

**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  
Email: coromandelengg@cec.murugappa.com  
Website: www.coromandelengg.com

June 30, 2020

BSE Ltd  
Floor 25, P J Towers  
Dalal Street Mumbai 400 001  
Fax No., 22722037/39/41/61

**Scrip Code: 533167**

Dear Sir,

**Annual General Meeting Updates**

We write to inform that in connection with the Company's 72<sup>nd</sup> Annual General Meeting (72<sup>nd</sup> AGM) convened to be held on Thursday, 23<sup>rd</sup> July 2020 at 10.00 A.M. IST as an Electronic AGM (e-AGM) through Video Conferencing (VC), in compliance with the various General Circulars issued by the Ministry of Corporate Affairs, the applicable provisions of the Companies Act 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), the Company has today (30<sup>th</sup> June 2020) submitted through the BSE Welcome Listing portal, soft copies of the Notice of the 72<sup>nd</sup> AGM and the Annual Report of the Company for FY 2019-20, simultaneously along with sending of the soft copies of the same today viz., 30<sup>th</sup> June 2020 to all the shareholders whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes including to those who have requested for hard copies.

The Company is also facilitating shareholders who have not registered their address to register their e-mail address with the Registrar & Transfer Agent, KFin Technologies Private Limited (RTA) by writing to the e-mail address of the RTA providing the details or to log in directly to the RTA website link and register their e-mail address. Details with regard to the registration facility available to shareholders who have not registered their e-mail address to register the same are furnished in the Notice of the 72<sup>nd</sup> AGM.

As indicated in the Notice of the 72<sup>nd</sup> AGM, pursuant to the requirements of the Act and the Rules thereunder and the SEBI Listing Regulations, the Company will be offering electronic voting ("evoting") facility to its shareholders through the remote e-voting platform of M/s. KFin Technologies Private Limited to enable the shareholders to cast their votes electronically on all the resolutions forming part of the Notice of the 72<sup>nd</sup> AGM. The remote e-voting period will commence on Monday, 20<sup>th</sup> July 2020 (9.00 a.m. IST) and end on Wednesday, 22<sup>nd</sup> July 2020 (5.00 p.m. IST). During this period, Members of the

Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 16<sup>th</sup> July 2020, may cast their vote by remote e-voting. Other details with regard to e-voting are provided in the Notice of the 72<sup>nd</sup> AGM.

Further, the Company has appointed M/s KFin Technologies Private Limited to provide Video Conferencing facility for conduct of the 72<sup>nd</sup> AGM as an e-AGM. Members can attend the e-AGM through the same login/user id and password credentials provided to them for e-voting to connect to the Video Conferencing facility and also to do electronic voting in the e-AGM in case they have not voting through remote e-voting. Details with regard to the conduct of the 72<sup>nd</sup> AGM as an e-AGM are provided in the Notice of the 72<sup>nd</sup> AGM.

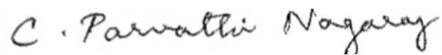
The detailed instructions with regard to remote e-voting, participating through Video Conferencing in the 72<sup>nd</sup> AGM and the process of e-voting at the 72<sup>nd</sup> AGM by the Members including the manner in which Members holding shares in physical form or who have not registered their e-mail address can cast their votes through e-voting at the 72<sup>nd</sup> AGM are provided as part of the Notice of the 72<sup>nd</sup> AGM.

We request you to kindly take the above on your records.

Thanking you,

Yours faithfully,

For Coromandel Engineering Company Limited



C Parvathi Nagaraj  
Company Secretary

Encl: Notice of the 72<sup>nd</sup> AGM & Annual Report for FY 2019-20

(thro' BSE Welcome Listing)



**COROMANDEL ENGINEERING COMPANY LIMITED**

**ANNUAL REPORT 2019-20**

**CORPORATE INFORMATION**

<b>Board of Directors</b>	
Mr. M.M. Venkatachalam - Chairman	(DIN: 00152619)
Mr. M.A.M. Arunachalam	(DIN: 00202958)
Mr. N.V. Ravi	(DIN: 00165666)
Mr. P. Nagarajan	(DIN: 00110344)
Ms. G. Jalaja	(DIN: 00149278)
Mr. R. Surendran	(DIN: 00010017)
<b>Bankers</b>	<b>Company Secretary &amp; Compliance Officer</b>
Indian Bank HDFC Bank Ltd. IndusInd Bank Ltd. RBL Bank Ltd. City Union Bank Ltd.	Ms. C. Parvathi Nagaraj
Tata Capital Financial Services Ltd.	<b>Statutory Auditors</b>
	CNGSN & Associates LLP Chartered Accountants No. 20, Raja Street, T.Nagar, Chennai-600017
<b>Registered Office</b>	<b>Registrar and Share Transfer Agent</b>
“Parry House”, 5 <sup>th</sup> Floor No. 43, Moore Street Chennai – 600 001  Tel : 25301700 Email: investorservices@cec.murugappa.com Website : www.coromandelengg.com CIN:L74910TN1947PLC000343	KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032  Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001 Fax : +91-40 23420814 Email : einward.ris@kfintech.com Website: www.kfintech.com
<b>72<sup>nd</sup> Annual General Meeting</b>	<b>Date: 23<sup>rd</sup> day of July, 2020</b>
	Day : Thursday Time : 10:00 am

**TEN YEARS FINANCIAL TREND**

(Rs. In lakhs)

	YEAR ENDED 31st March									
	2011	2012	2013	2014	2015	2016	2017 *	2018 *	2019*	2020*
<b>OPERATING RESULTS</b>										
Revenue from Operations	11275.24	17046.09	21,639.22	19,924.92	23,039.38	12,220.71	3,133.84	3,250.08	4,571.60	5,767.27
Other Income	185.34	78.79	90.30	109.01	89.70	178.55	70.59	87.64	77.63	326.61
Profit/(Loss) before depreciation	523.16	(3088.12)	(453.31)	(1,020.17)	542.85	504.79	(395.87)	(722.97)	(789.71)	(472.33)
Profit/(Loss) before Tax	405.12	(3249.32)	(668.37)	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)	(806.95)
Profit/(Loss) after Tax	288.54	(2145.22)	(544.05)	(888.17)	112.41	40.37	(767.85)	(1,256.89)	(1,181.90)	(465.61)
Total Comprehensive Income	-	-	-	-	-	-	(770.39)	(1,253.05)	(1,190.25)	(471.03)
Dividend - Equity	95.73	-	-	-	-	-	-	-	-	-
<b>SOURCES OF FUNDS</b>										
Paid up share capital	329.48	2829.48	2,829.48	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	6,158.99
Reserves	1585.66	(559.56)	(1,103.61)	313.14	383.88	424.25	(401.97)	(1,655.02)	(2,845.28)	(3,316.31)
Loan Funds	7264.90	6770.40	8,505.80	10,028.82	7,074.47	2,502.72	2,921.57	5,204.54	5,360.09	3,834.94
Deferred Tax Liability/(Asset) Net	114.61	(989.49)	(1,113.81)	(1,469.12)	(1,546.42)	(1,517.85)	(1,535.42)	(1,369.50)	1,333.75	1,462.16
<b>Total</b>	<b>9294.65</b>	<b>8050.83</b>	<b>9,117.86</b>	<b>12,896.20</b>	<b>9,935.29</b>	<b>5,432.48</b>	<b>5,007.54</b>	<b>6,203.38</b>	<b>7,871.92</b>	<b>8,139.78</b>
<b>APPLICATION OF FUNDS</b>										
Fixed Assets	1822.54	2423.15	3,037.54	3,539.01	2,931.43	2,455.65	2,065.53	1,688.49	1,343.22	1,014.41
Investments	5.20	5.20	5.44	5.44	5.20	5.20	17.67	19.17	15.37	15.37
Net Non Current and Current Assets	7466.91	5622.48	6,074.88	9,351.75	6,998.66	2,971.63	2,924.34	4,495.72	6,513.34	7,110.00
<b>Total</b>	<b>9294.65</b>	<b>8050.83</b>	<b>9,117.86</b>	<b>12,896.20</b>	<b>9,935.29</b>	<b>5,432.48</b>	<b>5,007.54</b>	<b>6,203.38</b>	<b>7,871.92</b>	<b>8,139.78</b>

\* -Figures for periods ending from 31st March 2017 are under Ind AS

\* - Paid up share capital as above includes Preference Share Capital Rs 700 L upto 31st March 2019 and Rs. 2835.63 L from March 2020

## DIRECTORS – A BRIEF PROFILE

**Mr. M.M. Venkatachalam (DIN: 00152619)**

Non-Executive Chairman

Mr. M.M. Venkatachalam is a graduate in Agriculture and has done his Masters in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Company. He is also on the Board of various Companies including E.I.D. Parry (India) Ltd., Coromandel International Ltd., Ramco Systems Ltd., Ramco Cements Ltd., Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Murray & Co. Ltd., U.K. etc.

**Mr. M.A.M. Arunachalam (DIN: 00202958)**

Non-Executive Director

Mr. M.A.M. Arunachalam has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 32 years in the field of varied industrial activities. He has been on the Board of CEC, since September 1995. He is the Managing Director of Parry Enterprises India Ltd. and is also on the Board of Carborundum Universal Ltd.

**Mr. N.V. Ravi (DIN: 00165666)**

Non-Executive Independent Director

Mr. N.V. Ravi is an architect and has his own private practice since 1985. He has done his Masters in Architecture at the University of Michigan Ann Arbor. He has designed and executed several residential, industrial and commercial projects in Chennai, Delhi, Bangalore, Hyderabad etc. He also has vast experience in the field of construction and has his own property development firm, which has been doing projects, since 1996. He has been on the Board of CEC, since February 2012.

