



Coromandel Engineering Company Limited
ISO 9001:2015 & BS OHSAS 18001:2007 Certified company
Registered and corporate office:
Parry House, V Floor, 43, Moore Street, Chennai 600 001, India
P.B. No. 1698, Tel: 25301700
CIN No.: L74910TN1947PLC000343
E-Mail: coromandelengg@cec.mrugappa.com
Website: www.coromandelengg.com

November 10, 2021

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 533167

Dear Sir,

Sub: Submission of notice of Meeting of Preference Shareholders pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We refer to our letter dated 26th October, 2021 intimating the decision of the Board to seek approval of the Preference Shareholders of the Company by convening a Meeting of the Preference Shareholders for Reduction of the entire unlisted issued, subscribed and paid up 7% Cumulative Non Participating Redeemable Preference Shares of the Company. The Meeting of the Preference Shareholders will be held on Friday, 3rd December, 2021 at 10.00 AM at the Registered Office of the Company.

In this regard, we enclose herewith a copy of the notice of the Meeting of the Preference Shareholders together with the scheme for reduction for the unlisted issued, subscribed and paid up 7% Cumulative Non Participating Redeemable Preference Shares of the Company has been dispatched to the preference shareholders today.

Further, we understand that the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable for the reduction of the 7% Cumulative Non Participating Redeemable Preference Shares of the Company since these shares are not listed on the Stock Exchange. However, in the event the Hon'ble National Company Law Tribunal seeks a Observation Letter / No-Objection Certificate from the Stock Exchange, we will be at liberty to write to you and obtain the Observation Letter/ No-Objection Certificate. We are making a mention of the same in the application being made to the Hon'ble National Company Law Tribunal.

The Notice of the meeting is being sent through electronic mode to all the Preference Shareholders, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited/ Central Depository Services (India) Limited and whose emails are registered with the Company/ Depositories as on Friday, 5th November, 2021.



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Website: www.coromandelengg.com

The e-voting period commences on Tuesday, 30th November, 2021 at 9.00 a.m. (IST) and ends on Thursday, 2nd December, 2021 at 5.00 p.m. (IST).

Kindly take the above information on record.

Thanking you

Yours faithfully

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C. Parvathi Nagaraj
Company Secretary



murugappa



**COROMANDEL ENGINEERING COMPANY LIMITED
(CIN: L74910TN1947PLC000343)**

Registered office: "Parry House", 5th Floor, 43, Moore Street, Chennai – 600001

E mail: cscecl@cec.murugappa.com **Website:** www.coromandelengg.com

P.B. No. 1698, **Phone:** 044 – 25301700

NOTICE OF MEETING OF THE PREFERENCE SHAREHOLDERS

NOTICE is hereby given that the Meeting of Preference Shareholders of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Friday, the 3rd day of December, 2021 at 10.00 AM I.S.T at the registered office of the Company situated at "Parry House", 5th Floor, 43, Moore Street, Chennai – 600001 to transact the following business:

To consider and if deemed fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 66 and other applicable provisions of the Companies Act, 2013 (**"the Act"**), if any, and the relevant Rules made there under (**"the Rules"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Article 4.4 of the Articles of Association of the Company and further subject to confirmation by the Hon'ble National Company Law Tribunal, Chennai Bench (**"NCLT"**), and subject to approvals, if any, as may be required from the appropriate authorities, and subject to such terms, conditions or modifications if any, as may be prescribed by such authorities while granting such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **'the Board'**), the Scheme for Reduction of Issued, Subscribed and Paid-up Preference Share Capital between the Company and its Shareholders (**"the Scheme"**) be and is hereby approved and the consent of the preference shareholders of the Company is hereby accorded and consequently, the entire paid-up Preference Share Capital of the Company aggregating to Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand only) divided into 28,35,630 number of 7 % Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each by extinguishing right to all payments to be made including but not limited to all outstanding dividends, share premiums, if any, and redemption amount or exit consideration (*whether such consideration is the nominal value of the shares or higher*) from the date of approval of NCLT and that such reduction be effected by adjusting and/or writing back such reduced capital proportionately against the accumulated losses of the Company (**"the Reduction"**).

"RESOLVED FURTHER THAT no consideration nor payment whatsoever will be made towards the extinguishment of all payments that were hitherto payable including but not limited towards outstanding dividends, share premiums, if any, and redemption amount or exit consideration (*whether such consideration is the nominal value of the shares or higher*)."

"RESOLVED FURTHER THAT effective from the date of the confirmation of the Hon'ble National Company Law Tribunal, Chennai Bench (**"the NCLT"**) and approvals, if any, from any other appropriate authorities as may be required, the remaining paid-up preference share capital of the Company after the Reduction shall be NIL."



“RESOLVED FURTHER THAT subject to confirmation of the NCLT, and approvals, if any, from any other appropriate authorities, the Company be and is hereby shall not be required to add the words “And Reduced” to its name subsequent to such Reduction of capital of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized, in its absolute discretion, to bring into effect this resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be prescribed by the NCLT and other appropriate authorities while according their confirmation or consent to this resolution or to suspend, withdraw or revive the proposal for Reduction of capital from time to time as may be specified by any statutory authority or as the Board may *suo-moto* decide.”

On behalf of the Board

Place: Chennai
Date: 26th October, 2021

M M Venkatachalam
Chairman
DIN:00152619

Notes:-

1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll instead of him/her on a poll only. The proxy need not be a member of the company. A blank form of proxy is enclosed herewith and if intended to be used, it should be returned duly completed at the Registered Office of the Company not later than forty eight hours before the scheduled time of the commencement of Meeting of the Preference Shareholders.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Members are requested to intimate any change in their address, if any, immediately to the Company at its Registered Office quoting their folio number.

4. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed herewith.

