (4) Meetings of the Board of Directors of the Company were held viz 29th May, 2017, 11th August, 2017, 13th November, 2017, and 12th February, 2018, 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.	29.05.2017	06	4
2.	11.08.2017	06	6
3.	13.11.2017	06	5
4.	12.02.2018	06	4

A. Attendance of Directors

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

GENERAL MEETINGS:

During the Financial Year 2017-18, 41st Annual General Meeting of the Company was held on Friday 11th August, 2017. Except the 41st Annual General Meeting, no other meetings of the members were held in financial year 2017-18.

Type of Meeting	Date of Meeting	Total No. of members entitled to attend	Attendance	
			No. of members attended	% of total shareholding
Annual General Meeting	11.08.2017	307	12	57.90

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, one meeting of Independent Directors was held on 10.02.2018 in compliance with the requirements of Schedule IV of the Companies Act, 2013. All independent directors were attended to their meeting held on 10.02.2018. The Independent Directors at the 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.

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:-

- in the preparation of the annual accounts for the year ended March 31, 2018, 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;
- 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, 2018 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, focussing 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 31st March, 2018, 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, 2018.

Audit Committee Meetings

S.No	Date of meeting	Total Number of directors as on the date of meeting	Number of directors attended
1.	27.05.2017	03	2
2.	10.08.2017	03	2
3.	11.11.2017	03	2
4.	10.02.2018	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	2
2.	Mrs. Rallabhandi Lakshmi Sarada	04	4
3.	Mr. Lakkaraju Shyama Prasad	04	2

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, 2018, 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, Compensation payable to Executive Directors, 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, 2018.

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.	10.08.2017	03	2
2.	10.02.2018	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	1

(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 Managing 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:

Your Directors are pleased to inform that 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 has been posted on the Website of the Company (www.capol.in)

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 an 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 the company has decided not to carry any amount to its reserves.

DIVIDEND

The management do not recommend any dividend for the year ending March, 31st 2018 in view of the losses 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**A. STATUTORY AUDITORS :**

M/s. NATARAJA IYER & CO., Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 11th 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 7th 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.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

B. 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, 2018. 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 except non-compliance of section 203 of the Companies Act, 2013 and regulation 6 of SEBI (LODR) Regulations, 2015, in respect to appointment the Company Secretary as Key Managerial Person, Compliance officer and non compliance of regulation 31(2) of SEBI (LODR) Regulations, 2015 in respect to maintenance of hundred percent of shareholding of promoter(s) and promoter group in dematerialized. The board clarification on qualifications of Secretarial Auditor is given below

The Board has made utmost effort for appointment of the Company Secretary as KMP but unable to appoint a Company Secretary due to lack of suitability of the Candidate to the profile of the Company in terms of work location, job profile and remuneration, we hope that the position is to be filled in the near future. As on the 31.03.2018 all of the promoters are converted their physical shares into demat form, and hundred percent of shareholding of promoter(s) and promoter group is maintained in dematerialized form only.

C. COST AUDITORS:

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 28th May, 2018 has approved the appointment of M/s. Jithendra Kumar & Co, Cost Accountants (Firm Registration No. 103347), Vijayawada as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2018-19. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing Annual General Meeting, would not exceed ₹ 20,000/- (Rupees twenty thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. Jithendra Kumar & Co, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2018-19 along with a certificate confirming their independence and arm's length relationship.

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

There are no material changes and commitments which could affect the Company's financial position which have occurred between March 31, 2018 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, 2018 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. Members who are interested in obtaining these particulars may also write to the Managing Director at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 42nd Annual General Meeting and up to the date of the Annual General Meeting during the business hours on working days.

HUMAN RESOURCES:

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.J.V.Kiran Kumar, 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.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, your Company has constituted Internal formulate Complaints Committees (ICC). During the year, Your Company has not received any complaints on Sexual Harassment under the Act.

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 Big share Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082.

SECRETARIAL STANDARDS:

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

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
2010-11	06-08-2011	07-09-2018
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 ACKNOWLEDGMENTS:

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 also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader. 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. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. 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

Place : CHILAKALURIPET
Date : May 28, 2018.

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

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

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
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	31,13,89,710	45.68
2	Cotton Seed Washed Oil	111	27,77,54,696	40.75
3	Cotton Seed Hulls	111	5,24,93,005	7.70

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		
A. Promoters										
(1) Indian										
a) Individual/HUF	-	1,68,723	1,68,723	21.36	1,68,773	-	1,68,773	21.36	-	-
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	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)		5,43,386	5,43,386	68.78	5,43,436	-	5,43,436	68.79	-	-
					-					
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)										
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)		5,43,386	5,43,386	68.78	5,43,436	-	5,43,436	68.79	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	1,62,374	1,62,374	20.55	-	1,62,374	1,62,374	20.55	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	1,62,374	1,62,374	20.55	-	1,62,374	1,62,374	20.55	-	-

(2) Non Institutions										
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	-	82,190	82,190	10.40	-	82,140	82,140	10.40	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	84,240	84,240	10.66	-	84,190	84,190	10.66	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	2,46,614	2,46,614	31.22	-	2,46,564	2,46,564	31.22	-	-
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	7,90,000	7,90,000	100.00	-	7,90,000	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	-	23685	3.00	-	0
2	Mr.M.Venkateswara Rao	23410	2.96	-	23410	2.96	-	0
3	Smt. M.Seetha Devi	18885	2.39	-	18885	2.39	-	0
4	Mr.M.Ramesh	32715	4.14	-	32765	4.15	-	0.01%
5	Smt. M.Soumya	13385	1.69	-	13385	1.69	-	0
6	Kum.M.Sanhita	11335	1.43	-	11335	1.43	-	0
7	Smt. M.Radhika	15104	1.91	-	15104	1.91	-	0
8	Kum.M.Sanjana	15104	1.91	-	15104	1.91	-	0
9	Smt.M.Lalitha	15100	1.91	-	15100	1.91	-	0
10	M/s.Maddi Lakshmaiah & Co., Ltd.	153763	19.46	-	153763	19.46	-	0
11	M/s. K.S.Subbaiah Pillai & Co (India) Ltd.,	120900	15.30	-	120900	15.30	-	0
12	M/s.ML Agro Products Ltd.,	100000	12.66	-	100000	12.66	-	0
	Total	543386	68.78	-	543436	68.79	-	0

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

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	543386	68.78	543386	68.78
	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)	Promoter share holding increased by 0.001% due to increasing of shareholding of Mr. Maddi Ramesh from 32715 shares to 32765 shares on 13.11.2017 through transfer of shares by way of market sale from Kanakaiah Nallamalli			
	At the end of the year	543436	68.79	543436	68.79

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & 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
1	Industrial Development Bank of India				
	At the beginning of the year	99,125	12.55	99,125	12.55
	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)	99,125	12.55	99,125	12.55
2	ICICI Bank Limited				
	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
3	Canara Bank, Bangalore				
	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
4	P.M.Mohan Rao				
	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
5	T. Mastan Reddy				
	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

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
6	Smt.P.Sucharitha Mohan Rao				
	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
7	A.V.Badve				
	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
8	Mrs. Surekha Anand Badve				
	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
9	K. Satyanarayana				
	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
10	Narapa Reddy R.				
	At the beginning of the year	2,500	0.32	2,500	0.32
	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)	2,500	0.32	2,500	0.32

(v) Shareholding of Directors & 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
1	M.LAKSHMAIAH				
	At the beginning of the year	23,685	3.00	23,685	3.00
	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	23,685	3.00	23,685	3.00
2	M.VENKATESWARA RAO				
	At the beginning of the year	23,410	2.96	23,410	2.96
	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	23,410	2.96	23,410	2.96
3	M.RAMESH				
	At the beginning of the year	32,715	4.14	32,715	4.14
	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	-	-	50	0.01
	At the end of the year	32,765	4.15	32,765	4.15
4	K.SATYANARAYANA				
	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	2,650	0.34	2,650	0.34
5	VADLAMANI VENKATA SUBRAMANYA RAVI				
	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)	-	-	-	-
	At the end of the year	-	0.00	-	0.00
6	RALLABHANDI SARADA				
	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)	-	-	-	-
	At the end of the year	-	0.00	-	0.00
7	LAKKARAJU SHYAMA PRASAD				
	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)	-	-	-	-
	At the end of the year	-	0.00	-	0.00

V INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	27,56,19,382	-	0	27,56,19,382
ii) Interest due but not paid	0	-	0	0
iii) Interest accrued but not due	0	-	0	-
Total (i+ii+iii)	27,56,19,382	-	0	27,56,19,382
Change in Indebtedness during the financial year				
Additions	-	5,17,01,370	0	5,17,01,370
Reduction	8,59,03,718	2,17,01,370	0	10,76,05,088
Net Change	-8,59,03,718	3,00,00,000	0	-5,59,03,718
Indebtedness at the end of the financial year				
i) Principal Amount	18,97,15,664	3,00,00,000	0	21,97,15,664
ii) Interest due but not paid	0	918740	0	918740
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	18,97,15,664	3,09,18,740	0	22,06,34,404