**Mr. P. Nagarajan (DIN: 00110344)**

Non-Executive Independent Director

Mr. P. Nagarajan is a Chartered Accountant with a Bachelors degree in Commerce from Loyola College; Chennai. He also has a degree in Law (BGL) from the Bangalore University.

He has nearly four decades of post qualification work experience in the field of Finance & Accounts having specialized in areas like Treasury, Working Capital Management, Corporate Taxation, Corporate Restructuring, Project Evaluation etc., He worked in organizations such as Fraser & Ross, Chartered Accountants, HMT Ltd. and Coromandel International Ltd. He retired from Coromandel International Ltd. in 2011, having served the Company as the Head of Finance for 14 years. He has also served as member of few committees of FICCI and Fertiliser Association of India.

He has been on the Board of CEC, since July 2014.

**Ms. G. Jalaja (DIN: 00149278)**

Non-Executive Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 34 years of rich experience in areas of Secretarial, Corporate Finance, Legal and Treasury.

Ms. G. Jalaja joined Murugappa Group in the year 1983 and was the Company Secretary of E.I.D.-Parry (India) Ltd. between 1992 to 2010. She re-joined as Company Secretary of the said Company in the year 2013. In the intervening period, she was CFO of Parrys Sugar Industries Ltd. She has been on the Board of CEC, since March, 2015.

**Mr. R. Surendran (DIN: 00010017)**

Non-Executive Independent Director

Mr. R. Surendran is a Fellow member of the Institute of Chartered Accountants of India, with more than 33 years of experience in Industry and Practice. He also holds Bachelors degree in Science along with Post Graduate Diploma in Financial Management. He has rich industrial experience, having worked with Murugappa Group for nearly 25 years until 2006. His area of strength includes taxation & secretarial matters. He has been on the Board of CEC, since January, 2016.

## BOARD'S REPORT

Your Directors present herewith the 72<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

The performance of the Company for the year is summarized below :

### FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Gross Income	6093.88	4649.23
Profit/(loss) before Interest and Depreciation	189.09	(162.89)
Finance charges	661.42	626.82
Gross Profit/(loss)	(472.33)	(789.71)
Depreciation and Amortization expenses	334.62	356.44
Net Profit/(loss) before tax , after exceptional item	(594.02)	(1146.15)
Provision for tax	(128.41)	35.75
Net Profit/(loss) after tax	(465.61)	(1181.90)
Other Comprehensive Income/(loss)	(5.42)	(8.35)
Total Comprehensive Income	(471.03)	(1190.25)
Balance carried to Balance Sheet	(6407.75)	(5936.72)

### OPERATIONS AND PERFORMANCE

For the year under review, Your Company achieved a gross income of Rs. 6093.88 L (PY: Rs. 4649.23 L) and incurred loss after tax of Rs. 465.61 L (PY Loss : Rs. 1181.90 L). EBITDA was positive at Rs. 189.09 L (PY: Negative Rs. 162.89 L) with improvement in operating efficiencies.

The top line growth in revenue of 26% achieved over the previous year, despite intense competition, has been mainly due to higher success rate in winning orders compared to earlier years. Gradually the number of projects on hand and being executed is improving, leading to reduction in % of employee and other administrative costs to revenue. Progress has been made in resolving some of the past receivable issues and collection, while current projects are getting paid on time. The impact of Covid-19 leading to lock down towards the end

of March 2020 affected the revenue marginally in March 2020. There is however no impact on the order book or on the realization of current assets due to pandemic.

On the Property development business, Your Company has made some progress in liquidating the inventory available in Coimbatore, although there are few apartments to be sold .

The depreciation for the year was at Rs. 334.62 L (PY: Rs.356.44 L). There was an exceptional income to the tune of Rs. 212.93 L on account of waiver of outstanding preference dividend from 13<sup>th</sup> November 2014 to 22<sup>nd</sup> August 2019, by the holders of 7,00,000 preference shares.

The finance cost for the year increased to Rs. 661.42 L (PY: Rs. 626.82 L). The PBT after exceptional items was at negative Rs. 594.02 L (PY: Rs. 1146.15 L).

## DIVIDEND

As the Company has incurred a loss, no dividend is recommended for the financial year 2019-20. Consequent to the same, the Company has not transferred any amount to general reserve.

## SHARE CAPITAL

The company's paid-up equity capital was Rs. 3323.36 Lakhs as on 31<sup>st</sup> March, 2020. The company's paid-up preference share capital as on 31<sup>st</sup> March, 2020 stood at Rs. 2835.63 L. ( P Y Rs 700 L ).

During the year, the company obtained the approval of the shareholders at the 71<sup>st</sup> Annual General Meeting for the issue of 23,00,000 - 7% Cumulative Non Participating Redeemable Preference Shares of Rs 100 /- each on private placement basis. Out of the said issue, 12,00,000 - 7% Cumulative Non-Participating Redeemable Preference Shares of Rs 100/- each aggregating to Rs 12,00,00,000/- in tranche 1 and 9,35,630 - 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each aggregating to Rs, 9,35,63,000/- in tranche 2 were allotted on 3<sup>rd</sup> September, 2019 and 24<sup>th</sup> October, 2019 respectively, on private placement basis.

## DETAILS OF DEPOSITS

The Company has not accepted any Deposits covered under Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS / GUARANTEES GIVEN / INVESTMENTS MADE

The Company has not extended any loans, guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

## RISK MANAGEMENT

With an insight to integrate risk management with the overall strategic and operational practices, the Board of Directors have established a review and monitoring process with the management to

ensure that the risks pertaining to the business are identified, steps are taken to manage and mitigate the same and periodical updates are discussed. The Board of directors ensure a discussion with the management team to enable proper risk oversight by the Board. The Board had constituted a Risk Management Committee, details of the same and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

## DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In addition to the Internal Controls on Operations, the Board has laid down standards, processes and structures to implement internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. The effectiveness of the internal financial controls is ensured by management reviews, continuous monitoring and self-assessment and review of all financial transactions and operating systems by the internal auditors. The Company has also in place, adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses or inefficacy or inadequacy in the design or operation were observed.

## DIRECTORS

### RE-APPOINTMENT OF RETIRING DIRECTOR

Based on the recommendation of Nomination & Remuneration Committee and approval of the Board, Ms. G. Jalaja, Director (DIN: 00149278) who retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.26 of the Articles of Association at the forth coming Annual General Meeting and being eligible, offers herself for re- appointment.

### RE-APPOINTMENT OF INDEPENDENT DIRECTOR

Mr. P. Nagarajan was appointed as Independent Director of the Company at the Annual General Meeting held on 24<sup>th</sup> July, 2015 for a period of 5 consecutive years up to the conclusion of the 72<sup>nd</sup> Annual General Meeting of the Company. Based



on the recommendation of the Nomination and Remuneration Committee, the Company proposes to re-appoint Mr. P. Nagarajan for a period of 5 years as an Independent Director of the Company from 23<sup>rd</sup> July 2020 . The Company has received necessary declaration from him under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and that he has registered himself in the databank maintained by the Indian Institute of Corporate Affairs and has also passed the online proficiency self-assessment test.

In the opinion of the Board, Mr. P. Nagarajan, the Director proposed to be re-appointed as an Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder. In terms of Secretarial Standard on General Meetings (SS-2), the necessary resolutions with explanatory statement for the re-appointment of said Independent Director of the Company is included in the Notice sent along with the annual report.

#### **CHANGE IN KEY MANAGERIAL PERSONNEL**

Mr. Velappan, who was appointed by the Board as Manager of the company and Key Managerial Personnel at the 71<sup>st</sup> Annual General Meeting of the Company held on 24<sup>th</sup> July, 2019, has retired at the closure of business hours i.e. 31<sup>st</sup> March, 2020. He was re-appointed as the Manager of the company in the meeting of the Board held on 08<sup>th</sup> June, 2020 with effect from 08<sup>th</sup> June, 2020 to 31<sup>st</sup> March, 2021 and the necessary resolutions along with the explanatory statement for the re-appointment has been included in the notice sent along with the annual report.

Mr. M. Narayanan who was appointed as the Chief Financial Officer on April 26, 2018 demised on March 28, 2020. The Board placed on record its deepest condolences and took note of his valuable contributions during his association with the company. Mr. K. Thiyagarajan was appointed as the Chief Financial Officer in the meeting of the Board held on 08<sup>th</sup> June, 2020.

#### **EVALUATION OF BOARD'S PERFORMANCE**

As per the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. As part of the familiarization programme, a handbook is provided to all Directors, including Independent Directors, at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders.

The details of familiarization programmes as above are also disclosed on the website of the Company at the link: [http://www.coromandelengg.com/Inv\\_policies.html](http://www.coromandelengg.com/Inv_policies.html).

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149 (6) of the Act, under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and stating that they have

registered themselves in the data bank maintained by the Indian Institute of Corporate Affairs and under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, the Board on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and other employees and their remuneration. The details of the Remuneration Policy are stated in the Corporate Governance Report.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31<sup>st</sup> March 2020, the Board had met Five (5) times, 15<sup>th</sup> May 2019, 18<sup>th</sup> June 2019, 24<sup>th</sup> July, 2019, 24<sup>th</sup> October 2019 and 23<sup>rd</sup> January, 2020. The Audit committee met Four (4) times on 15<sup>th</sup> May 2019, 24<sup>th</sup> July 2019, 24<sup>th</sup> October 2019 and 23<sup>rd</sup> January 2020. The details of the said meetings are given in the Corporate Governance Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors' make the following Statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any
- (b) that the Directors had selected such accounting policies as mentioned in Note No. 3 of the Financial Statements and applied them consistently and made judgments 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 31<sup>st</sup> March, 2020 and of the profit / loss of the company for the year ended on that date;

- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts for the year ended 31<sup>st</sup> March, 2020 have been prepared on a 'going concern' basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior omnibus approval is obtained for Related Party Transactions ("RPTs") which are of a repetitive nature and entered in the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee. Further, transactions proposed in subsequent quarter are also presented. The details of contracts and arrangements with related parties of the

Company for the financial year under review, are given in notes to the Financial Statements, which forms part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company's website at [http://www.coromandelengg.com/Inv\\_Policies.html](http://www.coromandelengg.com/Inv_Policies.html)

### EXPLANATION AND COMMENTS

The reports of statutory auditors and that of the secretarial auditors are self-explanatory and have no adverse comments.