5. During the period beginning 24 hours before the time fixed for the commencement of the 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, provided not less than three days of notice in writing is given to the Company.



6. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

7. Corporate/Institutional Shareholders (Corporate/FIs/IIIs/Trust/Mutual Funds/Banks etc.,) are required to e-mail, scanned copy (PDF format) of the relevant Board Resolution to the Scrutinizer at cssrinidhi.sridharan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Coromandel Engineering Company Limited – Meeting of Preference Shareholders."

8. Members are requested to notify the change in their address, if any, immediately, so that all communications can be sent to the latest address. In case of members holding shares in physical form, all intimations regarding change of address are to be sent to KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Members, who hold shares in electronic form, are requested to notify any change in their particulars like change in address etc. to their Depository Participants immediately.

9. The Notice of the Meeting of the Preference Shareholders of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose Email addresses are registered with the Company/ Depository Participants unless any member has requested for a hard copy of the same. In the case of members holding shares in physical mode whose Email ID's are registered with the Company/ Registrars i.e. Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), and have given consent for receiving communication electronically, the Notice of the Meeting of the Preference Shareholders of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode. For members who have not registered their Email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

10. All documents referred to in the accompanying Special Resolution and Explanatory Statement annexed thereto are made available on the Company's website at: www.coromandelengg.com and would also be available for inspection to the members at the Registered Office of the Company between 10:00 a.m. (IST) and 1:00 p.m. (IST) on any working day, except Saturdays, Sundays and public holidays, till the last date for e-voting by the members. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's Registrars Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) at: einward.ris@kfintech.com.

11. Pursuant to SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9,2020 on "E-Voting facility provided by listed companies", E-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat account/websites of depositories/DPs in order to increase the efficiency of the voting process.



Voting through Electronic Means:

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote at the Meeting of Preference Shareholders by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
2. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.
3. The members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
4. The Company has engaged the services of Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) ("Kfintech") as the Agency to provide e-voting facility.
5. The Board of Directors of the Company has appointed Ms. Srinidhi Sridharan of M/s. Srinidhi Sridharan & Associates, Company Secretaries (ACS No. 47244; C.P. No. 17990) as the Scrutinizer to scrutinize the remote e-voting process and poll at the meeting in a fair and transparent manner.
6. Voting rights shall be reckoned on the paid up value of preference shares registered in the name of the member (in case of electronic shareholding) as on the cut-off date i.e. November 26, 2021.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. November 26, 2021 only, shall be entitled to avail the facility of remote e-voting.
8. The remote e-voting facility will be available during the following period:
 - Commencement of remote e-voting: From 9.00 a.m. (IST) on Tuesday, November 30, 2021
 - End of remote e-voting: At 5.00 p.m. (IST) on Thursday, December 2, 2021.
9. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Kfintech upon the expiry of the aforesaid period.
10. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, within 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.coromandelengg.com and on the website of Kfintech <https://evoting.Kfintech.com>. The results shall simultaneously be communicated to the Stock Exchange.
11. Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the meeting i.e. Friday, December 3, 2021.



12. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

INSTRUCTIONS FOR REMOTE E-VOTING

In case of Individual Shareholders holding securities in demat mode as on the cut-off date may follow steps mentioned below under "Login method for remote e-Voting" (Step

I. In case of Individual Shareholders holding securities in demat mode as on the cut-off date may follow steps mentioned below under "Login method for remote e-Voting" (Step 1).

II. In case of Individual Shareholders holding securities in physical mode as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting" (Step 2).

III. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFIN Tech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
<u>Individual Shareholders holding securities in demat mode with NSDL</u>	<p>1. User already registered for IDeAS facility:</p> <p>I. Visit URL: https://eservices.nsdl.com</p> <p>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2. User not registered for IDeAS e-Services</p> <p>I. To register click on link : https://eservices.nsdl.com</p> <p>II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1</p> <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <p>I. Open URL: https://www.evoting.nsdl.com/</p> <p>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p>



	<p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. Kfintech.</p> <p>V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.</p>
<p><u>Individual Shareholders holding securities in demat mode with CDSL</u></p>	<p>1. Existing user who have opted for Easi / Easiest</p> <p>I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>I. Visit URL: www.cdslindia.com</p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e Kfintech where the e- Voting is in progress.</p>
<p><u>Individual Shareholder login through their demat accounts / Website of Depository Participant</u></p>	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name ore-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL



Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e. 6373 and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not



exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Shareholders (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks etc.,) are required to e-mail, scanned copy (PDF format) of the relevant Board Resolution to the Scrutinizer at cssrinidhi.sridharan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the abovementioned documents should be in the naming format "Coromandel Engineering Company Limited - Meeting of Preference Shareholders"

xiii. In case of any queries, you may contact Kfin Technologies Private Limited at Tel No. 1800 309 4001 (toll-free).

Other instructions for remote e-voting:

1. Members are requested to register their e-mail address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium Tower B, Plot No. 31&32, Gachibowli, Financial District, Hyderabad - 500 032 or through email at inward.ris@kfintech.com.

2. In case a person has become a Member of the Company after dispatch of Postal Ballot Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678



5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

3. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) at evoting@kfintech.com or call KFintech's toll free No. 1-800-3094-001 for any further clarification

ANEXURE TO THE NOTICE

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

Item No.1

1. BACKGROUND

The proposed reduction of the preference share capital of the Company is being undertaken in accordance with the provision of Section 66 of the Companies Act, 2013 (the "Act") and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules"), which permit a Company to reduce its share capital in any manner including in the manner contemplated by the Company.

The Company was incorporated in the year 1947 with intent to engage in the business of real estate and construction ("Business") and to engage in such other activities to effectively carry out its Business. Over these 73 Years, the Company has grown multi-fold in its size and operations and has established itself as a reputed market leader in the field of real estate and construction activities. As on date, the Company's preference share capital is fully held by the Promoters/Promoter Group. The said preference shares are not listed on any stock exchange.