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

Sl. No	Particulars of Remuneration			
	Gross salary	M.RAMESH Managing Director	Name of the WTD / Manager	Total Amount
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	18,00,000	-	18,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,83,600		1,83,600
	(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, please specify	-	-	-
	Total (A)	19,83,600	-	19,83,600
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		M.Lakshmaiah	V.V.S.Ravi	M.V.R.	R.L.S.	L.S.Prasad	
1	Independent Directors						
	(a) Fee for attending board committee meetings	8,000	5,000	6,000	14,000	10,000	43,000
	(b) Commission						
	(c) Others, please specify						
	Total (1)	8,000	5,000	6,000	14,000	10,000	43,000
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify.						
	Total (2)						
	Total (B)=(1+2)	8,000	5,000	6,000	14,000	10,000	43,000
	Total Managerial Remuneration						20,26,600
	Overall Ceiling as per the Act.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	9,43,128	9,43,128
	(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	-	-	-	-
	Total	-	-	9,43,128	9,43,128

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)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

By Order of the Board of Directors

Sd/-
(MaddI Lakshmaiah)
Chairman
(DIN:00013387)

Place : CHILAKALURIPET

Date : May 28, 2018

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) Conservation of energy continues to be 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 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	2017-18	2016-17
1	Electricity:		
	a) Purchased Units	2904705	3407345
	Total Amount	₹ 25538277	₹ 30746472
	Rate/Unit	₹ 8.79	₹ 9.02
	b) Own Generation		
	I) Through Diesel Generators:		
	Units	869	7267
	Units per Ltr. Of diesel Oil	1.51	2.15
	Cost/Unit	₹ 42.02	₹ 27.01
	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)	1901.000	2269.000
	Total Cost	₹ 5062181	₹ 5096427
	Average Cost	₹ 2662.90	₹ 2246.11

B CONSUMPTION PER UNIT OF PRODUCTION:

Sl.No.	Particulars	2017-18	2016-17
1	ELECTRICITY:		
	Cotton Seed	95.07 Units	88.51 Units
2	COAL:		
	Cotton Seed	-	-
3	Furnace Oil	-	-
4	RICE HUSK for Steam Generation:		
	Cotton Seed	62.20 Kgs	58.81 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 **606.540** M.T. of Cotton Linters worth ₹ **237.33** lakhs during the year under review as against 2,492.390 M.T. worth ₹ 1032.90 lakhs in the previous year. The company also exported **119.730** M.T of Cottonseed Hulls worth ₹ **10.11** lakhs during the year under review

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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). 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, 2018 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, 2018 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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 (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, with respect to board and general meetings.
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. *The Company has not appointed a Company Secretary as Key Managerial Person (KMP). This is a non-compliance of section 203 of the Companies Act, 2013 and Regulation 6 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
2. *During the year up to 30-09-2017 The Company has not ensured that hundred percent of shareholding of promoter(s) and Promoter group is in dematerialized form. This is a non-compliance of Regulation 31 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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/-

Place : Guntur
Date : 28th May, 2018.

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

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 : 28th May, 2018

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 2017-18 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 2017-18 (Amount In Rs)	Ratio of remuneration of each Director/to median remuneration of employees	Remuneration of Directors During the F.Y 2016-17 (Amount In Rs)	% Increase/(Decrease) in Remuneration in the Financial Year 2017-18
1	Maddi Ramesh Managing Director	19,83,600	17.832	19,83,600	0.00
2	Maddi Venkateswara Rao Director	6,000	0.054	8,000	(25.00)
3	Maddi Lakshmaiah Chairman	8,000	0.072	8,000	0.00
4	V.V.S. Ravi Director	5,000	0.045	10,000	(50.00)
5	L.Shyam Prasad Director	10,000	0.090	11000	(9.09)
6	R.Lakshmi Sarada Women Director	14,000	0.126	7,000	100.00

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- i) The Median Remuneration of Employees of the Company during the Financial Year was Rs. **1,11,240**.
- ii) There were **174** permanent employees on the rolls of the Company as on 31st March, 2018.
- 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 2017-18, There was a increase of **1.13%** 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:

Edible oils constitute an important component of food expenditure in Indian households. The demand for edible oils in India has shown a steady growth, driven by improvement in per capita consumption, which in turn is attributable to rising income levels and living standards. However, the Indian edible oils market continues to be underpenetrated as the current per capita consumption level of India is lower than the global average. Thus, edible oils have a favourable demand growth outlook over the medium-to-long term, which is further supported by positive macro and demographic fundamentals. At present, India plays an important role in the global edible oil market, accounting for 11% share of consumption, 7% share of oilseed production, 4% share of edible oil production and 19% share of world edible oil imports.

India is one of the largest producer of oilseeds in the world and this sector occupies an important position in the agricultural economy. Oilseeds and edible oils are two of the most sensitive essential commodities. India grows oilseeds on an area of over 26 million hectares, with productivity of around 1000 kg a hectare. But self-reliance in edible oils is not in sight and the country imports almost half of its edible oil requirements.

India has a wide range of oilseeds crops grown in its different agro climatic zones. Groundnut, mustard/rapeseed, sesame, safflower, linseed, nigerseed/castor are the major traditionally cultivated oilseeds. Soyabean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Among the non-conventional oils, ricebran oil and cottonseed oil are the most important. The Indian edible oil industry is composed of some 15,000 oil mills, 600 solvent extraction units, 250 vanaspati units and about 400 refining units.

The National council of Applied Economic Research has projected the demand for edible oils under three scenarios on the basis of per capita income growing annually by 4%,5% and 6%. Under the low growth scenario, the demand was to rise to 22.8 million tones ,under medium growth scenario to 25.9 million tones and under high growth scenario to 29.4 million tones in the near future. The edible oil industry is largely dominated by the bulk segment. Unbranded segment accounts for anywhere between 80 and 90% of the total consumption. Imports are taking place in two forms- refined and crude oil. A large part of the crude oil gets sold as unbranded oil. The share of raw oil, refined oil and vanaspati in the total edible oil market is estimated at 35%, 55% and 10% respectively.

With growing quality consciousness and plummeting price differences between packaged and non-packaged edible oils, the packaged edible oil sector will capture 50% of the market share in coming years. The packaged branded edible oil industry is growing at 12% annually.

Import of edible oil in the year 2017-18 may hit a record high. This is likely due to the fall in the availability of oil from domestic sources. Also, the oilseed production has decreased and on the contrary, there is an increase in the consumption of oil.

For the oil year 2017-18, there is scarcity in sowing and crop damage due to flooding has increased in the major growing regions. These factors have contributed towards a reduction in Soyabean crop size. As compared to the last year, when the Soyabean oil output was 12 million tonnes, this year it is forecast at below 9 million tonnes.

It has been estimated that a mere 4% increase in the per capita consumption adds around 0.8 million tonnes of demand each year. Therefore, the lower acreage and dependency on imported edible oil would increase, stated the industry sources.

The agriculture sector in India has made considerable progress in increasing the yields and hence production, particularly in respect of food crops such as wheat and rice. However, in case of oilseeds, the performance has not been equally creditable.

India occupies a prominent position in the world oilseeds industry with contribution of around 10% in worldwide production. But the demand of edible oils (extracted from oilseeds in addition to palm oil) is significantly higher than the domestic production, leading to dependence on imports (60% of requirement). In FY2016 India's total edible oil demand stood at 24 mn tonnes out of which 9 mn tonnes was met from domestic production and 15 mn tonnes met from imports.

Over the last ten years, the oilseeds production in the country has increased to around 34 mn tonnes in FY2017 from 24 mn tonnes in FY2007. Considering the importance of oilseeds, and the high level of imports, various oilseeds development schemes have been funded by the government to encourage cultivation of oilseeds and palm. There has been some progress in increasing the area under cultivation and improving yields, but the growth has been slow. Average yield of various oilseeds crops in India, though improved, is lower than world average and significantly lower than other major oilseeds producing nations. As area under oilseeds has been almost stagnant during the last decade, there is little scope for extension of area given the competing demands. Thus yield rates need to be stepped up significantly in order to increase the production of oilseeds.

The government is currently running 'National Mission on Oilseeds and Oil Palm (NMOOP)' to encourage the adoption of newly released varieties and improved agro-techniques in oilseed crops. The mission targets increasing production of oilseeds to 42 mn tonnes by FY2022 from estimated 34 mn tonnes in FY2017, this can help lower the proportion of imports in total edible oil consumption in the country to around 55% in FY2022 from around 60% in FY2017.

The key constraints limiting the growth in production of oilseeds include lack of suitable varieties, high-costs of cultivation, lack of timely availability of inputs, and low & fluctuating prices. As the majority of the area under oilseeds cultivation is still rain fed (around 75%), there is significant impact of vagaries of monsoon on the overall productivity of oilseeds crops.

(b) OPPORTUNITIES AND THREATS:

The growth in production of domestic edible oil has not been able to keep pace with the growth of consumption. The demand from domestic market is a greatest opportunity for the industry. The demand supply gap is becoming wider mainly due to limited availability of oil seeds, shifting of acreage to other crops and increase in demand of edible oil. Price volatility of raw material and finished products due to domestic and international market fluctuations is a greatest threat to the company. At this competent, unfavorable market conditions also new entrants with or without brand names are entered to the market, which is also a threat to the existing market players.