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

There are no material changes or commitments after the closure of the financial year.

### COMPOSITION OF AUDIT COMMITTEE

Audit Committee constituted by the Board pursuant to Section 177 of the Companies Act, 2013, consists of the following members:

Mr. P. Nagarajan	-Chairman
Mr. M.A.M. Arunachalam	-Member
Mr. N.V. Ravi	-Member
Mr. R. Surendran	-Member

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.

### VIGIL MECHANISM

The Company has devised a vigil mechanism in pursuance of the provisions of Section 177(10) of the Companies Act, 2013 for Directors and employees to report genuine concerns or grievances to the Audit Committee in this regard and details whereof are available on the Company's website.

### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, the Board has constituted a Nomination

and Remuneration Committee consisting of the following members:

Mr. N.V. Ravi	-Chairman
Mr. M.M. Venkatachalam	-Member
Mr. P. Nagarajan	-Member

The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company had laid out and following the policy on director's 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.

Policy on Criteria for Board Nomination and Remuneration policy is available in the website of the Company [http://www.coromandelengg.com/Inv\\_Policies.html](http://www.coromandelengg.com/Inv_Policies.html).

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

In view of the losses incurred by the Company in two of the three previous financial years and average of three years' net profit being negative, the requirement on spending or conducting meetings under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company. The Committee was therefore dispensed with at the board meeting held on 23<sup>rd</sup> January, 2020.

### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The company has not received any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### AUDITORS

#### STATUTORY AUDITORS

The members of the company at the 69<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July 2017, appointed M/s. CNGSN & Associates LLP, Chartered Accountants, (FR No. 004915S/S200036) Chennai as Statutory Auditors of the Company to hold office

until the conclusion of the 74<sup>th</sup> Annual General Meeting. The Statutory auditors have confirmed their eligibility under section 141 of the Companies Act, 2013 and have expressed their willingness to continue as the auditors of the company.

As required under Regulation 33(1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer review board of the institute of Chartered Accountants of India.

The Report given by M/s. CNGSN & Associates LLP Chartered Accountants on the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020 is provided in the Finance Section of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report.

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557) has been appointed as the Cost Auditor of the Company for the financial year 2020-21. The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking ratification for the remuneration payable to Mr. N.V. Thanigaimani is included the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Srinidhi Sridharan & Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed here with. During the year under review, there has been no qualification, reservation or adverse remark or disclaimer in their report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, highlighting the business details, is attached and forms part of this report.

#### **CORPORATE GOVERNANCE REPORT**

The company is committed to good corporate governance practices. All material information were circulated to the directors before their meeting or placed at their meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance along with a Certificate from a Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34(3) of the Listing Regulations is attached to this report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a prevention of Sexual Harassment and Grievance Handling Policy in line with the requirements of The Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act,2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2019-20:

No. of complaints received – Nil

No. of complaints disposed of – Not Applicable

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

The Company does not have any commercial activity that calls for conservation of energy and/or technology absorption, attracting disclosure in pursuance of Rule 8(3) of the Companies (Accounts) Rules, 2014. During the year, the Company did not have any foreign exchange earnings and outgo.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the annual return in the prescribed form MGT-9 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to and forms part of this Report and is also available at the website of Company : [http://www.coromandelengg.com/Inv\\_AnnualReports.html](http://www.coromandelengg.com/Inv_AnnualReports.html)

**SECRETARIAL STANDARDS**

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

**PARTICULARS OF EMPLOYEES**

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013 and information relating to employees to be disclosed under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is annexed to and forms part of this report.

**LISTING OF SECURITIES IN STOCK EXCHANGES**

The Company's Equity Shares are presently listed on BSE Ltd.

**GENERAL**

The company has not issued equity shares with differential voting rights or sweat equity shares.

There have been no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report.

**CHANGE IN NATURE OF BUSINESS**

There has been no change of business during the financial year under review.

**ACCREDITATION/ RECOGNITION**

Your Company has been certified under ISO 9001:2008 for quality management system and BS OHSAS18001:2007 for safety management system, in design and establishment of property development, construction of residential, commercial and industrial projects, supporting services like electrical, mechanical and plumbing works.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the continued co-operation, support and assistance extended to the Company by its Bankers, Shareholders, the Government of India and the Government of Tamil Nadu.

**On behalf of the Board**

**M.M.VENKATACHALAM**  
DIN:00152619  
Chairman

**Place: Chennai**

Date: 8<sup>th</sup> June 2020

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Industry Analysis

The Construction Industry, with which your Company is associated, is one of the major contributors to India's G D P – both directly & indirectly. It is one of the largest employers of skilled & unskilled workforce and over 40 Million people work in the Construction Industry & it provides impetus to the growth of many large scale industries & infrastructure projects like Steel, Power, Cement, Automobiles, Metro Systems & Railways / Transportation Systems etc.

The residential sector continued to stagnate during the year, with expansion activities in key Industrial sectors as well as commercial, office and warehouse space showing a robust growth trend. Schemes like Make in India are expected to further enhance the construction sector over the next three years.

The investment climate is expected to be robust during the next three years, and the Norms for FDI for 15 Sectors including Real Estate have been eased and hence the outlook for the construction industry is likely to be positive. The pressure on pricing is, however, continuing with orders being decided on lower margins.

The impact of Covid is expected to temporarily slow down plans, but the investment climate is expected to be restored towards the end of the year.

## Review of Business of Coromandel Engineering Company Ltd.

The Company had participated in tenders worth Rs. 450 Crores across industrial, commercial, educational and residential segments, during the year and has had significant success in enhancing its order book. The company is enhancing its customer centric approach, and is looking to obtain repeat orders from its clients, apart from enhancing its client base.

The company has also enhanced its internal wherewithal in human resources and systems to meet its growth plans. During the year, our Company was able to collect overdue payments pending from certain clients and maintain timely collection for current projects, improving the company's cash flow.

## Risk Management

Given below are some of the significant risks that could have an impact on the Company and the mitigation measures put in place by the Company

### Bidding Risk

Quoting with smaller margins to obtain orders matching the prices of competition, leading to pressure on margins during execution.

### Mitigation Measures

1. Site visits, collecting regional market prices, quality & competitive Vendor prices and thorough study of project scope before quoting for tenders. Structured process and formats to cover all possible activities and related costs while quoting.
2. Fixing minimum margins to be targeted and approval process for additional discounts, based on commercial justification.

### Risk in Process Activity

Process linkages right from obtaining orders to handing over to Client by planning effectively, timely deployment of resources, adherence to budgets and timelines. In the absence of proper linkage in this regard, actual cost and timelines may vary adversely.

### Mitigation Measures

1. Ensuring detailed study of the site specific conditions and scope of the project with cross functional teams.
2. Detailed project execution plans are drawn up with process linkages.
3. Monitor the progress on a regular basis at projects and weekly in office to ensure timely delivery.

### Quality Risk

The risk of quality of work not adhering to specifications as per contract, leading to short certifications of our invoice, payment delays and

additional costs for rectification lowering the profitability and reputation loss.

#### **Mitigation Measures**

1. Constantly evaluating quality standards of our Vendor/Service Providers and having a pre-qualified panel for placing orders.
2. Monitoring of the quality of incoming materials and work execution through our in house team.

#### **Risk of Timely Completion**

Not completing the work as per agreed timelines, leading to cost escalation, levy of liquidated damages and loss of further business.

#### **Mitigation Measures**

1. Timely mobilization of site team and other resources, as per contract requirements.
2. Ensuring availability of material / labour / equipment as per execution plan through effective planning and tracking.
3. Ensuring availability of drawings/clearances from client/various authorities and any gap is communicated in advance and delays from the client's end are documented.

#### **Cost Escalation Risk**

Increase in costs beyond budget leading to margins getting affected.

#### **Mitigation Measures**

1. Project Cost estimates to be based on specific site conditions, seasonal cost variation and availability factors and anticipated cost push over the tenure of the project.
2. Escalation clauses based on base prices for key input materials to be included in the contracts.
3. Negotiating better rates from suppliers/service providers, based on volumes.
4. Ensuring timely completion of the project.

#### **Client Concentration Risk**

Dependence on select segments/ limited geographies/clients impacting order inflow in the event of slowdown in the sector or customer attrition.

#### **Mitigation Measures**

1. Broad basing client base/segments and wider geographic allocations for getting orders after due risk evaluation.
2. Obtaining technical prequalification from project consultants/architects to widen client base.

#### **Compliance Risk**

Contractual and Legal - noncompliance of specific contractual obligations and general obligations in practice and statutory noncompliance will result in penalty and loss of reputation.

#### **Mitigation Measures**

1. Monitoring industry specific statutory requirements including RERA regulations as applicable, and training of employees to ensure compliance.
2. Checklist to capture applicable contractual obligations from quotation stage and ensure onerous clauses are not accepted.
3. Maintaining documentation to record non compliances on contractual obligations due to client issues.