Over the last few years, owing to the general market slow down, economic conditions which have been accentuated by the Global pandemic – COVID-19 the Company's operations have been impacted resulting in losses causing financial stress. The Company undertook several efforts including strengthening of management team to carry on the operations. Since then, the Company has been building a strong order book resulting in improved performance. As part of the Company's measures to strengthen its financial statements, to efficiently manage its capital by aligning it with the assets of the Company and to ensure that the true net worth of the Company is reflected by its books of accounts, the Promoters/Promoter Group are being requested by the Company for reduction of the preference share capital held by them so as to improve the net worth of the Company and reduce the financial stress. In this regard, the Company is conveying



that no consideration or other compensation could be paid to the preference shareholders as against the proposed reduction of preference share capital including any dividends, premiums or other amounts due and payable against the preference shares till such time that the proposed Capital Reduction is effected.

The Board of Directors of the Company based on the recommendation of the Audit Committee, at their meeting held on 25th September, 2021 has approved the Scheme for Reduction of Issued, Subscribed and Paid-up Preference Share Capital between the Company and its Shareholders as per the terms set out in the Resolution. Article 4.4 of the Articles of Association of the Company provides for the reduction of share capital of the Company. As the proposed reduction tantamount to variation in the terms and conditions of the preference shares, it is necessary to obtain the approval of the preference shareholders of the Company by passing a special resolution for the Capital Reduction under Section 66 of the Act and such reduction of capital would have to be confirmed by the Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") as provided under Section 66 of the Companies Act, 2013 read with the Reduction Rules.

Subject to the receipt of the requisite approval of the preference shareholders and consideration by the equity shareholders of the Company and further confirmation by the Hon'ble National Company Law Tribunal ("**NCLT**") and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid-up preference share capital of the Company, by cancelling and extinguishing the total issued, subscribed and paid-up preference share capital of the Company, comprising of 28,35,630 number of 7 % Cumulative Non Participating Redeemable Preference Shares of Rs. 100/- each fully paid up amounting to a total preference share capital of Rs. 28,35,63,000/- (*Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only*) (the "**Capital Reduction**")."

The Capital Reduction will enable the Company to set-off the accumulated losses as reflected in the audited balance sheet of the Company for the year ended 31.03.2021 ("Accumulated Losses") to the extent of Rs. 28,35,63,000/- (*Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only*). The Capital Reduction and the corresponding set-off of the Accumulated Losses will enable the Company to have a rational structure which is commensurate with its business, assets and true net worth.

2. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

(a) Capital Structure – Pre and post reduction of capital

Particulars	Share capital prior to capital reduction			
	EQUITY		PREFERENCE	
	Number of shares	Amount (Rs. 10/- each)	Number of shares	Amount (Rs. 100/- each)
Authorized Capital	40,000,000	400,000,000	3,200,000	320,000,000
Issued Capital	33,277,278	332,772,780	2,835,630	283,563,000
Subscribed and paid up capital	33,233,598	332,335,980	2,835,630	283,563,000



Particulars	Share capital after the capital reduction			
	EQUITY		PREFERENCE	
	Number of shares	Amount (Rs. 10/- each)	Number of shares	Amount (Rs. 100/- each)
Authorized Capital	40,000,000	400,000,000	3,200,000	320,000,000
Issued Capital	33,277,278	332,772,780	NIL	NIL
Subscribed and paid up capital	33,233,598	332,335,980	NIL	NIL

(b) Shareholding pattern of preference shares – Pre and post reduction of capital

Particulars	Prior to capital reduction		After capital reduction	
	No. of shares	% of holding	No. of shares	% of holding
Promoter and promoter group	28,35,630	100%	NIL	NIL
Public	NIL	NIL	NIL	NIL
Non Promoter non public	NIL	NIL	NIL	NIL
Total	28,35,630	100%	NIL	NIL

3. EFFECTS AND BENEFITS OF THE PROPOSED REDUCTION:

The proposed Capital Reduction also has the following benefits:

- a. The proposed Capital Reduction, if approved, would enable the Company to wipe off the Accumulated Losses to the tune of Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only) which would improve the balance sheet and the overall financial strength of the Company. This will in turn provide a better representation of the finances of the Company and enable the Company to position itself better in the market in order to undertake its business activities more effectively.
- b. The proposed Capital Reduction would add value to the existing shareholders and would yield better results to their shareholding. The proposed Capital Reduction, if approved, would also enable the Company to explore other opportunities for the benefit of its shareholders including in the form of dividend payments, in terms of the applicable law and as may be commercially viable.
- c. The proposed Capital Reduction, if approved, may enable the Company to avail business opportunities which it has been unable to take advantage of, because of its Accumulated Losses.



- d. The proposed Capital Reduction, if approved, would enable the Company to have a rational capital structure which is more commensurate with its business and assets.
- e. The proposed Capital Reduction would be largely beneficial to the Company, its creditors, its remaining shareholders and all other stakeholders.
- f. In the event that the Company is proposing to avail funding for expansion of its businesses or if the Company is intended to be sold to any third party investor in the future or if the Company is sought to be merged with any other company in the future, the improved net worth of the Company, so improved by the proposed Capital Reduction will give the Company and its remaining shareholders a significant commercial advantage.

4. EFFECTIVE DATE OF REDUCTION OF PREFERENCE SHARE CAPITAL:

After receipt of approval of the preference shareholders and equity shareholders by way of special resolution, the Company will take steps to file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to section 66(5) of the Companies Act, 2013, this resolution will be effective on the date when the Registrar of Companies, Chennai registers the NCLT order approving the Capital Reduction and issues a certificate to that effect.