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

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

Seed Processing: The Company passed through a critical phase during the year under review in view of recession in the country due to implementation of de-monetization in Nov., 2016 and GST in July, 2017, which caused to prevail on all products of the Company like Cottonseed De-oiled cakes, hulls and oils prices at abnormally low level and no parity between cottonseed prices and its products from Nov., 2016 till the end of April, 2018. Besides the recession in domestic market, Chinese market also suffered recession during the reviewing period, which resulted steep fall in cotton linter prices in International Market.

Further, the cotton crop in Andhra Pradesh and Telangana states got affected by pink boll worms, which resulted the heavy damage of cotton crop in both states and in turn the processing volumes of the company are also fallen from 38,580 to 30,564 MT of cotton seed during the year under review. Due to carried over accumulated stocks, the interest cost is higher when it is compared to that of previous year.

Wind Turbine Generators: Wind power projects in Gujarat and Tamilnadu states did not generate power as per the estimates because of bad weather conditions in the country during the year under review.

(d) OUTLOOK:

The long-term outlook of edible oil demand in India is favorable on expectation of increasing population, increase in per capita consumption which in turn would be driven by changing lifestyles, growing urbanization, increasing proportion of middle-class population and steadily rising affluence levels. The near-term outlook for the edible oil companies is expected to be stable on steady edible oil domestic demand and improvement in operating margin due to increasing refining operation.

During the past decade, the domestic production of oil seeds and edible oil has remained stagnant but the demand has risen steadily, leading to a significant increase in import dependence. The flexibility to modify product portfolio as per demand is a key strength in a market characterised by commodity price volatility. Accordingly, players with a diversified presence and exposure to the three major categories of oil, namely palm oil, soyabean oil and mustard oil, are better positioned for growth than players with single product concentration. Further, large scale integrated players are better placed than small- and mid-sized manufacturers to withstand the challenges in the business environment on the strength of benefits related to economies of scale such as lower cost of production and access to cheaper working capital credit. Domestic consumption of edible oil is expected to increase with enhancement in income level and population.

(e) 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 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.

One of the key risks that edible oil companies face is the risk arising out of volatility in prices of raw materials (oilseeds), crude edible oil and refined edible oil, which may be influenced by trends in international commodity prices, current fluctuations, demand-supply dynamics and macro-economic trends. 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, soyabean oil is imported in significant quantities (about 55%-70%). 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, 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). With a significant portion of the consumed oil being imported, the foreign currency movements also have an impact on the profit margins of the company.

Companies with relatively higher inventory-holding periods owing to factors like processing, logistics etc. may face higher risk than the ones with faster turnaround as the inventory value can change rapidly in either direction. Thus, the overall profitability of market participants remains vulnerable to risks associated with commodity price volatility, forex movements, as well as demand-supply dynamics.

As the share of irrigated (by dams/canals/wells) area is low in India, most of the regions are dependent on monsoon rainfall. Even the irrigated areas are indirectly dependent on monsoons. Thus, production of oilseeds is negatively impacted in the years when there is a drought or deficient rainfall. However, the risk can be mitigated to some extent if the companies have a geographically diversified manufacturing presence across several states as the likelihood of monsoons failing simultaneously across states remains low to moderate. Also, the risk is further mitigated for players who have access to imported feedstock (either crude palm oil for refining or soyabean seeds for crushing, extraction and refining).

The profitability of edible oil companies is significantly influenced by regulatory changes and remains highly susceptible to the changes in the duty differential between import duties on crude and refined oil by the Government of India (GOI). Also, the profitability of these companies depends on the changes in the export tax levied by exporting countries, mainly Indonesia and Malaysia (that account for most of palm oil imports). Beginning 2007-08, the import duty on crude and refined edible oils has been progressively reduced by the GOI. These policy changes have been made to comply with foreign trade agreements entered by India with other countries such as the Association of South East Asian Nations (ASEAN), apart from meeting shortfalls in domestic supplies so as to curtail inflation. Overall, the profit margins of domestic refineries are influenced by changes in the import duty structure by the GOI or modifications in export duty by exporting countries because of limited value addition as well as limited ability of the players to fully pass on duty changes to end customers on account of the highly-fragmented industry structure. Therefore, ICRA's rating assessment takes into account the overall cost competitiveness of the entity as well as evaluates the consequences of duty changes and viability of the players concerned. ICRA also notes that entities that crush domestic seeds and process into oils will be relatively less affected than refineries of imported edible oil. However, they will be subject to competition from imported oils, which is sensitive to duty changes.

The edible oil industry in India is characterised by intense competition and fragmentation owing to the presence of a large number of units. This in turn is attributable to low entry barriers such as low capital and low technical requirements of the business. Though a number of inefficient units have been closed down after reduction of high import tariffs on imported edible oils, the average capacity utilisation rates of Indian oilseed processors remain low (at ~30%-40%), with many of the units operating only for a part of the year (during the local harvest season of raw materials). Thus, achieving economies of scale and having a competitive cost structure are of considerable importance. Although the operating profit margins of edible oil manufacturers have inherently been thin due to low value addition in the business, players with cost competitive structures or bulk purchases of raw materials have achieved relatively better margins because of better pricing power. The ability to maintain high capacity utilisation is influenced by factors such as extent of cost competitiveness and location of the units near a large consumer market, which offers competitive advantage in terms of logistics and price of end products.

Focusing on Raw Material Management, Supply chain management, Total Quality management, cost reduction and cost control are likely to be the key success determinants for players.

The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards various stake holders, including domestic farmers, industry, consumers etc. 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.

(f) 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.

(g) 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 decreased to ₹ 6815.27 Lakhs as compared to ₹ 10235.85 Lakhs registering a fall of 33.42% on an annualized basis. The net loss for the financial year under report was ₹576.76 Lakhs as against ₹ 2.66 Lakhs for the previous year

(h) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

During the year there was no Material developments in Human Resources / Industrial Relations front, including number of people employed in your company. The management periodically reviews the risk management framework to identify the major business risks as applicable to the Company and works out their mitigation strategy,

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.

INDEPENDENT AUDITOR'S REPORT**To the Members of
Coromandel Agro Products and Oils Limited****Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of Coromandel Agro Products and Oils Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial statements

2. 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 state of affairs (financial position), profit and loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. we conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The audited standalone financial statements for the year ended 31 March 2017, was carried out and reported by A.Ramachandra Rao & Co., vide their unmodified audit report dated 29th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained 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 standalone financial statements 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;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 and being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting of the Company as on 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unqualified opinion;
 - g) 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.
 - ii) the Company has no long-term contract including derivative contracts requiring disclosure of material foreseeable losses;
 - iii) there were no amounts which were 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 : Chilakaluripet
 Date : 28.05.2018

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 2018.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The Company has a regular program of physical verification of its fixed assets under which fixed 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. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held 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) 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) 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) 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, wealth tax, goods and services tax, duty of customs, Cess with the appropriate authorities;

(b) The net dues outstanding in respect of duty of excise on account of dispute are as follows:

Period	Forum where pending	Cess No.	Total (Refund) Demand	Paid (to be received)
01.11.2007 to 01.04.2008	CESTAT, SOUTHERN ZONE BENCH	CESTAT APPEAL NO. ST/1587/2010 dt 05.08.2010	(981132)	to be received
01.05.2008 to 30.11.2008		CESTAT APPEAL NO. ST/1383/2010 dt 27.07.2010	314152	314152
01.03.2009 to 30.09.2009		CESTAT APPEAL NO. ST/2796/2011 dt 17.01.2012	401327	NIL
01.01.2012 to 31.03.2012		CESTAT APPEAL MISC ORDER NO. 21180/2015 dt	427622	213811
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) No fraud by the Company or on the Company by its officers or employees have been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided 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) 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 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 regards 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 : Chilakaluripet
Date : 28.05.2018

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 31st March, 2018

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) as at and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the company as of that date.

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 deemed to be 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate 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.