#### **Human Resources Risk**

Attracting and retaining right talent, impacting the performance and growth of the business

#### **Mitigation Measures**

1. Identifying good performers and ensuring opportunities for career growth through challenging roles and performance related compensation.
2. Attracting talent from industry with up to date technical skills through market related compensation.

**Liquidity Risk**

Not generating adequate cash as per requirements, resulting in delayed payments affecting execution and higher borrowings, resulting in higher interest cost.

**Mitigation Measures**

1. Ensuring timely submission of bills, certification of the work done by the client to meet cash flow.
2. Monitoring collections as per contractual terms and put in escalation mechanism for close follow-up of overdue when delays occur.
3. Ensuring better credit terms from suppliers.

The risk management matrix consisting of probable risks, their impact and the mitigation measures are reviewed periodically at the senior management level as well as by the Risk Management Committee.

**Risk from Pandemic**

Risk of Pandemic resulting in lock down and stoppage of construction activities, resulting in business slowdown, operational losses and impairment of assets.

**Mitigation Measures**

1. Have the labour team located within/near the project sites so that effect of lock in on work can be minimized.
2. Have clear clauses in Contract on force majeure to ensure there are no claims from clients due to factors beyond our control.
3. Have variable cost structure at project site/ administration, to minimize fixed costs when operations are stopped.

**Discussion on financial performance with respect to operations****Income from operations:**

During the year, the Company achieved revenue from Operations of ₹ 5767 lakhs as against ₹ 4572 lakhs in the previous year, registering a growth of

26%. EBITDA was at ₹ 189 Lakhs as against ₹ 163 Lakhs negative in the previous year. Performance would have been better but for certain projects that were taken at lower prices in the previous year which continued during the current year. PBT loss before exceptional items was at ₹ 807 Lakhs as against loss of ₹ 1146 Lakhs in the previous year.

**Summary of Financial Results :**

The revenue and breakup of expenditure for the year are as follows:

₹ in lakhs

	FY 2019-20	%	FY 2018-19	%
Revenue from Operations	5767	100.0	4572	100.0
Materials consumed and Sub contract Expenses	4855	84.2	3708	81.1
Salaries & Other Benefits	598	10.4	590	12.9
Other Expenses	452	7.8	514	11.2
Finance Cost	661	11.5	627	13.7
Depreciation	335	5.8	356	7.8
Total Costs	6901	119.7	5795	126.7

Steps were taken to increase volumes, reduce the various fixed costs like hire charges, manpower and other administrative costs.

**Net Profit/(Loss)**

₹ in lakhs

	2019-20	2018-19
Total revenue	6094	4649
Profit/(Loss) before interest and tax (PBIT) (before exceptional item)	(146)	(519)
Profit/ (loss) before tax (PBT)	(594)	(1146)
PBT as % of revenue	(10%)	(25%)

**Net Worth**

The net worth of the Company as at March 31, 2020 was ₹ 7 lakhs as compared to ₹ 478 lakhs as at March 31, 2019.

During the year, of ₹ 2136 lakhs was infused into the Company by way of Preference Capital, which helped in reducing the overall borrowings and improve the working capital position.



Your Company has an Internal Control System commensurate with the size and complexity of Operations. The overall objective of the process of Internal Control is to safeguard the assets of the Company, ensure that Operations are conducted in orderly and efficient manner and high standards of Corporate Governance are met.

Your company has established and is maintaining adequate internal controls within the system to ensure completeness and accuracy of financial and other information, which are used by management for supervision and control. The adequacy and effectiveness of internal controls are monitored regularly by the internal auditors and measures for improvement are adopted from time to time. Also, as part of the internal control systems, it is being ensured that all applicable laws are complied without any lapse. Periodic updates are being sought from the relevant sources to keep abreast with the latest changes in any applicable law and the compliance thereof.

The Audit Committee of the Company meets periodically to review and recommend quarterly,

half yearly and annual financial statements of the Company. The Audit Committee reviews the important findings and corrective measures from internal audit reports. The Committee holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope of their audit and findings.

#### **Human Resources**

The company believes that the human capital is the key contributor for the business growth and competitiveness. This includes not only the employees of the Company, but the skilled labor engaged at project sites, through sub-contracting.

During the year, with new hires for new projects, employee strength has increased to 121 from 116 at end of the previous year.

The Company identified good talents from the market and deployed for the orders under execution and in pipe line.

**Place: Chennai**

Date: 8<sup>th</sup> June 2020

**On behalf of the Board**

**M.M.VENKATACHALAM**

DIN:00152619

Chairman

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31<sup>st</sup> March, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L74910TN1947PLC000343
Registration Date	3 <sup>rd</sup> September, 1947
Name of the Company	Coromandel Engineering Company Limited
Category/Sub-Category of the Company	Company limited by shares / Indian – Non-Government Company
Address of the Registered office and contact details	Parry House, 5 <sup>th</sup> floor, No.43, Moore Street, Chennai-600001 coromandelengg@cec.murugappa.com Ph:044-2534 1700
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001 Fax : +91-4023420814 Email : einward.ris@kfintech.com Website: www.kfintech.com

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

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the Company
1	Construction of Buildings	410	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
1	NA	NA	NA	NA	NA

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(I)	(II)									
(A)	PROMOTER									
(1)	INDIAN									
(a)	Individual / HUF	2244722	0	2244722	6.75	1985647	0	1985647	5.97	(0.78)
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	8011998	0	8011998	24.11	8011998	0	8011998	24.11	0.00
(e)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>PROMOTER GROUP</b>									
	Individuals/HUF & Bodies Corporate	14540017	0	14540017	43.75	14767709	0	14767709	44.44	0.69
	<b>Sub-Total A(1) :</b>	<b>24794937</b>	<b>0</b>	<b>24796737</b>	<b>74.61</b>	<b>24765354</b>	<b>0</b>	<b>24765354</b>	<b>74.52</b>	<b>(0.09)</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>24794937</b>	<b>0</b>	<b>24796737</b>	<b>74.61</b>	<b>24765354</b>	<b>0</b>	<b>24765354</b>	<b>74.52</b>	<b>(0.09)</b>
(B)	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	558028	0	558028	1.68	484117	0	484117	1.46	-0.22
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2598783	37924	2636707	7.93	2507351	36982	2544333	7.66	-0.28
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5138773	0	5138773	15.47	5319842	0	5319842	16.01	0.54
(c)	Others									
	Clearing Members	3348	0	3348	0.01	3045	0	3045	0.01	0.00
	Non Resident Indians	68740	0	68740	0.21	53909	0	53909	0.16	-0.05
	NRI Non-Repatriation	7627	0	7627	0.02	39360	0	39360	0.12	0.10
	Trusts	4800	0	4800	0.01	4800	0	4800	0.01	0.00
	IEPF	18838	0	18838	0.06	18838	0	18838	0.06	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
	<b>Sub-Total B(2) :</b>	<b>8398937</b>	<b>37924</b>	<b>8436861</b>	<b>25.39</b>	<b>8431262</b>	<b>36982</b>	<b>8468244</b>	<b>25.48</b>	<b>0.09</b>
	<b>Total B=B(1)+B(2) :</b>	<b>8398937</b>	<b>37924</b>	<b>8436861</b>	<b>25.39</b>	<b>8431262</b>	<b>36982</b>	<b>8468244</b>	<b>25.48</b>	<b>0.09</b>
	<b>Total (A+B) :</b>	<b>33195674</b>	<b>37924</b>	<b>33233598</b>	<b>100.00</b>	<b>33196616</b>	<b>36982</b>	<b>33233598</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	0.00
(2)	Public	0	0	0	0.00	0	0	0	0	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>33195674</b>	<b>37924</b>	<b>33233598</b>	<b>100.00</b>	<b>33196616</b>	<b>36982</b>	<b>33233598</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No	Name of the Share Holder	Category	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in Shareholding during the year
			No of Shares held as on 01/04/2019	% of total shares of the Company	% of shares pledged / encumbered to total shares (includes GDR)	No of Shares Held As on 31/03/2020	% of total shares of the Company	% of shares pledged / encumbered to total shares (includes GDR)	
1	CARBORUNDUM UNIVERSAL LIMITED	PROMOTER COMPANIES	3042900	9.16	0.00	3042900	9.16	0.00	0.00
2	AMBADI ENTERPRISES LIMITED	PROMOTER COMPANIES	1000100	3.01	0.00	1000100	3.01	0.00	0.00
3	AMBADI INVESTMENTS LIMITED	PROMOTER COMPANIES	3492579	10.50	0.00	3492579	10.50	0.00	0.00
4	M M MURUGAPPAN	DIRECTORS AND RELATIVES	451610	1.37	0.00	451610	1.37	0.00	0.00
5	M M VENKATACHALAM	DIRECTORS	451610	1.36	0.00	451610	1.36	0.00	0.00
6	CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED	PROMOTER COMPANIES	433481	1.30	0.00	433481	1.30	0.00	0.00
7	M A M ARUNACHALAM	DIRECTORS	361610	1.09	0.00	361610	1.09	0.00	0.00
8	ARUN ALAGAPPAN	PROMOTERS	326610	0.98	0.00	326610	0.98	0.00	0.00
9	A VENKATACHALAM	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0.00
10	S VELLAYAN	PROMOTERS	284935	0.86	0.00	0	0.00	0.00	-0.86
11	A VELLAYAN	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0.00
12	M A ALAGAPPAN	PROMOTERS	41210	0.12	0.00	41210	0.12	0.00	0.00
13	M V SUBBIAH	PROMOTERS	18090	0.05	0.00	0	0.00	0.00	-0.05
14	M V MUTHIAH	DIRECTORS AND RELATIVES	6000	0.02	0.00	6000	0.02	0.00	0.00
15	M M MURUGAPPAN	DIRECTORS AND RELATIVES	5120	0.02	0.00	5120	0.02	0.00	0.00
16	M V SUBBIAH	PROMOTERS	4160	0.01	0.00	0	0.00	0.00	-0.01
17	V NARAYANAN	PROMOTERS	3456	0.01	0.00	3456	0.01	0.00	0.00
18	M M VEERAPPAN	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0.00
19	M M MUTHIAH	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0.00
20	A VELLAYAN	PROMOTERS	960	0.00	0.00	960	0.00	0.00	0.00
21	V ARUNACHALAM	PROMOTERS	816	0.00	0.00	816	0.00	0.00	0.00
22	E.I.D.-PARRY (INDIA) LIMITED	PROMOTER COMPANIES	42938	0.13	0.00	42938	0.13	0.00	0.00
23	M V SUBBIAH	PROMOTERS	85165	0.26	0.00	85165	0.26	0.00	0.00
24	M M MURUGAPPAN	DIRECTORS AND RELATIVES	13500	0.04	0.00	13500	0.04	0.00	0.00
25	M A ALAGAPPAN	PROMOTERS	1600	0.00	0.00	1600	0.00	0.00	0.00
	<b>TOTAL</b>		<b>10641920</b>	<b>32.03</b>	<b>0.00</b>	<b>10334735</b>	<b>31.11</b>	<b>0.00</b>	<b>-(0.92)</b>



SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2019 AND 31/03/2020								
SI No	Folio / DP id-Client id / PAN	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
8	AAIPJ0089L	181291	0.55	30/03/2019			181291	0.55
	NEHA JASWANI			05/07/2019	100	Transfer	181391	0.55
				13/09/2019	41	Transfer	181432	0.55
				20/09/2019	250	Transfer	181682	0.55
				04/10/2019	20	Transfer	181702	0.55
				11/10/2019	20	Transfer	181722	0.55
				01/11/2019	200	Transfer	181922	0.55
				08/11/2019	200	Transfer	182122	0.55
			22/11/2019	-781	Transfer	181341	0.55	
			29/11/2019	20	Transfer	181361	0.55	
			13/12/2019	3	Transfer	181364	0.55	
			10/01/2020	203	Transfer	181567	0.55	
			24/01/2020	21	Transfer	181588	0.55	
			31/01/2020	22	Transfer	181610	0.55	
			07/02/2020	20	Transfer	181630	0.55	
			28/02/2020	48	Transfer	181678	0.55	
			20/03/2020	105	Transfer	181783	0.55	
			27/03/2020	240	Transfer	182023	0.55	
			31/03/2020			182023	0.55	
9	AAAHS5894J	151000	0.45	30/03/2019			151000	0.45
	DHARMESH R. SHAH HUF			13/09/2019	4000	Transfer	155000	0.47
				31/03/2020			155000	0.47
10	AGZPM1199H	145477	0.44	30/03/2019			145477	0.44
	R.MUTHATHA			31/03/2020			145477	0.44
11	AAAPH1096F	145150	0.44	30/03/2019			145150	0.44
	NIRANJAN LAKHUMAL HIRANANDANI			31/03/2020			145150	0.44

**(v) Shareholding of Directors and Key Managerial Personnel::**

Sl. No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A</b>	<b>Directors</b>				
<b>1.</b>	<b>Mr. M.M. Venkatachalam - Director</b>				
	At the beginning of the year	451610	1.36	451610	1.36
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	451610	1.36	451610	1.36
<b>2.</b>	<b>Mr. M.A.M. Arunachalam - Director</b>				
	At the beginning of the year	361610	1.09	361610	1.09
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	361610	1.09	361610	1.09
Sl. No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. N. Velappan– Manager</b>				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---
<b>2.</b>	<b>Mr. M. Narayanan – CFO</b>				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---
<b>3.</b>	<b>Ms.C. Parvathi Nagaraj – Company Secretary</b>				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---



**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding / accrued but not due for payment**

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4860	500	-	5360
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	<b>4860</b>	<b>500</b>		5360
<b>Change in Indebtedness during the financial year</b>				
• Addition	2163	600		2763
• Reduction	3188	1100		4288
<b>Net Change</b>	<b>-1025</b>	<b>-500</b>		<b>-1525</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3835	0	-	3835
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	<b>3835</b>	<b>0</b>	-	<b>3835</b>

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

Sl No	Particulars of Remuneration	Mr. N. Velappan Manager	Total
1.	Gross salary	35.86	35.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.22	0.22
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- As % of profit		
	- Others, specify...		
5.	Others,		
	<b>Total (A)</b>	<b>36.08</b>	<b>36.08</b>
	Ceiling as per the Act	NA*	

\* The company has obtained approval from the shareholders as per the Section 197 read with Part II of Schedule V of the Companies Act 2013.

**B. Remuneration to other directors:**

₹

Sl. No.	Particulars of Remuneration	Name of Directors			Total
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	N.V. RAVI 1,20,000	P. NAGARAJAN 1,00,000	R. SURENDRAN 1,30,000	3,50,000
	Total(1)	1,20,000	1,00,000	1,30,000	3,50,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	M.M. VENKATACHALAM 60,000	M.A.M. ARUNACHALAM 70,000	G. JALAJA 90,000	2,20,000
	Total(2)	60,000	70,000	90,000	2,20,000
	Total(B)=(1+2)	1,80,000	1,70,000	2,20,000	5,70,000
	Total Managerial Remuneration	1,80,000	1,70,000	2,20,000	5,70,000
	Over all Ceiling as per the Act				

In view of the financial performance, no commission was provided for, in the current year to the Directors.

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

₹ in lakhs

Sl.No.	Particulars of Remuneration	Mr. M. Narayanan CFO *	Ms.C.Parvathi Nagaraj – Company Secretary	TOTAL
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	20.23	1.96	22.19
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.21	-	0.21
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission As % of profit - others, specify...			
5.	Others, please specify			
	<b>Total</b>	<b>20.44</b>	<b>1.96</b>	<b>22.40</b>

\*Mr. M. Narayanan, passed away on 28<sup>th</sup> March 2020

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

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority RD/ NCLT/Court	Appeal
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<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**STATEMENT OF EMPLOYEES' REMUNERATION**

A. Details of employees who were paid remuneration in excess of Rs. 8.5 lakhs per month or Rs.102 lakhs per annum during 2019-20 as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 duly amended by the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2016 are as follows : **NIL**

B. Statement showing particulars of top ten employees in terms of remuneration drawn is given below:

Sl #	Name of the employee	Designation	Remuneration	Nature of Employment	Age	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company	Relationship of employee with Director
1	Velappan N	ASST V P & MANAGER	3,607,723	Permanent	59	M/s E.I.D.- Parry (India) Ltd	NIL	N A
2	Narayanan M	CFO	2,044,200	Permanent	55	Shri Balaji Agencies	NIL	N A
3	Muthulakshmi C	Sr Manager (Tendering)	1,542,240	Permanent	54	M/s.Tern Engineering & Construction Services Pvt Ltd.	NIL	N A
4	Thilagam S	Manager (Commercial)	1,154,982	Permanent	53	M/s Bajaj Enterprises Ltd.	NIL	N A
5	Krishnan S	Manager (Contracts)	1,099,448	Permanent	49	M/s Orissa Cement Ltd	NIL	N A
6	Dhanasekaran R	Manager (Projects)	1,015,812	Permanent	51	M/s Indya Real Estates	NIL	N A
7	Thirumalai K N	Manager (Project & Systems)	996,996	Permanent	53	M/s ETA Ascon Ltd	NIL	N A
8	Vivekanandan K	Manager (HR & Administration)	915,705	Permanent	55	M/s Vivek Architects	0.006%	N A
9	Sivamala Y	Assistant Manager (Planning)	897,984	Permanent	38	M/s Gelind Tech Consultant	NIL	N A
10	Manikandan R	Dy.Manager (Planning)	827,015	Permanent	39	M/s.Sri Annamalai Builders	NIL	N A

**C. The details of remuneration during the year 2019-20 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, duly amended by Companies (Appointment & Remuneration of Managerial Personnel) Rules 2016 are as follows:**

- (i) Percentage increase in the median remuneration of employees 1.9%.
- (ii) There were 121 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020.
- (iii) Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year – **Not applicable**. Directors were not paid any remuneration during the year other than sitting fees.
- (iv) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, in the financial year:

Name	Designation	% increase/ (decrease)
N. Velappan	Associate Vice President and Manager	15.4%
M. Narayanan	Chief Financial Officer	N.A.
C. Parvathi Nagaraj	Company Secretary	N.A.

No remuneration was paid for Directors except sitting fees.

- (v) i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 12.7%.
- ii. Percentile increase in the managerial remuneration-No remuneration other than sitting fees was paid to Directors and for Mr. N. Velappan, there was increase of remuneration by 15.4%.

## REPORT ON CORPORATE GOVERNANCE

Your Directors have great pleasure in presenting the Corporate Governance Report for the year ended 31<sup>st</sup> March, 2020.

Corporate Governance is the systematic process by which the affairs of the Company are directed and controlled by the Board in the best interest of all the stakeholders. The interest of various stakeholders like the Shareholders, management, employees, customers, suppliers and service providers, regulators and the community at large, is sought to be aligned through the process of Corporate Governance. Corporate Governance ensures fairness, transparency and integrity in dealings by the Company. It is an internal system encompassing policies, processes and people, which serve the needs of Shareholders and other stakeholders, by directing and controlling management activities towards business orientation, objectivity, accountability and integrity.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Coromandel Engineering Company Limited (CEC), a constituent of the Murugappa Group, is committed to the adoption of best practices of Corporate Governance and business ethics and its adherence in true spirit.