5. AUDITORS' CERTIFICATE:

M/s. CNGSN Associates, Chartered Accountants, Statutory Auditors of the Company, have issued a certificate stating that the accounting treatment proposed by the company for such reduction is in conformity with the accounting standards specified in Section 133 or any other provision of this Act.

6. OTHERS

The Audit Committee and the Board at their Meetings held on 25th September, 2021, proposed and resolved for the reduction of the entire preference share capital of the Company. The preference shareholders of the Company hold 28,35,630 number of 7% Cumulative Non Participating Redeemable Preference Shares of Rs. 100/- each fully paid up amounting to a total preference share capital of Rs. 28,35,63,000/- (*Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only*).

A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been duly approved by the Audit Committee and the Board of Directors of the Company at its meetings held on September 25, 2021, is enclosed as Annexure 1 to this Notice. A copy of the Scheme along with the documents submitted to the Stock Exchange i.e. BSE Limited, have been uploaded on the website of the Company at <http://www.coromandelengg.com/index.html>.



Due to the fact that there is no consideration to be paid by the Company to the preference shareholders with respect to the proposed Capital Reduction, no separate valuation of shares is necessary to assist the Board of Directors ("Board") in determining the fair value of the said preference shares of the Company for the purposes of the proposed Capital Reduction and therefore, the need for a valuation report for the purpose of the proposed Capital Reduction is dispensed of.

The 7% Cumulative Non Participating Redeemable Preference Shares of the Company are not listed on any Stock Exchange and therefore, the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time, are not applicable to this Reduction.

The proposed reduction of preference share capital of the Company would not have any adverse effect on any of the creditors of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as the proposed Capital Reduction involves no pay-out. The proposed Capital Reduction will assist the Company to set off its accumulated losses and improve the net worth of the Company which is extremely beneficial and is in the interests of the Company.

The Special Resolution, if approved by the preference shareholders of the Company with requisite majority, will be subject to the confirmation by Hon'ble National Company Law Tribunal, Chennai Bench as per Section 66(3) of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016.

Notwithstanding the reduction as mentioned above, the Company will be praying before the NCLT that the Company be exempted to add "And Reduced" as a suffix to its name and the Company shall continue in its existing name since no payout is being made to any existing members and the Company will be able to discharge its liability in the due course of business.

7. GENERAL INFORMATION AND DISCLOSURES:

Article 4.4 of the Articles of Association of the Company provides for reduction of capital of the Company by way of a special resolution in accordance with the provisions of the Act.

The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no payout to the members of neither the Company nor a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

All documents referred to in the accompanying Special Resolution and Explanatory Statement annexed thereto are made available on the Company's website at: www.coromandelengg.com and would also be available for inspection to the members at the Registered Office of the Company between 10:00 a.m. (IST) and 1:00 p.m. (IST) on



any working day, except Saturdays, Sundays and public holidays, till the last date for e-voting by the members.

No inquiry or investigation is pending against the Company under any provisions of Companies Act, 2013.

The Board of Directors of the Company considers that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the special resolution as set out in the Notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution except Mr. M M Venkatachalam, Chairman, to the extent of his shareholding in the Company.

Place: Chennai
Date: 26th October, 2021

On behalf of the Board

M M Venkatachalam
Chairman
DIN:00152619



ANNEXURE - 1

**SCHEME OF REDUCTION OF ISSUED, SUBSCRIBED AND PAID-UP PREFERENCE
SHARE CAPITAL**

BETWEEN

COROMANDEL ENGINEERING COMPANY LIMITED

AND

ITS SHAREHOLDERS

**UNDER SECTION 66 OF THE COMPANIES ACT, 2013 AND THE NATIONAL
COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL
OF COMPANY) RULES, 2016**



SCHEME OF REDUCTION OF PREFERENCE SHARE CAPITAL

A. PREAMBLE:

1. This Scheme of Reduction of Issued, Subscribed and Paid-up Preference Share Capital is made pursuant to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and provides for the cancellation and extinguishment of the entire issued, subscribed and paid-up Preference Share Capital of M/s. Coromandel Engineering Company Limited ("**the Company**") as well as various other matters consequential or otherwise integrally connected thereto.
2. The purpose of this Scheme is to undertake a financial restructuring and reconstruction of the Company, whereby the Company would set-off certain accumulated losses of past few years (*caused by general market slow down and economic conditions which have been accentuated by the Covid-19 global pandemic*) as against the entire paid-up Preference Share Capital of the Company so as to improve the net worth of the Company and to give a more true and realistic view of the financial position of the Company and other matters incidental thereto.

B. DESCRIPTION OF THE COMPANY:

3. **M/s. COROMANDEL ENGINEERING COMPANY LIMITED (hereinafter called as the "Company" or "CECL")** is a Company bearing CIN: L74910TN1947PLC000343 incorporated in the name of "The Coromandel Engineering Company Private Limited" on the 3rd Day of September, 1947, under the provisions of the Companies Act, 1913. Subsequently, the Company was converted into a Public Limited Company and the name of company was changed from "The Coromandel Engineering Company Private Limited" to "The Coromandel Engineering Company Limited" and a fresh certificate of incorporation was issued on 5th Day of November, 1975. Subsequently, the name of company was changed from "The Coromandel Engineering Company Limited" to "Coromandel Engineering Company Limited" and a fresh certificate of incorporation was issued on 24th Day of February, 2006. The registered office of the company is situated at "Parry House", 5th Floor, 43, Moore Street, Chennai - 600 001.