Company's internal financial control 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 or 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 has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

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

Sd/-
(E.SRI RANGANATH)
PARTNER

ICAI Membership No. 013924

Place : Chilakaluripet
Date : 28.05.2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rupees)

Particulars	Note	As at		
		31st March, 2018	31st March, 2017	1st April, 2016
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2.1	10,31,94,682	11,32,43,874	12,25,03,983
(b) Financial Assets				
(i) Investments	2.2	850	850	850
(c) Other non-current assets	2.3	1,24,83,690	1,24,83,690	1,22,83,690
Total Non-Current Assets		11,56,79,222	12,57,28,414	13,47,88,523
(2) Current assets				
(a) Inventories	2.4	19,02,12,940	32,21,39,119	28,55,02,737
(b) Financial Assets				
(i) Trade receivables	2.5	3,46,78,019	2,20,08,388	4,66,19,982
(ii) Cash and cash equivalents	2.6	15,02,489	23,05,090	20,10,353
(iii) Other Bank balances	2.7	3,24,995	4,40,980	4,12,433
(iv) Other Financial Assets	2.8	4,77,51,517	5,27,00,987	5,73,01,631
(c) Current Tax Assets (Net)	2.9	15,85,275	15,21,343	-
(d) Other current assets		-	-	-
Total Current Assets		27,60,55,235	40,11,15,907	39,18,47,136
Total Assets		39,17,34,457	52,68,44,321	52,66,35,659
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	2.10	79,00,000	79,00,000	79,00,000
(b) Other Equity (Refer SOCE)		10,02,63,539	15,79,40,134	15,92,55,769
Total Equity		10,81,63,539	16,58,40,134	16,71,55,769
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.11	3,09,18,740	1,13,54,218	8,36,25,730
(b) Long Term Provisions		-	-	-
(c) Deferred tax liabilities (Net)	2.12	1,08,92,382	2,02,75,963	2,23,76,561
(d) Other Non-current liabilities		-	-	-
Total Non-Current Liabilities		4,18,11,122	3,16,30,181	10,60,02,291
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.13	18,97,15,664	26,42,65,164	18,67,01,138
(ii) Trade payables	2.14	2,12,35,322	3,03,43,607	2,94,41,039
(iii) Other financial liabilities	2.15	1,15,62,450	1,35,80,980	1,35,52,433
(b) Other current liabilities	2.16	1,92,46,360	2,11,84,255	2,33,32,906
(c) Current tax Liabilities (Net)	2.17	-	-	4,50,083
Total Current Liabilities		24,17,59,796	32,93,74,006	25,34,77,599
Total Equity and Liabilities		39,17,34,457	52,68,44,321	52,66,35,659
Significant Accountintg Policies	1			
Notes on Accounts	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/-
(MADDI LAKSHMAIAH)
Chairman (Din No.00013387)

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

Sd/-
(MADDI RAMESH)
Managing Director (Din No.00013394)

Place : CHILAKALURIPET
Date : May 28, 2018

Sd/-
(KOTHURI SATYANARAYANA)
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rupees)

Particulars	Note	For the Year Ended	
		31st March 2018	31st March 2017
Revenue From Operations(Gross)	2.18	68,16,49,856	1,02,42,69,807
Other Income	2.19	16,34,644	28,23,422
Total Income		68,32,84,500	1,02,70,93,229
EXPENSES			
Cost of materials consumed	2.20	52,16,33,174	92,90,70,637
Changes in inventories of Finished Goods	2.21	11,78,94,807	(2,84,46,715)
Excise Duty on Sales		1,22,711	6,84,673
Employee benefits expense	2.22	1,66,39,097	1,61,96,642
Finance costs	2.23	1,72,43,239	1,65,60,170
Depreciation and amortization expenses	2.24	1,01,96,844	1,01,41,999
Other expenses	2.25	6,66,14,802	8,26,26,346
Total expenses		75,03,44,675	1,02,68,33,752
Profit / (Loss) before tax		(6,70,60,175)	2,59,477
Tax Expenses:			
(1) Current tax	2.12	-	26,25,706
(2) Deferred tax	2.12	(93,83,580)	(21,00,598)
Total Tax Expenses		(93,83,580)	5,25,108
Profit / (Loss) after Tax		(5,76,76,595)	(2,65,631)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	2,06,763
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(68,232)
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		-	-
Total Comprehensive Income for the period		(5,76,76,595)	(1,27,100)
Earnings per equity share			
(1) Basic Earnings Per Share(Rs.)	2.26	(73.01)	(0.16)
(2) Diluted Earnings Per Share(Rs.)	2.26	(73.01)	(0.16)
Significant Accounting Policies	1		
Notes on Accounts	2		

The accompanying notes are an integral part of financial statements. For the sake of convenience, previous year figures are regrouped in different form but the result of which is the same.

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

Place : CHILAKALURIPET
Date : May 28, 2018

Sd/-
(MADDI LAKSHMAIAH)
Chairman (Din No.00013387)

Sd/-
(MADDI RAMESH)
Managing Director (Din No.00013394)

Sd/-
(KOTHURI SATYANARAYANA)
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	(Rupees)		
	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
Outstanding at the beginning	79,00,000	79,00,000	79,00,000
Changes in equity share capital during the year	-	-	-
Outstanding at the end	79,00,000	79,00,000	79,00,000

B. CHANGES IN OTHER EQUITY
For the year ended 31st March, 2018

Particulars	Reserves and Surplus					Other Comprehensive Income Acturial Gain/(Loss) and Revaluation surplus/(deficit)	Total
	Retained Earnings	General Reserve	Capital Reserve	Revaluation Reserve	Capital Redemption Reserve		
As at 1st April, 2017	9,87,01,960	5,33,37,268	51,62,375	-	6,00,000	1,38,531	15,79,40,134
Profit / (Loss) for the Year	(5,76,76,595)	-	-	-	-	-	(5,76,76,595)
Revaluation surplus transferred to Statement of Profit & Loss	-	-	-	-	-	-	-
As at 31st March, 2018	4,10,25,365	5,33,37,268	51,62,375	-	6,00,000	1,38,531	10,02,63,539

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

Place : CHILAKALURIPET
Date : May 28, 2018.

Sd/-
(MADDI LAKSHMAIAH)
Chairman (Din No.00013387)

Sd/-
(MADDI RAMESH)
Managing Director (Din No.00013394)

Sd/-
(KOTHURI SATYANARAYANA)
Chief Financial Officer

For the year ended 31st March, 2017

Particulars	Reserves and Surplus					Other Comprehensive Income Acturial Gain/(Loss) and Revaluation surplus/(deficit)	Total
	Retained Earnings	General Reserve	Capital reserve	Revaluation Reserve	Capital Redemption Reserve		
As at 1st April, 2016	9,04,95,712	5,33,37,268	51,62,375	84,71,879	6,00,000	-	15,80,67,234
Transitional Changes due Ind-AS	11,88,535	-	-	-	-	-	11,88,535
Restated Balance as at 1st April,2016	9,16,84,247	5,33,37,268	51,62,375	84,71,879	6,00,000	-	15,92,55,769
Profit / (Loss) for the Year	(2,65,631)	-	-	-	-	1,38,531	(1,27,100)
Dividend paid on Equity Shares	(9,87,500)	-	-	-	-	-	(9,87,500)
Dividend Distribution Tax paid	(2,01,035)	-	-	-	-	-	(2,01,035)
Revaluation surplus transferred to							-
Statement of Profit & Loss	84,71,879	-	-	(84,71,879)	-	-	-
As at 31st March, 2017	9,87,01,960	5,33,37,268	51,62,375	-	6,00,000	1,38,531	15,79,40,134

For and on behalf of the board

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

Sd/-
(MADDI LAKSHMAIAH)
Chairman (Din No.00013387)

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

Sd/-
(MADDI RAMESH)
Managing Director (Din No.00013394)

Place : CHILAKALURIPET
Date : May 28, 2018.

Sd/-
(KOTHURI SATYANARAYANA)
Chief Financial Officer

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, 2018

(Rupees)

Description of Assets		Land and site Development - OIL	Land and site Development - WTG	Building	Machinery	Wind Turbine Generators	Electrical Equipment	Furniture & Equipment	Laboratory Equipment	Vehicles	Total
Gross Carrying Value as at 1.04.2017		10,92,769	27,36,341	1,85,11,907	3,53,93,903	6,39,13,809	500	2,04,920	200	15,31,524	12,33,85,873
Additions during the year								1,47,652			1,47,652
Disposals/Adjustments during the year											
Gross Carrying Value as at 31st March 2018	A	10,92,769	27,36,341	1,85,11,907	3,53,93,903	6,39,13,809	500	3,52,572	200	15,31,524	12,35,33,525
Accumulated depreciation as at 1st April 2017		14,875	1,33,306	11,17,238	49,44,533	35,81,337	-	1,01,957	-	2,48,753	1,01,41,999
Depreciation expense for the year		1,707	1,31,155	12,09,943	53,41,929	31,95,690	-	1,02,597	-	2,13,823	1,01,96,844
Accumulated depreciation on disposals / adjustments during the year											
Accumulated depreciation as at 31st March 2018	B	16,582	2,64,461	23,27,181	1,02,86,462	67,77,027	-	2,04,554	-	4,62,576	2,03,38,843
Carrying Value as at 31st March 2018	(A-B)	10,76,187	24,71,880	1,61,84,726	2,51,07,441	5,71,36,782	500	1,48,018	200	10,68,948	10,31,94,682

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2017

(Rupees)