At a macro level, the Corporate Governance policy rests on five basic principles, viz.

- Independent and effective Board of Directors,
- Good audit process and reporting,
- Transparency,
- Maximizing shareholder value and
- Meeting social obligations.

The Corporate Governance framework of the company is based on transparency, internal control, risk management, internal and external communications and high standards of safety & health. The company continuously strives to achieve excellence in corporate governance through empowering responsible officers to implement broad policies and guidelines and has set up adequate review processes.

CEC is committed to the spirit of Murugappa Group by holding the core values of integrity, passion,

responsibility, quality and respect in dealing with all stakeholders of the Company.

In compliance with the disclosure requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), the details are set out below:

### Board of Directors

#### a) Composition

The company's Board is an optimal mix of non-executive directors and Independent directors with knowledge and experience in different fields viz., Engineering, Manufacturing, Finance and Business Management, to strengthen the focus and the quality of discussion at the Board level. The Board comprises of six members and one-half of the Board members are Independent Directors and the composition is in conformity with the provisions of SEBI Listing regulations as well as the Companies Act, 2013 ("the Act") and the rules made thereunder.

The Board reviews its strength and composition from time to time to ensure it remains aligned with the statutory as well as business requirements.

Non-Executive Promoter Chairman	1
Non-Executive Directors (including 1 Promoter Director)	2
Non-Executive Independent Directors	3

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at its meeting held on 08<sup>th</sup> June 2020, has taken on record the declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the Management. The Independent Directors are not entitled to stock options.

Directors, other than Independent Directors, are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors.

b) The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March, 2020 are given below:

S.NO	Name of the Director	Category	Number of Directorships/ (chairmanships) in listed Companies including CEC <sup>1</sup>	Number of Committee Memberships / (Chairmanships) in Companies including CEC <sup>2</sup>	Name of the Listed Entity	Category of Directorships <sup>#</sup>
1.	Mr. M.M. Venkatachalam	Non-Executive, Promoter, Chairman	5(1)	7(2)	1. Ramco Systems Limited 2. The Ramco Cements Limited 3. Coromandel International Limited 4. Coromandel Engineering Company Limited 5. E.I.D Parry (India) Limited	NE ID NE ID NE NI Chairman & NE NE NI
2.	Mr. M.A.M Arunachalam	Non-Executive, Promoter	2	4(1)	1. Coromandel Engineering Company Limited 2. Carborundum Universal Limited	NE NI NE NI
3.	Mr. N.V. Ravi	Non-Executive, Independent	1	1	1. Coromandel Engineering Company Limited	NE ID
4.	Mr. P. Nagarajan	Non-Executive, Independent	2	3(2)	1. Coromandel Engineering Company Limited 2. Kartik Investments Trust Limited	NE ID NE ID
5.	Ms. G. Jalaja	Non-Executive	1	1	1. Coromandel Engineering Company Limited	NE NI
6.	Mr. R. Surendran	Non-Executive, Independent	1	2	1. Coromandel Engineering Company Limited	NE ID

<sup>#</sup>Non-Executive ("NE"), Non Independent ("NI") and Independent ("ID")

**Notes:**

1. Excluding Alternate Directorships and Directorships in Foreign companies, Private companies and Section 8 companies.
2. Only membership in Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies whether listed or not, have been reckoned for committee memberships.

None of the Directors on the Board hold directorships in more than seven Listed entities as required under Regulation 17A(1) of listing Regulations.

**c) Changes in the Board during the year**

There were no changes in the Composition of the Board during the year 2019-20. None of the Directors of the Company are related to each other.

**d) Board Meetings**

The Board has formal schedule of matters reserved for its consideration and decision. The Board meets at least once in a quarter to review the company's quarterly performance and financial results and additional meetings are held to address specific needs and business requirements of the company. The agenda is circulated well in advance to the

Board members. The items in the agenda are backed by structured and comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals are taken wherever necessary for making investments, ensuring adequate availability of financial resources. The Board also reviews the Board Meeting minutes and financial statements and also takes on record the minutes of Committee meetings.

The company has established proper systems to enable the Board to review the compliance reports of all laws applicable to the company as well as to assess the steps taken to rectify instances of non-compliances, if any.

The facility of video conferencing or other audio visual means are provided to facilitate participation of Directors, who are unable to attend the meeting physically.

The Board of Directors met five (5) times during the financial year ended 31<sup>st</sup> March, 2020 on 15<sup>th</sup> May, 2019, 18<sup>th</sup> June, 2019, 24<sup>th</sup> July, 2019, 24<sup>th</sup> October, 2019, 23<sup>rd</sup> January, 2020, The maximum gap between any two meetings was less than one hundred and twenty days. Separate meeting of the Independent Directors was held on 08<sup>th</sup> June 2020 without the attendance of non-independent directors and members of the management as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 and Schedule IV of the Act to discuss the matters specified therein.

#### **Details of Board members as on 31<sup>st</sup> March, 2020 and Attendance at Board Meetings**

Sl. No.	Date of Meeting	Board Strength	No. of Directors present
1	15.05.2019	6	6
2	18.06.2019	6	5
3	24.07.2019	6	6
4	24.10.2019	6	5
5	23.01.2020	6	6

The Board has an unbridled and complete access to any information within the company. The members of the Board have complete freedom to express their opinion on the agenda items and can discuss any matter at the meetings with the permission of

the chairperson. The company places before the Board all those details as required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations. The dates for the board meetings are fixed well in advance after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed and structured agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The management apprises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews the performance, approves capital expenditure, sets the strategy that the company should follow and ensures financial stability. The Board reviews and takes on record the actions taken by the company on all its decisions periodically. The Board provides leadership, strategic direction and exercises appropriate control to ensure that the company is managed in a manner that enhances the performance of the company.

In line with the amendments to the Companies Act, 2013, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board had reviewed the following existing policies which were duly amended during the year:

- Code of Conduct to regulate, monitor and report Trading by Designated Persons in Securities of Coromandel Engineering Company Limited including the Policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information of Coromandel Engineering Company Limited.
- Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) including the Policy for determination of 'legitimate purposes' for communicating/ procuring unpublished price sensitive information.
- Whistle Blower Policy
- Policy on dealing with Related Parties and materiality of related party transactions

The above mentioned policies are posted on the website of the Company at the link [http://coromandelengg.com/Inv\\_Policies.html](http://coromandelengg.com/Inv_Policies.html).

**e) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)**

Sl. No.	Name	No. of Board Meetings Held	No. of Board Meetings attended	Attendance at the AGM held on 24 <sup>th</sup> July 2019
1.	Mr. M. M. Venkatachalam	5	5	Yes
2.	Mr. M.A.M. Arunachalam	5	3	Yes
3.	Mr. N.V. Ravi	5	5	Yes
4.	Mr. P. Nagarajan	5	5	Yes
5.	Ms. G. Jalaja	5	5	Yes
6.	Mr. R. Surendran	5	5	Yes

**f) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. As part of the familiarization programme, a handbook is provided to all Directors, including Independent Directors, at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders. The details of familiarization programmes as above are also disclosed on the website of the Company at the link: [http://www.coromandelengg.com/Inv\\_policies.html](http://www.coromandelengg.com/Inv_policies.html).

**g) Board Procedure**

The Directors are appointed based on their qualifications and experience in varied fields as well as the business needs of the company. The Nomination and Remuneration Committee

recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, a letter of appointment along an invitation to join the Board of the Company is given to the directors and a directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentations are also made to the new Director regarding the business and other details of the Company.

**h) Key Board qualifications, expertise and attributes**

The Board of Coromandel Engineering Company Limited comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed in ensuring that the Board of Coromandel Engineering Company Limited is in compliance with the highest standard of Corporate Governance. In the table below the specific areas of focus or expertise of individual Board members have been highlighted. In the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.



A chart or a matrix setting out the skills/expertise/competence of the board of directors:

DIRECTOR	Area of Expertise				
	Financial Expertise	Technology/ Industrial expertise	Leadership	Board Service & Governance	Business Development
M.M. Venkatachalam, Chairman	✓	✓	✓	✓	✓
M.A.M. Arunachalam, Director	✓	✓	✓	✓	✓
N.V. Ravi, Independent Director	✓	✓	✓	✓	✓
P. Nagarajan, Independent Director	✓		✓	✓	✓
G. Jalaja, Director	✓		✓	✓	
R. Surendran, Independent Director	✓		✓	✓	

i) In the opinion of the Board, all independent directors fulfill the conditions specified in these regulations and are independent of the management.

j) There were no instances of independent director who resigned before the expiry of his/her tenure during the year.

k) The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a yearly basis.

#### **l) Details of shareholding of Directors as on 31<sup>st</sup> March 2020**

As on 31<sup>st</sup> March 2020, the company had three non-executive directors and three non-executive Independent directors. Among the non-executive directors, Mr. M.M. Venkatachalam (DIN: 00152619) holds 4,51,610 equity shares of Rs.10/- each and Mr. M. A. M. Arunachalam (DIN: 00202958) holds 3,61,610 equity shares of Rs.10/- each in the company. The Company has not issued any convertible instruments. Other Directors do not hold any share in the Company.

#### **m) Details of Director seeking appointment / re-appointment**

Ms. G. Jalaja (DIN:00149278), Director of the Company, retires by rotation at the ensuing Annual General

Meeting. Considering her experience and her past association with the company, the Board recommends that the continued association of Ms. G. Jalaja would be of immense benefit to the company and hence it is desirable to continue to avail her services as a director and being eligible, Ms. G. Jalaja offers herself for re-appointment as a Director at the ensuing Annual General Meeting.