4. The Equity shares of the Company are listed on the Bombay Stock Exchange (*BSE Limited*). The Preference Shares of the Company are not listed on any stock exchange.
5. The main objects of the Company as set out in the Memorandum of Association are as follows:
 - To carry on the businesses of Builders and Engineers in all their branches;
 - To carry on business as Engineers, Civil, Structural, Mining, Sanitary, Mechanical, Waterworks, electrical, Marine, Automobile, Salvage, Air-conditioning, Refrigerating, Ventilating, and other classes of Engineers; Architects, Designers, Planners; Builders and Contractors and as Consulting Engineers;
 - To undertake and execute constructional and engineering and allied contracts and works of all kinds;
 - To purchase, develop and sell lands, buildings and immovable properties of all kinds;
 - To carry on all or any of the following businesses, namely builders and contractors, decorators, merchants, and dealers in stone, sand, lime
 - To carry on any other business (*whether manufacturing or otherwise*) which may seem to the company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights;
 - To carry on all or any of the following businesses, namely builders and contractors, decorators, merchants, and dealers in stone, sand, lime, cement, bricks, timber, hardware, and other building material requests, brick and tile and terra cotta makers, job-masters, carriers, licensed victuallers, and house and estate agents, auctioneers and valuers.

C. RATIONALE AND PURPOSE OF THE SCHEME:

6. The Company has accumulated losses to the extent of Rs.72,00,84,808/- (Rupees Seventy Two Crores Eighty Four Thousand Eight Hundred Eight



Only) (“**Accumulated Losses**”) as per the last audited balance sheet i.e. as on 31.03.2021. These Accumulated Losses have substantially wiped off the value represented by the share capital and reserves of the Company by reason of which the financial statements and the balance sheet of the Company are impacted. The global pandemic situation has further adversely impacted the real estate markets more particularly in India which was already facing a lot of economic and other challenges prior to the onset of the pandemic. This has impacted the financial position of the Company resulting in increase of the accumulated losses and consequentially, the Company is not in a position to meet its liabilities in respect of the preference shares including payment of dividend to Preference Shareholders. In the given condition, the redemption of the preference shares as on the redemption date as per the terms of the issue of preference shares is also unlikely. The present reduction of the Preference Share Capital of the Company is also being carried out inter-alia to:

- a. satisfy the need of the Company to re-adjust the relation between its capital and assets; and
 - b. accurately and fairly reflect the liabilities and assets of the Company in its books of accounts and to operate with leaner base balance sheet; and
 - c. ensure that the financial statements of the Company reflects its true and actual state of affairs and position of the Company after setting-off the capital which is lost and not represented by any tangible assets; and
 - d. improve the net worth of the Company to ensure that the actual value of the Company is represented in the books and records of the Company.
7. In such circumstances it is desirable that the capital structure of the Company should be reorganized accordingly. Therefore, the Board of Directors at their meeting held on 25.09.2021 deliberated and decided that the Accumulated Losses be set-off to the extent of the total value of Preference Share Capital of the Company being reduced subject to the consent of the shareholders.
8. The reduction of capital in the manner proposed would enable the company to have a rational structure which is commensurate with its remaining business and assets.



9. The proposed reduction of the Preference Share Capital will be for the benefit of the Company and its equity shareholders, creditors and all other concerned stakeholders as a whole.
10. The Scheme of Reduction, after full implementation, will result in making its balance sheet leaner and would improve the net worth of the Company. It is expected that the reflection of financial statement of the Company post reduction would ensure that the Company attracts new sources of revenue, if deemed necessary in the future to enable the Company to engage in further profitable operations.
11. The Scheme will enable the Company to overcome certain financial difficulties and improve its operations in the future and in turn provide enhancement of its shareholders value. The financial structuring will help the Company better reflect its operational efficiency and financial strength in the future and would also reflect the true share value of its equity shareholders.
12. Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, the Preference Shareholders whose Preference Shares are being reduced in the manner prescribed under this Scheme will receive NIL consideration as against the said reduction/ cancellation/ extinguishment of the Preference Share Capital, including but not limited to redemption amounts or exit consideration thereon (*whether such consideration is the nominal value of the shares or higher*), all outstanding dividends, and share premiums, if any.

D. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- a. **PART- I** which deals with the Definitions, Interpretations, Capital Structure;
- b. **PART- II** deals with the Reduction of Preference Share Capital of the Company, and;
- c. **PART- III** deals with general Terms and Conditions applicable to the Scheme.

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PART - I

1. DEFINITIONS:

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- 1.1. **'Act'** means the Companies Act, 2013, as the case may be, the rules and regulations made there under and will include any statutory modifications, re-enactments and/or amendments thereof from time to time;
- 1.2. **'Accumulated Losses'** means the accumulated losses of the Company that have been carried forward from previous years and the amount shown in the audited balance sheet of the Company as on 31st March, 2021 in the Annual Report of the Company;
- 1.3. **'Board' or 'Board of Directors'** means Board of Directors of the Company;
- 1.4. **'BSE'** shall mean BSE Limited;
- 1.5. **'Company'** means Coromandel Engineering Company Limited, a Company having CIN: L74910TN1947PLC000343 incorporated under the provisions of the Companies Act, 1913 on 3rd Day of September, 1947;
- 1.6. **'Effective Date'** (or) the **'Scheme being effective'** for this Scheme shall mean the date on which a certified copy of the order of the NCLT under Sections 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, is filed with the office of the Registrar of Companies;
- 1.7. **'Preference Share Capital'** shall mean the entire issued, subscribed and paid-up preference share capital of the Company divided into 28,35,630 (*Twenty Eight Lakhs Thirty Five Thousand Six Hundred and Thirty*) 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- (*Rupees One Hundred Only*) amounting to a total of Rs. 28,35,63,000/- (*Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only*) (*all 7% Cumulative Non-Participating Redeemable Preference Shares of*



the Company forming part of the Preference Share Capital shall be collectively referred to as "Preference Shares");

- 1.8. **'Preference Shareholders'** shall mean all shareholders of the Company holding preference shares which form a part of the Preference Share Capital of the Company including but not limited to the Promoters, Promoter Companies, Promoter Trusts, Promoter HUFs, their family, friends and relatives.
- 1.9. **'Rules'** means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other such rules wherever applicable.
- 1.10. **'The NCLT'** shall mean National Company Law Tribunal ("NCLT") or such tribunal or any other appropriate forum or authority having jurisdiction to approve this Scheme as per the law for the time being in force;
- 1.11. **'This Scheme' or 'The Scheme' or 'Scheme'** means this scheme of reduction of capital between the Company & its shareholders in its present form or with such alterations/modifications as may be approved by the NCLT of relevant jurisdiction under the applicable law.