Description of Assets		Land and site Development - OIL	Land and site Development - WTG	Building	Machinery	Wind Turbine Generators	Electrical Equipment	Furniture & Equipment	Laboratory Equipment	Vehicles	Total
Gross Carrying Value as at 1.4.2016		10,92,769	27,36,341	1,85,11,907	3,53,93,903	6,39,13,809	500	1,75,920	200	6,78,634	12,25,03,983
Additions during the year		-	-	-	-	-	-	29,000	-	8,52,890	8,81,890
Disposals/Adjustments during the year											
Gross Carrying Value as at 31st March 2017		10,92,769	27,36,341	1,85,11,907	3,53,93,903	6,39,13,809	500	2,04,920	200	15,31,524	12,33,85,873
Accumulated depreciation as at 31st March 2017	(A)										
Depreciation expense for the year		14,875	1,33,306	11,17,238	49,44,533	35,81,337	-	1,01,957	-	2,48,753	1,01,41,999
Accumulated depreciation on disposals / adjustments during the year		-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March 2017		14,875	1,33,306	11,17,238	49,44,533	35,81,337	-	1,01,957	-	2,48,753	1,01,41,999
Carrying Value as at 31st March 2017	(A-B)	10,77,894	26,03,035	1,73,94,669	3,04,49,370	6,03,32,472	500	1,02,963	200	12,82,771	11,32,43,874
Carrying Value as at 01.04.2016		10,77,894	26,03,035	1,73,94,669	3,04,49,370	6,03,32,472	500	73,963	200	4,29,881	11,23,61,984

The Company has acquired 23 acres 68 cents of land at Jandrapet, Chirala Mandal, Prakasam District, Andhra Pradesh for the factory from Government of Andhra Pradesh on lease for a period of 99 years commencing from 12.12.1975

(Rupees)

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
2.2 Investments			
Other investments			
Post office saving certificate (Deposited with District Supply Office)	850	850	850
Total	850	850	850
2.3 OTHER NON-CURRENT ASSETS			
Security Deposits-Considered Good			
Secured			
Unsecured	1,24,83,690	1,24,83,690	1,22,83,690
Total	1,24,83,690	1,24,83,690	1,22,83,690
2.4 INVENTORIES			
Raw Materials (At cost)	68,08,156	1,91,81,040	1,04,73,144
Finished Goods (At cost or net realisable value whichever is less)	15,42,78,747	27,21,73,554	24,37,26,839
Stores and Spares (At cost)	2,86,12,210	3,03,27,494	3,08,62,520
Loose Tools (At cost)	5,13,827	4,57,031	4,40,234
Total	19,02,12,940	32,21,39,119	28,55,02,737
2.5 TRADE RECEIVABLES			
Unsecured, considered good			
Of the above, Trade Receivables from:			
– Related Parties	-	-	-
– Others	3,46,78,019	2,20,08,388	4,66,19,982
Total	3,46,78,019	2,20,08,388	4,66,19,982
2.6 CASH & CASH EQUIVALENTS			
Balances with Banks	12,48,268	20,24,101	17,67,863
Cash on hand	2,54,221	2,80,989	2,42,490
Total	15,02,489	23,05,090	20,10,353
2.7 Other Bank Balances			
Fixed Deposits with Original maturity greater than 3 months but upto 12 months			
Earmarked balances with banks - Unpaid/Unclaimed Dividend	3,24,995	4,40,980	4,12,433
Total	3,24,995	4,40,980	4,12,433
2.8 OTHER FINANCIAL ASSETS			
Financial assets at carrying value			
Bank Deposit with Original Maturity for more than 12 months			
Interest Accrued on Deposits			
Advances to Suppliers	36,587	95,896	58,849
Advances for expenses	24,95,461	22,93,006	17,50,535
Advances for others	4,46,34,607	4,89,71,009	5,45,48,360
Others	5,84,862	13,41,076	9,43,887
Total	4,77,51,517	5,27,00,987	5,73,01,631

(Rupees)

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
2.9 Current Tax Assets(Net)			
Advance Tax(Net)	14,24,211	15,21,343	-
TDS Receivable	1,61,064	-	-
Total	15,85,275	15,21,343	-
2.10 EQUITY SHARE CAPITAL			
Authorised:			
Equity Shares, Rs.10/- par value 14,00,000 (PY 14,00,000) shares	1,40,00,000	1,40,00,000	1,40,00,000
Preference Shares, Rs. 100/- par value of 10,000 (PY 10,000) preference shares	10,00,000	10,00,000	10,00,000
Total	1,50,00,000	1,50,00,000	1,50,00,000
Issued:			
Equity Shares, Rs. 10/- par value - 8,90,000 (PY 8,90,000) shares	89,00,000	89,00,000	89,00,000
Total	89,00,000	89,00,000	89,00,000
Subscribed and Paid-Up:			
Equity Shares, Rs. 10/- par value - 7,90,000 (PY 7,90,000) shares	79,00,000	79,00,000	79,00,000
Total	79,00,000	79,00,000	79,00,000

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

(Rupees)

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
2.11 Borrowings			
Term Loan from bank(Secured)	-	1,13,54,218	2,46,51,067
Loan from Others (Unsecured) - Related Party	3,09,18,740	-	5,89,74,663
Total	3,09,18,740	1,13,54,218	8,36,25,730

Term Loan from Axis Bank (amount sanctioned Rs. 6,86,00,000) is secured by exclusive first charge by way of Hypothecation of a) 0.60 MW S52 model WTG of Suzlon make, b) 0.85 MW G58 model WTG of Gamesa make, and c) equitable mortgage of land located at Pushpathur village related to windmill project. This loan is also secured as collateral security by way of a) hypothecation on receivables generated out of the windmills and b) an equitable mortgage of a commercial land belonging to third party. It is further secured by personal guarantees of Sri M. Ramesh, Managing Director, Sri M. Lakshmaiah, Promoter Director and Sri M. Venkateswara Rao, Director in their individual capacities. The Term Loan is repayable in 87 monthly installments starting from 31 December 2011.

2.12 CURRENT TAX AND DEFERRED TAX

(a) Deferred Tax

Deferred Tax Liabilities

- On Property, Plant & Equipment	1,08,92,382	2,02,75,963	2,23,76,561
Total	1,08,92,382	2,02,75,963	2,23,76,561

Particulars	31st March 2018	31st March 2017
(b) Income Tax recognised in Profit and Loss		
Current Tax	-	26,25,706
Deferred Tax	(93,83,580)	(21,00,598)
Total Income Tax expenses	(93,83,580)	5,25,108

(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 :

Profit before tax	(6,70,60,175)	78,32,340
Expected Tax Rate in India	30.90%	30.90%
Computed Tax Expense	-	24,20,193
Income not considered for tax purposes	-	-
Effect of estimated non-deductible expenses	-	-
Others (including temporary difference)	-	2,05,513
Income Tax expenses recognised in profit and loss	-	26,25,706

(Rupees)

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
2.13 Borrowings			
Loans repayable on demand(Secured)			
-from banks	18,97,15,664	26,42,65,164	18,67,01,138
Total	18,97,15,664	26,42,65,164	18,67,01,138
Loan from Canara Bank is 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. Ramesh, Managing Director, Sri M. Lakshmaiah, Promoter Director and Sri M. Venkateswara Rao, Director in their individual capacities.			
2.14 TRADE PAYABLES			
Trade payable - Micro, Small and Medium enterprises	-	-	-
Trade payable - Other than Micro, Small and Medium enterprises	2,12,35,322	3,03,43,607	2,94,41,039
Total	2,12,35,322	3,03,43,607	2,94,41,039
2.15 OTHER FINANCIAL LIABILITIES			
Current maturity of Long Term Debts	1,12,37,455	1,31,40,000	1,31,40,000
Unpaid / Unclaimed Dividend*	3,24,995	4,40,980	4,12,433
Total	1,15,62,450	1,35,80,980	1,35,52,433
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2018.			
2.16 OTHER CURRENT LIABILITIES			
Advances received from customers	53,11,835	63,08,574	57,59,859
Other payables	1,39,34,525	1,48,75,681	1,75,73,047
Total	1,92,46,360	2,11,84,255	2,33,32,906
2.17 CURRENT TAX LIABILITIES (NET)			
Provision for income tax (Net)	-	-	4,50,083
Total	-	-	4,50,083

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

Name	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number of	% of	Number of	% of	Number of	% of
	Shares held	Shareholding	Shares held	Shareholding	Shares held	Shareholding
M/s. Maddi Lakshmaiah & Co., Ltd.	1,53,763	19.46	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	1,20,900	15.30
M/s. M.L. Agro Products Ltd.	1,00,000	12.66	1,00,000	12.66	1,00,000	12.66
Industrial Development Bank of India	99,125	12.55	99,125	12.55	99,125	12.55
ICICI Bank Ltd.	49,563	6.27	49,563	6.27	49,563	6.27

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

Description	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of	Share Capital	No. of	Share Capital	No. of	Share Capital
	Shares	in RS.	Shares	in RS.	Shares	in RS.
Number of equity shares at the beginning	7,90,000	7,90,00,000	7,90,000	7,90,00,000	7,90,000	7,90,00,000
Movement in equity during the year	-	-	-	-	-	-
Number of equity shares at the closing	7,90,000	7,90,00,000	7,90,000	7,90,00,000	7,90,000	7,90,00,000

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	2017-18	2016-17
Final Dividend	-	9,87,500
Dividend Distribution Tax	-	2,01,035
Total	-	11,88,535

(Rupees)		
Particulars	31st March 2018	31st March 2017
2.18 REVENUE FROM OPERATIONS		
Revenue from sale of products (including excise duty)	68,16,49,856	1,02,42,69,807
Total	68,16,49,856	1,02,42,69,807
2.19 OTHER INCOME		
Interest on Deposits	6,39,320	8,58,430
Insurance Claims	3,37,798	3,62,719
Other non-operating income	21,598	1,86,826
Contract Settlement	1,62,000	1,12,924
Export Incentive	4,73,928	8,69,402
Sale of VKGUY Licenses	-	4,33,121
Total	16,34,644	28,23,422
2.20 COST OF MATERIALS CONSUMED		
Opening stock	4,95,08,534	4,13,35,664
Add: Purchases	50,75,45,006	93,72,43,507
	55,70,53,540	97,85,79,171
Less: Closing Stock	3,54,20,366	4,95,08,534
Total	52,16,33,174	92,90,70,637
2.21 CHANGES IN INVENTORIES OF FINISHED GOODS		
Finished Goods		
Opening Stock	27,21,73,554	24,37,26,839
Less: Closing Stock	15,42,78,747	27,21,73,554
Total	11,78,94,807	(2,84,46,715)
2.22 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and Bonus (including Overtime, Exgratia and Gratuity)	1,23,94,854	1,30,61,550
Contribution to provident funds	13,81,928	13,27,936
Workmen and Staff welfare expenses	28,62,315	18,07,156
Total	1,66,39,097	1,61,96,642
2.23 FINANCE COSTS		
Interest expenses		
(a) Interest on Working Capital		
i) Interest on Secured loans	1,34,44,070	96,10,323
ii) Interest on unsecured loans	19,92,332	34,70,544
(b) Interest on Term Loan	18,06,837	34,79,303
Total	1,72,43,239	1,65,60,170

(Rupees)

Particulars	31st March 2018	31st March 2017
2.24 Depreciation and Amortisation Expense		
Depreciation and Amortisation Expenses for the year	1,01,96,844	1,01,41,999
Total	1,01,96,844	1,01,41,999
2.25 Other Expenses		
Manufacturing Expenses		
Power & Diesel Consumed	2,55,74,793	3,09,42,781
Rice Husk & Coal Consumed	50,62,181	50,96,428
Material Handling Charges	9,28,774	10,91,909
	3,15,65,748	3,71,31,118
Repairs & Maintenance		
Machinery	33,15,042	42,17,460
Building	76,598	2,25,722
	33,91,640	44,43,182
Administrative Expenses		
Rent	27,000	-
Insurance	12,55,511	12,72,045
Travelling	4,41,226	5,19,246
Rates & Taxes	7,29,297	8,56,828
Bank Charges	1,58,848	4,83,572
Foreign Exchange Fluctuations	-	6,634
Legal & Professional Charges	4,01,550	3,96,076
Directors' Sitting Fees	43,000	44,000
Managing Director's Remuneration & Commission	18,00,000	18,00,000
Other Expenses	39,53,718	42,31,515
	88,10,149	96,09,916
Auditor's Remuneration		
Audit Fee	1,00,000	1,15,000
Tax Audit Fee	1,12,000	1,28,800
Reimbursement of Expenses	19,512	23,509
	2,31,512	2,67,309
Sales Expenses		
Carriage Outwards	2,12,10,079	2,45,27,977
Export Expenses	3,27,611	49,60,597
Other Sales Expenses	10,78,063	16,86,247
	2,26,15,752	3,11,74,821
Total	6,66,14,802	8,26,26,346

2.26 EARNING PER SHARE

Particulars	31st March 2018	31st March 2017
Profit / (Loss) for the year	(5,76,76,595)	(1,27,100)
Profit / (Loss) for the year for diluted earning per share	(5,76,76,595)	(1,27,100)
Weighted average number of Ordinary Equity Shares used in	7,90,000	7,90,000
Computing basic earning per share		
Weighted average number of Ordinary Equity Shares used in	7,90,000	7,90,000
Computing diluted earning per share		
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	(73.01)	(0.16)
Diluted earning per share (Rs.)	(73.01)	(0.16)

2.27 FINANCIAL INSTRUMENTS

(Refer Note 1.10)

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.

(Rupees)

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
Equity Share Capital	79,00,000	79,00,000	79,00,000
Other Equity Reserves	10,02,63,539	15,79,40,134	15,92,55,769
Total	10,81,63,539	16,58,40,134	16,71,55,769

Categories of Financial Assets and Financial Liabilities as at 31st March 2018**(Rupees)**

Particulars	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
Trade Receivables	-	-	-	3,46,78,019	-
Cash & Cash Equivalents	-	-	-	15,02,489	-
Other Bank balances	-	-	-	3,24,995	-
Other Financial Assets	-	-	-	4,77,51,517	-
Total Financial Assets	-	-	-	8,42,57,020	-
Current Liabilities					
Trade Payables	-	-	-	2,12,35,322	-
Other Financial liabilities	-	-	-	1,15,62,450	-
Total Financial Liabilities	-	-	-	3,27,97,772	-

As at 31st March, 2017**(Rupees)**

Particulars	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
Trade Receivables	-	-	-	2,20,08,388	-
Cash & Cash Equivalents	-	-	-	23,05,090	-
Other Bank balances	-	-	-	4,40,980	-
Other Financial Assets	-	-	-	5,27,00,987	-
Total Financial Assets	-	-	-	7,74,55,445	-
Current Liabilities					
Trade Payables	-	-	-	3,03,43,607	-
Other Financial liabilities	-	-	-	1,35,80,980	-
Total Financial Liabilities	-	-	-	4,39,24,587	-

As at 1st April, 2016**(Rupees)**

Particulars	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
Trade Receivables	-	-	-	4,66,19,982	-
Cash & Cash Equivalents	-	-	-	20,10,353	-
Other Bank balances	-	-	-	4,12,433	-
Other Financial Assets	-	-	-	5,73,01,631	-
Total Financial Assets	-	-	-	10,63,44,399	-
Current Liabilities					
Trade Payables	-	-	-	2,94,41,039	-
Other Financial liabilities	-	-	-	1,35,52,433	-
Total Financial Liabilities	-	-	-	4,29,93,472	-

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 regard to its realisation. Company expects that all the debtors will 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, forecasting and actual cash flow and by matching the maturity profiles of financial assets and liabilities

(ii) Maturities of Financial Liabilities

The following tables details 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

	(Rupees)			
Particulars	Less than 1 Year	1-3 years	3 years to 5 years	5 years and above
31st March, 2018				
Long Term Borrowings	-	3,09,18,740	-	-
Short Term Borrowings	18,97,15,664	-	-	-
Trade Payables	2,12,35,322	-	-	-
Other Financial Liabilities	1,15,62,450	-	-	-
Total	22,25,13,436	3,09,18,740	-	-
31st March, 2017				
Long Term Borrowings	-	1,13,54,218	-	-
Short Term Borrowings	26,42,65,164	-	-	-
Trade Payables	3,03,43,607	-	-	-
Other Financial Liabilities	1,35,80,980	-	-	-
Total	30,81,89,751	1,13,54,218	-	-
1st April, 2016				
Long Term Borrowings	5,89,74,663	2,46,51,067	-	-
Short Term Borrowings	18,67,01,138	-	-	-
Trade Payables	2,94,41,039	-	-	-
Other Financial Liabilities	1,35,52,433	-	-	-
Total	22,96,94,610	2,46,51,067	-	-

As at 31st March, 2018, the Company had a working capital of Rs.3,42,95,439/- Including cash and bank balance & bank deposits of Rs. 18,27,484

As at 31st March, 2017, the Company had a working capital of Rs.7,17,41,901/- Including cash and bank balance & bank deposits of Rs. 27,46,070

(iii) Financial arrangements

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

Particulars	31st March 2018	31st March 2017	1st April 2016
Secured Bank Overdraft facility			
- Expiring within one year	3,02,84,336	57,34,836	1,32,98,862
- Expiring beyond one year	-	-	-
Total	3,02,84,336	57,34,836	1,32,98,862

2.28 EMPLOYEE BENEFITS**Defined benefit plans - as per Actuarial Valuations on 31st March, 2018****(Rupees)**

Particulars	31st March 2018	31st March 2017
Changes in the Obligation during the year ended 31st March		
Opening Balance of Present Value of Defined Benefit Obligation	61,12,324	58,90,036
Expenses Recognised in the Profit and Loss Account		
- Current Service Cost	3,66,977	3,75,479
- Interest Cost	4,88,986	4,71,203
Recognised in Other Comprehensive income		
Re-measurement (Gain)/Loss		
- Actuarial (Gain)/Loss arising from	7,95,839	(1,38,531)
i. Demographic Assumption		
ii. Financial Assumption		
iii. Experience Adjustments		
Benefits Paid	(7,37,607)	(4,85,863)
Closing Balance of Present Value of Defined Benefit Obligation	70,26,519	61,12,324
Change in fair value of Plan assets		
Opening Balance of fair value of plan assets	68,28,266	61,65,062
Expected Return on plan assets	5,16,268	4,94,369
Recognised in Other Comprehensive income		
Re-measurement (Gain)/Loss		
- Actual return on plan assets in excess of the expected return		
Contribution by employer	4,29,067	6,54,698
Benefits paid	(7,37,607)	(4,85,863)
Closing balance of Fair Value of Plan Assets	70,35,994	68,28,266
Net Asset / (Liability) recognized in the Balance Sheet		
Present value of funded obligations	70,26,519	61,12,324
Fair Value of plan assets	70,35,994	68,28,266
(Net Asset) / Liability in the Balance Sheet	(9,475)	(7,15,942) *
Expenses Recognised in the Profit and Loss Account		
Current Service Cost	3,66,977	3,75,479
Interest Cost	4,88,986	4,71,203
Expected Return on Plan Assets	(5,16,268)	(4,94,368)
Actuarial Loss / (Gain)	7,95,839	(1,38,531)
Total Expenses	11,35,534	2,13,783