2. INTERPRETATION:

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Companies Act, 2013, Depositories Act, 1996, Listing Regulations, Listing Agreement and other applicable laws, rules, regulations, by-laws, as the case may be or statutory modifications or re-enactments thereof from time to time.

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3. CAPITAL STRUCTURE:

The share capital of the Company as on 31st March, 2021* is as under:

Particulars	Amount (In Rs.)
Authorized Share Capital	
4,00,00,000 Equity Shares of Rs. 10/- each	40,00,00,000
32,00,000 Preference Shares of Rs. 100/- each	32,00,00,000
Total	72,00,00,000
Issued Share Capital	
3,32,77,278 Equity Shares of Rs. 10/- each fully paid	33,27,72,780
28,35,630 Preference Shares of Rs. 100/- each fully paid	28,35,63,000
Total	61,63,35,780
Subscribed and Paid-up Capital	
3,32,33,598 Equity Shares of Rs. 10/- each fully paid	33,23,35,980
28,35,630 Preference Shares of Rs. 100/- each fully paid	28,35,63,000
Total	61,58,98,980

**Subsequent to 31.03.2021 and up to the date of approval of this scheme by the Board of Directors of the Company, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company.*



PART-II

4. REDUCTION OF ENTIRE ISSUED, SUBSCRIBED AND PAID UP PREFERENCE SHARE CAPITAL OF THE COMPANY:

- 4.1. The Company's Accumulated Losses stand at Rs.72,00,84,808/- (Rupees Seventy Two Crores Eighty Four Thousand Eight Hundred Eight Only) as per the last audited financial statements of the Company *i.e.* as on 31st March, 2021.
- 4.2. Upon the Scheme becoming effective and after obtaining necessary approvals, consents and permissions, the Issued, Subscribed and Paid-up Preference Share Capital of the Company shall stand cancelled and extinguished and reduced to **NIL** as the same is lost or unrepresented by available assets.
- Example:* A person who is holding 10 (Ten) Preference Shares of Face value of Rs.100/- (Rupees One Hundred Each) shall not hold any Preference Shares of the Company thereafter and will cease to be a preference shareholder of the Company.
- 4.3. Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, the Accumulated Losses of the Company would be set-off to the extent of Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only) and in the manner stated in this Scheme.
- 4.4. All preference shares which constitute the Preference Share Capital are fully paid up and therefore, it is expressly clarified that need for any diminution of any liability in respect of unpaid capital of the Company does not arise. Therefore, no additional amounts shall be called from any of the existing Preference Shareholders after the Capital Reduction.
- 4.5. Upon this Scheme becoming effective, the Company shall, without any further application, act, instrument or deed, give effect to the Capital Reduction and set-off the Accumulated Losses of the Company in the manner contemplated under this Scheme. The revised structure of the Share Capital of the Company shall be reflected in the books of accounts of the Company in the following manner on and from the Effective Date:



Capital Structure of the Company Prior-to and Post-Reduction is as under:

Particulars	Pre - Reduction Amount (In Rs.)	Post - Reduction Amount (In Rs.)
Authorized Share Capital		
Equity Shares (4,00,00,000 Shares of Rs.10/- each)	40,00,00,000	40,00,00,000
Preference Shares (32,00,000 Shares of Rs.100/- each)	32,00,00,000	32,00,00,000
Total	72,00,00,000	72,00,00,000
Issued Capital		
Equity Shares (3,32,77,278 Shares of Rs.10/- each)	33,27,72,780	33,27,72,780
Preference Shares (28,35,630 Shares of Rs. 100/- each)	28,35,63,000	0.00
Subscribed and Paid-up Capital		
Equity Shares (3,32,33,598 Shares of Rs.10/- each)	33,23,35,980	33,23,35,980
Preference Shares (28,35,630 Shares of Rs. 100/- each)	28,35,63,000	0.00
Total	61,58,98,980	33,23,35,980

4.6. Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, the Preference Shareholders whose Preference Shares are being reduced in the manner prescribed under this Scheme shall not involve any payout to the Preference Shareholders and they will receive NIL consideration as against the said reduction/ cancellation/ extinguishment of the Preference Share Capital, including but not limited to redemption amounts or exit consideration thereon (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any.



5. APPROVAL FOR THE PROPOSED REDUCTION OF PREFERENCE SHARE CAPITAL:

- 5.1. This Scheme contemplates the reduction of the Preference Share Capital of the Company only and therefore this Scheme is required to be approved by the Preference Shareholders pursuant to Section 66 of the Companies Act, 2013. However, this Scheme shall also be placed at the General Meeting of the equity shareholders only by way of abundant caution. The Company shall be entitled to proceed with this Scheme irrespective of the decision of the Equity Shareholders of the Company since the Scheme does not concern the Equity Shareholders and further since this Scheme will directly benefit the Company and its Equity Shareholders.
- 5.2. It is clarified that the approval of the Equity and Preference Shareholders of the Company to this Scheme shall be deemed to be their consent / approvals also to the alteration of the Memorandum and Article of Association of the Company and consent / approval to any other applicable provisions if required by the Company under the Act or any other applicable laws, Rules and/or regulations.
- 5.3 The Preference Shares of the Company are not listed on any Stock Exchange and therefore, the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, are not applicable to this Scheme.