2.29 RELATED PARTY TRANSACTIONS

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

i) Name of the Related Companies :

a) Sri. M. Ramesh -- Managing Director

ii) Key Managerial Personnel :

a) Sri. M. Ramesh -- Managing Director

b) Sri. K Satyanarayana -- Chief Financial Officer

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

(Rupees)

Particulars	As at 31st March 2018	As at 31st March 2017
i) Related Companies		-
ii) Key Managerial Personnel		
a) Remuneration and Commission		
Sri M. Ramesh	19,83,600	19,83,600
Sri K. Satyanarayana	9,43,128	9,62,976
b) Unsecured Loan taken during the year		-
Sri M. Ramesh	3,00,00,000	
c) Unsecured Loan repaid during the year		
Sri M. Ramesh	-	6,24,45,207
K.S. Subbaiah Pillai and Co (India) Ltd	2,09,71,571	
d) Unsecured Loan Outstanding as at 31 March		-
Sri M. Ramesh	3,09,18,740	
e) Interest on Unsecured Loan		
Sri M. Ramesh	10,20,822	34,70,544
K.S. Subbaiah Pillai and Co (India) Ltd	9,71,510	

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

Particulars	As At		
	31st March, 2018	31st March, 2017	1st April, 2016
Contingent Liabilities			
Claims against the company not acknowledged as debts			
Excise Matters in dispute	15,59,197	15,59,197	15,59,197
Service Tax matters in dispute	5,27,963	5,27,963	5,27,963
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)		-	-

Outstanding Bank Guarantees

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 Remuneration and other Payments**(Rupees)**

Particulars	As at 31st March	
	2018	2017
A Following amounts were paid to the Managing Director/Executive Director during the year		
M.D. Remuneration:		
1 Salary	18,00,000	18,00,000
2 Employer's Contribution to Provident Fund & Superannuation Fund	1,83,600	1,83,600
	<u>19,83,600</u>	<u>19,83,600</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	(6,70,60,175)	10,66,634
Add: Provision for Taxes	(93,83,580)	5,25,108
Profit in accordance with sec 198 @5% thereof	(7,64,43,755)	15,91,742
Remuneration payable in accordance with sec 197 @5% thereof	-	79,587
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		
Salary paid/ payable to Managing Director	18,00,000	18,00,000
Commission payable to Managing Director	-	-
B Travelling Expenses include NIL paid to Managing Director (Previous Year NIL) and Rs. 142,000 paid to other Directors (Previous Year Rs. 1,48,000)		

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 31.03.2018			For the Year ended 31.03.2017		
	Seed Processing	Wind Turbine Generators	Total	Seed Processing	Wind Turbine Generators	Total
Revenue	67,61,38,046	55,11,810	68,16,49,856	1,01,57,35,987	85,33,820	1,02,42,69,807
Profit / Loss Before interest and Tax	(4,96,11,167)	(2,05,769)	(4,98,16,936)	1,42,47,996	25,71,651	1,68,19,647
Interest	1,54,36,402	18,06,837	1,72,43,239	1,30,80,867	34,79,303	1,65,60,170
Tax	(2,90,89,361)	1,97,05,781	(93,83,580)	17,05,385	(11,80,277)	5,25,108
Profit/ Loss after tax	(3,59,58,208)	(2,17,18,387)	(5,76,76,595)	(5,38,256)	2,72,625	(2,65,631)
Other Information:						
Assets	33,21,25,795	5,96,08,662	39,17,34,457	46,39,08,814	6,29,35,507	52,68,44,321
Liabilities	25,26,27,682	3,09,43,236	28,35,70,918	33,53,29,692	2,56,74,495	36,10,04,187
Capital Expenditure	1,47,652	-	1,47,652	8,81,890	-	8,81,890
Depreciation and Ammortisation	68,69,999	33,26,845	1,01,96,844	64,27,356	37,14,643	1,01,41,999

2.34 Particulars in respect of Revenue from Operations

SL No.	Particulars	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1	Cotton Seed Oil	4345.625	27,77,54,696	5860.455	36,36,66,402
2	Cotton Seed Cake	17571.053	31,13,89,710	17480.106	39,95,25,355
3	Cotton Seed Hulls	8819.380	5,24,93,005	6433.065	10,56,03,573 *
4	Linters 1st Cut	398.405	1,32,94,989	1245.990	5,03,86,972 *
5	Linters 2nd Cut	404.580	1,58,30,589	2297.330	9,00,87,383 *
6	Cotton Seed Soap Stock	418.590	44,05,755	636.270	50,44,674
7	Cotton Seed Acid Oil	140.220	9,53,747	217.855	11,17,362
8	Cotton Seed Sludge Oil	15.555	15,555	143.617	3,04,266
9	W.T.G. Units		55,11,810		85,33,820
	TOTAL		68,16,49,856		1,02,42,69,807

* These items include export turnover of Rs. 2,47,43,871/- during the year (Rs. 10,32,90,634/- Previous Year)

2.35 Analysis of Raw material Consumed

SL No.	Particulars	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1	Cotton Seed	30563.838	50,19,60,422	38580.488	90,59,10,151
2	Cotton Seed Exp. Washed Oil	85.525	46,55,434	37.710	23,92,433
3	Others		1,50,17,319		2,07,68,053
	TOTAL		52,16,33,174		92,90,70,637

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 31.03.2018		For the Year Ended 31.03.2017	
		%age	Value (Rs.)	%age	Value (Rs.)
1	Raw Materials				
	- Indigenous	100	52,05,42,340	100	92,75,40,459
	- Imported	-	-	-	-
2	Stores & Spares				
	- Imported	-	-	-	-
	- Indigenous	100	10,90,834	100	15,30,178

2.37 Export Earnings in Foreign Currency

SL No.	Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
		Value (Rs.)	Value (Rs.)
1	Export Turnover on FOB Basis	2,45,89,922	10,28,25,798

2.38 Value of Imports on CIF Basis

SL No.	Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
		Value (Rs.)	Value (Rs.)
1	Spares	-	12,83,118

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	For the Year Ended 31.03.18	For the Year Ended 31.03.17
(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 beyond the appointed date during the year:		
– 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 date during the year	-	-
(d) Further interest due and payable even in succeeding year, until such date when the interest due as above are actually paid to the small enterprises	-	-
(e) Amount of interest accrued and remaining unpaid as at 31st March	-	-

2.40 First-time adoption of Ind-AS

These financial statements, for the year ended 31st March, 2018, are the Company's first financial statements prepared in accordance with Ind - AS. For periods upto and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the Statutory reporting requirements in India immediately before adopting Ind-AS (PREVIOUS GAAP). Accordingly the Company has prepared financial statements which comply with the Ind- AS applicable for periods ending on or after 31st March 2018 together with the comparative period data as at and for the year ended 31st March 2017 as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's Opening balance sheet was prepared as at 1st April 2016, the Company's Date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the first time adoption:

1. Optional Exemptions**Plant, Property and Equipment**

The Company has availed the exemption available under AS 101 to continue the carrying value of its plant, property and equipment as recognised in the financial statements as at the transition date to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition i.e. 1.4.2016

First Time Ind-AS Adoption reconciliations

The effect of the company's transition to Ind-AS is summarized in this note as follows:

- (i) Reconciliation of Equity and Net Profit as previously reported under Indian GAAP to Ind-AS;
- (ii) Adjustments to the statement of cash flows.

(i) (a) Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016: (Rupees)

Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity as reported under previous GAAP	16,66,09,417	16,59,67,234
Ind-AS: Adjustments increase / (decrease):		
Dividends not recognised as liability until declared	-	11,88,535
Discounting of Provisions	-	-
Equity as reported under Ind-AS	16,66,09,417	16,71,55,769

(i) (b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017: (Rupees)

Particulars	For the Year Ended 31.03.17
Profit or Loss as per previous GAAP	10,66,634
Ind-AS: Adjustments Increase/(Decrease):	
Actuarial (Gain) / Loss on employee defined fund recognised in other comprehensive Income (net of tax)	(1,38,531)
Difference in measurement of Depreciation due to deemed Cost	(11,93,734)
Total adjustment to profit or loss	(13,32,265)
Profit or Loss under Ind-AS	(2,65,631)

Proposed Dividend

Under the Previous GAAP proposed dividends including dividend distribution including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by the Shareholders in the General Meeting) or paid. Therefore, the liability of Rs. 11,88,535 for the year ended 31st March 2016 recorded for dividend has been derecognised against retained earnings on 1st April 2016

(ii) Material adjustments to the Statement of Cash Flows (Rupees)

Particulars	Year ended 31 March, 2017		
	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	9,02,49,205	(4,40,980)	8,98,08,225
Net cash flows from investing activities	(10,81,890)	-	(10,81,890)
Net cash flows from financing activities	(8,88,44,031)	-	(8,88,44,031)
Net increase / (decrease) in cash and cash equivalents	3,23,284	(4,40,980)	(1,17,696)
Cash and cash equivalents at beginning of period	24,22,786		24,22,786
Cash and cash equivalents at end of period	27,46,070	(4,40,980)	23,05,090

Analysis of cash and cash equivalents as at 31st March, 2017 and 1st April, 2016 for the purpose of Statement of Cash flows under Ind-AS (Rupees)

Particulars	As at 31st March, 2017	As at 1st April, 2016
	Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	23,05,090
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind-AS	23,05,090	20,10,353

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rupees)

Particulars	31st March 2018	31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax for the year	(6,70,60,175)	2,59,477
Adjustments for :		
Dividend Paid	-	(11,88,535)
Adjustments made as per the Ind AS	-	1,38,531
Depreciation and amortisation	1,01,96,844	1,01,41,999
Revaluation on fixed assets		
Interest Paid	1,72,43,239	1,65,60,170
Operating Profit Before Working Capital Changes	(3,96,20,092)	2,59,11,642
Movements in Working Capital:		
(Increase)/Decrease in Trade Receivables	(1,26,69,631)	2,46,11,594
(Increase)/Decrease in Inventories	13,19,26,179	(3,66,36,382)
(Increase)/Decrease in Other Current Assets	49,49,470	46,00,644
(Increase)/Decrease in Other Current Tax Assets (Net)	(63,932)	(15,21,343)
Increase/(Decrease) in Trade Payables	(91,08,287)	9,02,568
Increase/(Decrease) in Financial Liabilities	(20,18,530)	28,547
Increase/(Decrease) in Short Term Borrowings	(7,45,49,500)	7,75,64,026
Increase/(Decrease) in Current Tax Liabilities	-	(4,50,083)
Increase/(Decrease) in Other Current Liabilities	(19,37,895)	(21,48,651)
Cash Generated from Operations	(30,92,218)	9,28,62,562
Income taxes paid (Net of refund)	-	(26,25,705)
Net Cash Generated from Operating Activities	(30,92,218)	9,02,36,857
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(1,47,652)	(8,81,890)
Increase in Deposits	-	(2,00,000)
Net Cash (used in) / Generated from Investing Activities	(1,47,652)	(10,81,890)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,95,64,522	(7,22,71,512)
Proceeds from Long Term Provisions	-	-
Interest and Finance Charges paid	(1,72,43,239)	(1,65,60,170)
Net Cash used in Financing Activities	23,21,283	(8,88,31,682)
Net Increase / (Decrease) in Cash and Cash Equivalents	(9,18,587)	3,23,285
Cash and Cash Equivalents at the beginning of the year	27,46,071	24,22,786
Cash and Cash Equivalents at the end of the year	18,27,484	27,46,071

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

Place : CHILAKALURIPET
Date : May 28, 2018

Sd/-
(MADDI LAKSHMAIAH)
Chairman (Din No.00013387)

Sd/-
(MADDI RAMESH)
Managing Director (Din No.00013394)

Sd/-
(KOTHURI SATYANARAYANA)
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**1. COMPANY INFORMATION**

Coromandel Agro Products and Oils Limited (CAPOL) is a Public Limited company incorporated 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 and refining Oil from Cotton Seeds since 1976.

The Shares of the Company are listed on BSE Limited.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the Historical Cost Convention 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).

With effect from 1.4.2017, the Company has adopted all the Ind Accounting Standards effective and the adoption was carried out in accordance with the Ind AS 101 – First Time Adoption of Indian Accounting Standards with 1st April 2016 as the transition date. The transition was carried out in accordance with the principles specified in the Indian Accounting Standards (Ind AS) generally accepted in India and as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The Corporation’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.

Authorisation of Financial Statements.

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 28th May 2018.

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 continually evaluates these estimates and assumptions based on the most recently available information. The following are the areas where significant areas of 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 Plant Property & Equipment (PPE)
- Valuation of Inventories
- Measurement of Defined Benefit Obligations and actuarial assumptions
- Provisions
- Evaluation of recoverability of Deferred Tax Assets
- Contingencies

Revisions, if any, to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

4. RECENT ACCOUNTING PRONOUNCEMENTS

APPENDIX B TO IND AS 21 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATION

On March 28, 2018 the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 which clarified the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Amendment will come to force with effect from 1st April 2018. The Company has evaluated the effect of this amendment on the financial statements and expects the impact to be minimal.

IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

On 28th March 2018 the Ministry of Corporate Affairs (MCA) has notified the revised Ind AS 115 – Revenue from Contracts with Customers which will be effective from the accounting periods starting 1st April 2018. The core principle of the standard is that the entity should recognise revenue to depict the transfer of goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Standard permits two possible methods of transition – Retrospective approach or Cumulative Catch-up Approach.

The Company will adopt the standard effective from 1st April 2018 by using the Cumulative Catch-up approach and expects that the effect of such adoption on the financial statements will be insignificant.

5. TRANSITION TO IND ACCOUNTING STANDARDS

In preparing the financial statement, our Company has applied the following optional exemptions and mandatory exceptions:

Property, Plant and Equipment; Investment Property exemption

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment, investment properties and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2016).

Derecognition of financial assets and financial liabilities

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2016.

6. Property, Plant and Equipment

- (i) Property, Plant & Equipment are carried at cost of construction or acquisition less depreciation. Costs directly attributable to acquisition are capitalized until the Property, Plant & Equipment are ready to use.
- (ii) When an asset is scrapped, or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Account.
- (iii) Depreciation on Tangible Assets (except Land) is provided on Straight Line Method, as per the life prescribed in Schedule II of the Companies Act, 2013.
- (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.

7. Inventories

Inventories are valued at cost (excluding input credit) or net realizable value, whichever is lower, Cost of inventories includes appropriate portion of allocable overheads, wherever applicable, and is ascertained on monthly weighted average basis.

8. 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 as also on translation of monetary items at the end of year is recognized as income or expense, as the case may be.

9. Employee Benefits

Company's contributions paid / payable during the year to ESIC are recognized 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.

Company contributes to a trust, which has taken Master Policy with the Life Insurance Corporation of India to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity are made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income.

The Company has no policy of encashment of eligible un-availed earned leave as employees have to avail all the earned leaves and not eligible for encashment of earned leave as per terms of employment.

10. Revenue Recognition**Sale of Goods**

Revenue from the sale of goods is recognised when the goods are delivered, and titles have been passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership for the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

11. Taxes on Income

Current tax is determined as the amount of tax payable in respect of the taxable income for the year. 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.

12. Provisions and Contingencies

Provision is made in the books of accounts 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

13. Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value or initial recognition, except for trade receivable which are initially measured at transaction price.

14. Impairment of Assets

The carrying value of assets at each balance sheet date are reviewed for impairment. If any indication exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

15. 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 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)

16. 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 42nd Annual General Meeting to be held on Tuesday, 14th August, 2018, 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) : 180628005

COMMENCEMENT OF E-VOTING : Saturday, 11th August, 2018 at 09.00 A.M IST

END OF E-VOTING : Monday, 13th August, 2018 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 **Saturday**, 11th August, 2018 at 09.00 A.M and ends on **Monday**, 13th August, 2018 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 07th August, 2018, 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.
- (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 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:

For Members holding shares in Demat Form / Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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).

(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 Demataccount 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 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.
 - 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 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, under help section or write an email to 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@mlgroup.com

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 holdingshares here by appoint

- 1).....of.....having email IDor falling him
- 2).....of.....having email IDor falling him
- 3).....of.....having email IDor 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 42nd ANNUAL GENERAL MEETING of the company to be held at 12-B, Skylark Apartments, Basheerbagh, HYDERABAD - 500 029, on Tuesday 14th August 2018 at 10:30 AM. and at any adjournment(s) thereof in respect of such resolutions as are indicated below.

	Ordinary Resolutions	For	Against
1.	Consider and Adopt Audited Financial Statements, Reports of Board of Directors and Auditors thereon		
2.	Re-appointment of Sri MaddiLakshmaiah, who retires by rotation.		
3.	Re-appointment of Sri MaddiVenkateswaraRao, who retires by rotation.		
4.	Ratification of remuneration of the Cost Auditors.(Special Business)		

Signed this.....day of.....2018

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-----



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

ATTENDANCE SLIP

DP Id		Folio No.	
Client Id		No.of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 42nd ANNUAL GENERAL MEETING of the Company held at 12-B, Skylark Apartments, Basheerbagh, Hyderabad-500 029 on Tuesday, the 14th August 2018 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.

Babukhan Estates, Basheer Bagh, Hyderabad
 Skylark Apartments, 3 6 69 4 2, 3-6-69/4
 Add destination

OPTIONS

Send directions to your phone

via Basheerbagh Rd 6 min
 Mostly flat 500 m
[DETAILS](#)