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6. EFFECTS AND IMPACT OF THIS SCHEME:

- 6.1 **CREDITORS OF THE COMPANY:** The reduction of the Preference Share Capital of the Company as presented under this Scheme will not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in the Preference Share Capital of the Company does not involve either diminution of any liability in respect of any unpaid capital or the payment to any Preference Shareholder nor is any call on any preference share of the Company being waived. The creditors of the company are in no way affected by the proposed Preference Share Capital reduction as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors.
- 6.2 **EQUITY SHAREHOLDERS OF THE COMPANY:** This Scheme is for the benefit of the Equity Shareholders of the Company and does not cause any prejudice to their interests since the Accumulated Losses of the Company has resulted in a loss of value and is not represented by any tangible assets of the Company as on the date of this Scheme. This Scheme will only result in improvement of Net Worth of the Company which will benefit the equity shareholders. The Equity Shareholding pattern of the Company prior to and following the implementation of the Scheme shall remain same. This Scheme would in fact be beneficial to such parties since this Scheme results in improving the financial position of the Company including its Net Worth. The other benefits of this Scheme are as stated in the Rationale of this Scheme.
- 6.3 **EMPLOYEES AND WORKERS OF THE COMPANY:** This Scheme does not have any adverse impact on the employees and workers of the Company, nor its suppliers or customers. This Scheme would in fact be beneficial to such parties since this Scheme results in improving the financial position of the Company including its net-worth.
- 6.4 **LEGAL PROCEEDINGS:** This Scheme does not affect any legal proceeding by or against the Company.



- 7 Notwithstanding the reduction of the Preference Share Capital as mentioned under this Scheme, the Company shall not be required to add “*and reduced*” as suffix to its name and the Company shall continue with its existing name.
- 8 The provisions of this Part shall operate notwithstanding anything to the contrary in this Scheme.

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PART-III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

9. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL:

The Company shall make all applications / petitions as may be required under the applicable laws including but not limited to Section 66 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016. The Company shall make all such applications/ petitions to the relevant National Company Law Tribunal (“NCLT”) pertaining to its jurisdiction for obtaining the sanction of the NCLT as required under the Companies Act, 2013 and the rules thereunder including for orders for carrying this Scheme into effect.

10. CONDITIONALITY OF THIS SCHEME:

The Scheme is conditional upon and subject to:

- a. This Scheme being agreed to by the requisite majority of the Preference Shareholders of the Company as required under the Act.
- b. The Scheme being approved by the National Company Law Tribunal under Section 66 of the Companies Act, 2013, read with all other applicable provisions if any, of the Act or of such other authority having jurisdiction under applicable law, being obtained.
- c. The certified copy of the above order of the NCLT sanctioning this Scheme being filed by the Company with the office of the Registrar of Companies having jurisdiction over the registered office of the Company.

11. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the aforesaid sanctions and approvals not being obtained and/ or this Scheme not being sanctioned by the National Company Law Tribunal and/ or the order or orders not being passed as aforesaid, this Scheme shall become null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued



pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and the Company shall bear and pay the costs, charges and expenses for or in connection with the Scheme. This Scheme contemplates the reduction of the Preference Share Capital of the Company only and therefore this Scheme is required to be approved by the Preference Shareholders pursuant to Section 66 of the Companies Act, 2013. However, this Scheme shall also be placed at the General Meeting of the equity shareholders only by way of abundant caution. The Company shall be entitled to proceed with this Scheme irrespective of the decision of the Equity Shareholders of the Company since the Scheme does not concern the Equity Shareholders and further since this Scheme will directly benefit the Company and its Equity Shareholders.

12. ACCOUNTING TREATMENT:

The Company has obtained a certificate from its Statutory Auditors certifying that the proposed accounting treatment in respect of this Scheme for Reduction of Issued, Subscribed and Paid-up Preference Share Capital is in accordance with the applicable standards of accounting prescribed by the Central Government under Section 133 of the Companies Act, 2013. The Company will take into consideration, the recommendations of the Audit Committee of the Company, if any, and also comply with all relevant Accounting Standards applicable to the present Scheme.

13. COSTS, CHARGES AND EXPENSES:

All past, present and future costs, charges, levies, duties and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne by the Company and all of the above costs shall be treated as costs relating to this Scheme.

14. MODIFICATIONS / AMENDMENTS OF THE SCHEME:

The Company, by its Board or such other person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the National Company Law Tribunal and/or any other authority under law may deem fit to direct or impose or which may otherwise be considered necessary



or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith, as may be considered by the Board to be in the best interest of the Company and its members including the withdrawal of this Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this Scheme.

15. SEVERABILITY:

If, in the opinion of the Board, any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of this Scheme. If any part of this Scheme is hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Board that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become material adverse, in which case the Board shall attempt to bring a suitable modification to this Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board is of the view that the coming into effect of this Scheme would have adverse implications of the Company.

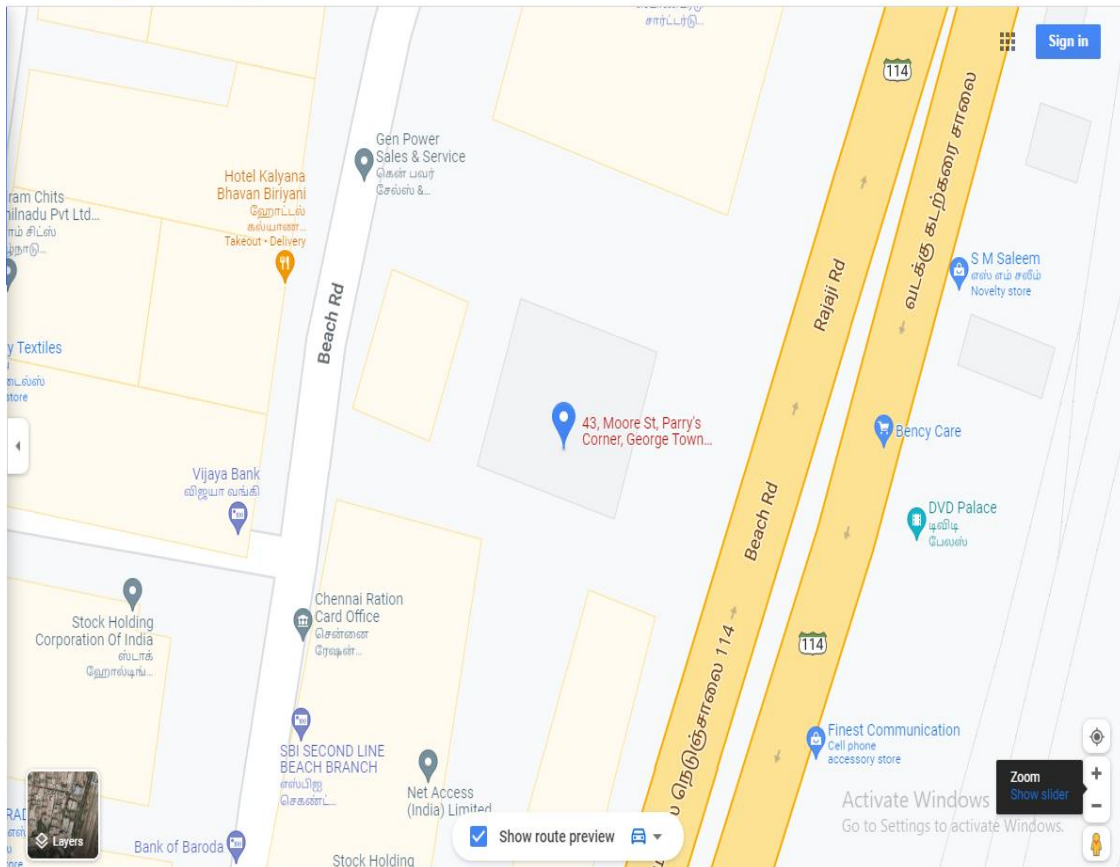
16. THE FORM OF MINUTE PROPOSED TO BE REGISTERED UNDER SECTION 66(5) OF THE COMPANIES ACT, 2013 IS AS FOLLOWS:

“The entire Issued, Subscribed and Paid-up Preference Share Capital of the Company of Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only) (divided into 28,35,630 number of 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/-each) is fully reduced to NIL by extinguishing all rights attached to the Preference Shares of the Company including all payments that were hitherto be made to Preference Shareholders of the Company including but not limited to redemption amounts or exit consideration (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any, and the total Issued, Subscribed, Paid up Preference Share Capital of the Company shall be NIL.”



ROUTE MAP OF THE VENUE OF THE MEETING OF PREFERENCE SHAREHOLDERS

Venue: "Parry House", 5th Floor, 43, Moore Street, Chennai - 600001





COROMANDEL ENGINEERING COMPANY LIMITED
(CIN: L74910TN1947PLC000343)

Registered office: "Parry House", 5th Floor, 43, Moore Street, Chennai – 600001

E mail: cscecl@cec.murugappa.com **Website:** www.coromandelengg.com

P.B. No. 1698, **Phone:** 044 - 25301700

ATTENDANCE SLIP

Sr.No:

Address:

I/We hereby certify that I/We am/are registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the Meeting of the Preference Shareholders Company being held on Friday, 3rd December, 2021 at 10.00 AM at "Parry House", 5th Floor, 43, Moore Street, Chennai 600 001 or at any adjournment thereof in respect of such resolution as mentioned in the Notice.

Member's Folio/DP ID- Client ID No*	Member's/Proxy's name in Block Letters	Signature of Member/Proxy

Regd. Folio/ Client ID:

No of Shares held:

*Applicable for members holding shares in electronic form.

NOTE: Members/Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the Meeting.



**COROMANDEL ENGINEERING COMPANY LIMITED
(CIN: L74910TN1947PLC000343)**

Registered office: "Parry House", 5th Floor, 43, Moore Street, Chennai – 600001

E mail: cscecl@cec.murugappa.com **Website:** www.coromandelengg.com

P.B. No. 1698, Phone: 044 - 25301700

**FORM No. MGT - 11
PROXY FORM**

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

CIN : L74910TN1947PLC000343
 Name of the Company : Coromandel Engineering Company Limited
 Registered Office : Parry House, 5th Floor, No.43, Moore Street, Chennai-600001
 Name of the Member:
 Registered Address:
 E-mail Id :
 Folio No/Client ID :
DP ID :

I/We, being member(s) of Coromandel Engineering Company Limited holding _____ preference shares of the above named company, hereby appoint

1. _____ Having email id _____
or failing him/her
2. _____ Having e-mail ID _____
or failing him/her
3. _____ Having e-mail ID _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Meeting of the Preference Shareholders of the Company to be held on Friday, December 3, 2021 at 10.00 AM at "Parry House, 5th Floor, 43, Moore Street, Chennai 600 001 or at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution
	Special Business – Special Resolution
1.	To consider and approve the reduction of the entire issued, subscribed and paid up preference share capital.

Signed this _____ Day of _____ 2021

Signature of the Member _____

Signature of the Proxy holder _____

Affix One Rupee Stamp Here



Notes:

1. This form of proxy In order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolution, Statement and Notes Please refer to the Notice of Meeting of the Preference Shareholders.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	Password/PIN