Mr. P. Nagarajan (DIN: 00110344) was appointed as an Independent Director at the 67<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> July 2015 to hold office for a period of five consecutive years up to the conclusion of the 72<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2020. Considering his experience and expertise, Mr. P. Nagarajan is eligible to seek re-appointment as an Independent Director of the Company and has expressed his willingness to seek re-appointment for a further term of five years subject to the approval of the shareholders vide special resolution at the ensuing Annual General Meeting. Further, considering that Mr. P. Nagarajan satisfies the independence criteria laid down under the Act and the Listing Regulations, the Board has recommended his re-appointment as Independent Director of the Company for a second term of 5 years commencing from the date of AGM to the shareholders. Notice in this regard under Section 160 has been received from a Member.

## Board Committees

### a. Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Company has in place a qualified Audit Committee which acts as a link between the Management, the statutory and Internal auditors and the Board. The audit committee reviews from time to time, the audit and internal control procedures and oversees the company's financial reporting process with a view to provide accurate, timely and proper disclosures.

The Audit Committee has all the powers as specified in Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary.

In accordance with the applicable provisions of the Act and in terms of SEBI Listing Regulations read with Part C of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the Audit Committee inter alia cover the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Discussion with internal auditors any significant findings and follow up thereon;
7. Reviewing with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by

the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary including appointment of Registered Valuers;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management and monitoring the auditor's independence and performance and effectiveness of audit process;
13. Reviewing with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems & effectiveness of the audit process;
14. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up thereon;
16. 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;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern.

The Audit committee mandatorily reviews the following where applicable:

1. Management discussion and analysis of financial condition and results of operations. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses

4. Appointment, removal and terms of remuneration of the Internal auditors shall be subject to review by the Audit Committee;
5. Review the financial statements, in particular, the investments made by the unlisted subsidiary company;
6. To review functioning of whistle blower mechanism and oversee the vigil mechanism of the Company;
7. Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc. of candidate;
8. Review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year;
9. Verify that the systems for internal control as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively;
10. Review the Statement of Deviation if any;
11. To review the utilization of loans and/ or advances from/investment in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments , where applicable ;
12. Any other functions as per the terms of reference as may be required by law from time to time.

As a good corporate governance practice, the Company has put in place a system for a separate discussion of the Audit Committee with the statutory and internal auditors without the presence of the management team.

### Composition

Mr. P. Nagarajan, Independent Director (DIN: 00110344) is the Chairman. The Committee consists of 3 independent Directors and one non independent Director. All the members of the Committee have excellent financial & accounting knowledge. The Chairman, Executive Vice President, Associate Vice President and Chief Financial Officer of the Company and Internal Auditors and Statutory Auditors are the invitees to the meetings of the Audit Committee. The company secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 24<sup>th</sup> July 2019.

### Meetings

The Committee met Four (4) times during the financial year ended 31<sup>st</sup> March, 2020, on 15<sup>th</sup> May 2019, 24<sup>th</sup> July 2019, 24<sup>th</sup> October 2019, 23<sup>rd</sup> January 2020 and the time gap between the two meetings did not exceed one hundred and twenty days.

Name of the Member	Chairman/ Member	No. of Meetings Attended
Mr. P. Nagarajan	Chairman	4
Mr. M.A.M. Arunachalam	Member	3
Mr. N.V. Ravi	Member	4
Mr. R. Surendran	Member	4

### b. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the Listing Regulations with Mr. M.A.M. Arunachalam (DIN: 00202958), Director as the Chairman. The committee consists of one Independent director and two Non-Independent Directors.

### Brief description of Terms of Reference

- Formulation of shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards therefor.
- Monitoring and reviewing the mechanism of share transfers, dematerialisation process, sub-divisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same.
- Monitoring and reviewing the mechanism of share transfers, dematerialisation process, sub-divisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same.
- Determining the standards for resolution of shareholders' grievance.
- Resolving the grievances of the security holders of the listed entity.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the RTA.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- To investigate any activity within its terms of reference.

### Composition & Meetings

One Committee meeting was held during the financial year 2019-20 on 24<sup>th</sup> July, 2019. The Chairman of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the company held on 24<sup>th</sup> July 2019.

The composition of Stakeholders Relationship Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended
Mr. M.A.M. Arunachalam	Chairman	1
Ms. G. Jalaja	Member	1
Mr. R. Surendran	Member	1

Ms. C. Parvathi Nagaraj, Company Secretary, is the Compliance Officer of the Company.

### Number of complaints received and redressed during the year are given below:

Details of number of complaints received during the year and Status of Investor Complaints as on March 31, 2020 and reported to BSE Ltd under Regulation 13(3) of the SEBI(LODR) Regulations 2015 are as follows:

Complaints as on April 1, 2019	Nil
Received during the year	Nil
Resolved during the year	NA
Pending as on March 31, 2020	Nil

Karvy Fintech Private Limited, Hyderabad, being the Company's Registrar and Share Transfer Agent

(RTA) has changed their name to KFin Technologies Private Limited with effect from 5<sup>th</sup> December, 2019. The contact details are available in the General Shareholder Information section of the Report.

### c. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and is mainly entrusted with the identification the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee has framed the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The committee consists of two Independent Directors and a Non-Independent Director.

### Terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

## Composition & Meetings

- a. One Committee meeting was held during the financial year 2019-2020 on 15<sup>th</sup> May 2019. The Chairman of the Nomination and Remuneration Committee was present at the previous Annual General Meeting of the company held on 24<sup>th</sup> July 2019.
- b. The composition of Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended
Mr. N.V. Ravi	Chairman	1
Mr. M.M. Venkatachalam	Member	1
Mr. P. Nagarajan	Member	1

## Criteria for Performance Evaluation

Section 178 read with Clause VII (3) & Clause VIII of Schedule IV of the Companies Act, 2013 lays down specific requirements on performance evaluation of Board/ Chairperson/Independent Directors. As per Part D of Schedule II of Listing Regulations, the Nomination and Remuneration Committee has to lay down the criteria for the above. The Committee had discussed in detail about the criteria to be adopted and process/format to be followed for evaluation of performance of Board/ Committees and Directors. Based on the same the evaluation process was completed for the year.

Parameters adopted as criteria for evaluation were as follows:

- i) Attendance
- ii) Preparedness for the Meeting
- iii) Staying updated on developments
- iv) Active participation at the meetings
- v) Constructive contribution
- vi) Engaging with and challenging the management team without being confrontational or obstructionist
- vii) Speaking one's mind and being objective
- viii) Protection of interest of all stakeholders

## Performance Evaluation

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation

of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment and safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## Remuneration Policy

The Board through the Nomination and Remuneration Committee adopted a Remuneration policy pursuant to Section 178 of the Companies Act, 2013. This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company. In view of the current financial performance of the company, no commission is payable to the directors.

The Non-Executive Directors are entitled for sitting fees as per the Articles of Association of the Company for every Board / Committee meeting attended by them.

## Remuneration for the year

As the Company has been incurring a loss, the question of paying any commission to the Directors does not arise.

The Company's total compensation for Key Managerial Personnel/other employees consists of:

- Fixed compensation
- variable compensation in the form of annual incentive
- benefits
- work related facilities and perquisites

The remuneration policy applicable to the members of the Board and Key Managerial personnel/other

employees is available in the Company's website [http://www.coromandelengg.com/Inv\\_policies.html](http://www.coromandelengg.com/Inv_policies.html).

#### d. Risk Management Committee

As per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is not required to constitute Risk Management Committee since it is not coming under the top 500 listed entities determined on the basis of market capitalization in BSE Limited. However, the Company has voluntarily constituted Risk Management Committee.

#### Purpose and Object

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

#### Brief description of Terms of reference

- Assisting the Board in effective operation of risk management system by performing specialized analysis and quality reviews and report to the Board the details on risk exposures and the action taken to manage the exposures.
- Review and assess the adequacy of Risk Management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively
- Periodically review the Company's Risk Management Policy and associated Guidelines and approve any revisions thereto before recommending adoption by the Board;
- Review the Company's Risk Profile across business, cyber security and support functions and advises the Board with regard to risk management decisions in relation to strategic and operational matters such as Corporate Strategy and related matters.

#### Composition & Meetings

- a) One Committee meeting was held on 08<sup>th</sup> June, 2020. SEBI has granted a one-time relaxation to hold the meeting of Risk

Management Committee by 30<sup>th</sup> June, 2020 for the financial year 2019-20.

- b) The composition of Risk Management Committee and particulars of the meeting attended by the members of the Committee are given below:

Name of the Member	Chairman/Member	No. of Meeting attended during the year 2019-20*
Mr. P. Nagarajan	Chairman	1
Mr. N.V. Ravi	Member	1
Mr. M.M. Venkatachalam	Member	1
Mr. N. Velappan	Member	1

A meeting of the committee was scheduled to be held on 23<sup>rd</sup> March, 2020 but due to the pandemic COVID-19 and the resultant lockdown situation across the country, the meeting was subsequently held on 08<sup>th</sup> June, 2020 in accordance with the relaxation issued by the Securities Exchange Board of India in this regard.

#### d. Corporate Social Responsibility Committee

In view of the losses incurred by the Company in two of the three previous financial years and average of three years net profit being negative, the requirement on spending or conducting meetings under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company. The Committee was therefore dispensed with at the board meeting held on 23<sup>rd</sup> January, 2020.

#### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met 08<sup>th</sup> June, 2020 as required under Regulation 25(3) of SEBI (LODR) Regulations 2015 and Schedule IV of the Act to discuss the matters specified therein to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### General body Meetings

The location, date and time of General Meetings held during the last 3 years are given below:

**Annual General Meeting (AGM):**

For the year ended 31 <sup>st</sup> March	Venue	Day and Date	Time
2019	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600 018	Wednesday 24 <sup>th</sup> July 2019	10.00 A.M.
2018	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600 018	Tuesday 24 <sup>th</sup> July 2018	9:30 A.M.
2017	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600 018	Wednesday 26 <sup>th</sup> July, 2017	10.00 AM

**Details of Special Resolutions passed during the last 3 Annual General Meetings:**

Date of AGM	Whether any Special Resolution was passed	Particulars
24.07.2019	Yes	1. Special resolution was passed for re-appointment of Mr. N.V Ravi as an Independent Director 2. Special resolution was passed to offer, issue and allot the Cumulative Non- participating Redeemable Preference shares on private placement basis.
24.07.2018	Yes	Special resolution was passed for the alteration of Articles of Association of the Company
26.07.2017	No	-

**Postal Ballot:**

- No special resolution was passed through postal ballot during the last financial year.
- There is no immediate proposal for passing any special resolution through postal ballot.

**Code of Conduct**

The Board has laid down a Code of Conduct (Code), for all the Board members and the Senior Management of the Company, and the code is posted on the website of the Company [www.coromandelengg.com](http://www.coromandelengg.com). Annual declaration regarding compliance with the code is obtained from every person covered by the code of conduct and a certificate to this effect, signed by Mr. N. Velappan, Associate Vice President and Manager, forms part of this report.

**CEO and CFO Certification**

In terms of Regulation 17(8) of the Listing Obligations and Disclosure Requirements Regulations, the Associate Vice president and Manager has given the annual certification on financial reporting and internal controls to the Board.

The Associate Vice President and Manager has also given quarterly certification on financial results, while placing the financial results before the Board, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Accordingly, Associate Vice President has certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose for the year ended March 31, 2020.

Mr. M. Narayanan, Chief Financial Officer of the Company passed away on 28<sup>th</sup> March, 2020. Mr. K. Thiyagarajan was appointed as the Chief Financial Officer with effect from 08<sup>th</sup> June 2020. The post of CFO being vacant, there was no CFO certification on the annual accounts.

**Prevention of Insider Trading**

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 2015 as amended with a view to regulate trading in securities by the Directors and designated employees of the Company. This code is applicable to all Directors / officers /

designated employees. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. All the Directors and Senior Management Personnel have confirmed compliance with the code.

The Board has also formulated a policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as a part of the Code. The Board had also reviewed the Company's Code for practices and procedures for fair disclosure of unpublished price sensitive information and had also framed a policy for determination of 'legitimate purposes' as a part of this Code. The Company Secretary is responsible for implementation of the Code. The Company has in place an online system for monitoring the compliance of the Code by its designated employees.

#### **Vigil Mechanism / Whistle Blower Policy**

The Company has adopted the whistle blower mechanism as per the mandatory requirements. The Company has adopted the whistle blower mechanism, a mandatory requirements of the Listing Regulations and the Companies Act, 2013 with the objective to provide employees, customers and vendors, an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal conduct of business, its commitment to open communication and to provide necessary safe guards for protection of employees from reprisals or victimization of whistle blowing in good faith. The Audit Committee periodically reviews the functioning of whistle blower mechanism. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee. The details of establishment of such mechanism are disclosed by the Company on its website and in the Board's Report. It is hereby affirmed that no person has been denied access to the Audit Committee. Mr. Shyam C. Raman, Senior Vice President, Group HR, Murugappa Group, has been appointed as the Ombudsperson, who will

deal with the complaints received.

#### **Disclosures**

##### **a) Related Party Transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant related party transactions with Directors/ promoters/ management, which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interests, that might have a potential conflict with the interest of the Company at large, are placed before the Board. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The details of such policies for dealing with Related Parties and the Related Party Transactions are disseminated in the website of the Company ([http:// www.coromandelengg.com/ Inv\\_policies. Html](http://www.coromandelengg.com/Inv_policies.Html)).

Transactions with the related parties are disclosed in Note No 38 to the financial statements in the Annual Report.

##### **b) Statutory Compliances, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges / SEBI and statutory authorities on all matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority.

##### **c) Commodity price risk or foreign exchange risks and hedging activities**

**Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:**

- a. Total exposure of the listed entity to commodities in \_\_\_\_\_ (INR)
- b. Exposure of the listed entity to various commodities:



Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Cement							
Steel							

**c. Commodity risks faced by the listed entity during the year and how they have been managed**

The Company is not exposed to any material commodity price or foreign exchange risks and no hedging activity is considered necessary to mitigate the said risks. Price escalation risk in materials used in ordinary course of business like Cement/ Steel etc. is mitigated through agreement with clients while signing the contracts.

**DISCLOSURE RELATING TO FEE PAID TO STATUTORY AUDITORS**

During the year, the Company have made the following payments to M/s. CNGSN & Associates, Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part. The Company has relied on the information furnished by the Statutory Auditors in respect of the firms/entities covered under network firm/network entity of which the Statutory Auditor is a part.

CNGSN & Associates / Network firm	Nature of service	Amount (Rs. L)
Statutory auditors	Statutory audit	4.25
	Tax audit	1.40
	Limited review	1.35
	Others	0.28

Payment in respect of the non-audit services provided by the Statutory Auditors to the Company is made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

A certificate from Practising Company Secretary on Corporate Governance is annexed.

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON THE DIRECTOR'S DISQUALIFICATION**

A certificate from Practising Company Secretary confirming that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed.

**Compliance with Corporate Governance Norms**

The Company has complied with the mandatory requirements of the Code of Corporate Governance

as stipulated in the Listing Regulations. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31<sup>st</sup> March, 2020. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) and schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.

**Means of Communication**

Transparency and effective communication are fundamental elements of corporate governance which promotes stakeholder relationships. In contemplation of achieving that objective, the company employs multiple channels to maintain transparency and disseminate information to the shareholders and the investors.

As per the requirement of Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations 2015, the quarterly un-audited financial results and major announcements like notice of Board Meetings, Book Closure etc. are normally published in daily newspapers viz., Business Standard (English) and Makkal Kural (Tamil). The annual audited financial Results are published in Business Standard (English) and Makkal Kural (Tamil).

The company's website address is: [www.coromandelengg.com](http://www.coromandelengg.com). The website contains basic information about the company and such other details as required under the Listing regulations. The company ensures periodical updation of its website. The company has designated the email- id [cecinvestorservices@cec.murugappa.com](mailto:cecinvestorservices@cec.murugappa.com) to enable the shareholders to register their grievances.

**The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
47 (2) (b) to (i)	Disclosures on website	Yes

#### **Details of recommendation of any committee of the Board which are not accepted by the Board**

The Board of directors accepted all the recommendation(s) of the Committees of the Board during financial year ended March 31, 2020.

#### **Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	FY 2019-20
No. of complaints on sexual harassments received during the year	---
No. of complaint disposed of during the year	---
No. of cases pending as on at end of the financial year	---

#### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report forms part of the Annual Report.

#### **General Shareholder Information**

A separate section has been annexed to the Annual Report, furnishing various details viz., AGM, distribution of shareholding, means of communication etc., for the general information of the Shareholder.

**On behalf of the Board**

**Place: Chennai**  
Date: 08<sup>th</sup> June, 2020

**M.M.VENKATACHALAM**  
(DIN:00152619)  
Chairman

## CORPORATE GOVERNANCE CERTIFICATE

The Members

**COROMANDEL ENGINEERING COMPANY LIMITED**

'Parry House', 5<sup>th</sup> Floor,  
43, Moore Street,  
Chennai – 600 001

We have examined all relevant records of **Coromandel Engineering Company Limited** (CIN : L74910TN1947PLC000343), having its Registered Office at Parry House, 5<sup>th</sup> Floor, 43, Moore Street, Chennai – 600 001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2020.

**For SRINIDHI SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS SRINIDHI SRIDHARAN**

CP No. 17990

ACS No. 47244

UIN: S2017TN472300

UDIN: A047244B000322035

PLACE : Chennai

DATE : 08<sup>th</sup> June, 2020

## COMPLIANCE CERTIFICATE

Pursuant to Regulation 17 (8) read with Schedule II PART (B) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

The Board of Directors  
Coromandel Engineering Company Limited,  
5<sup>th</sup> Floor, "Parry House",  
No.43, Moore Street, Chennai – 600 001

**Sirs**

I, N. Velappan, Associate Vice President and Manager certify that:

- A. I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 and that to the best of my knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. There has not been any
  - (1) significant changes in internal control over financial reporting during the year ended 31<sup>st</sup> March, 2020
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Chennai  
Date: 08<sup>th</sup> June, 2020

**N.VELAPPAN**  
**ASSOCIATE VICE PRESIDENT & MANAGER**

## DECLARATION OF CODE OF CONDUCT

The Board of Directors  
Coromandel Engineering Company Limited,  
5<sup>th</sup> Floor, "Parry House",  
No.43, Moore Street, Chennai – 600 001

Dear Sir(s),

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company.

The code of conduct has also been posted on the website of the Company.

It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March 2020, as envisaged in Regulation 34(3) read with Schedule V of the Listing Regulations

**Place: Chennai**  
**Date: 08<sup>th</sup> June,2020**

**N.VELAPPAN**  
**ASSOCIATE VICE PRESIDENT & MANAGER**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members

**COROMANDEL ENGINEERING COMPANY LIMITED**

CIN: L74910TN1947PLC000343

'Parry House', 5<sup>th</sup> Floor, 43, Moore Street,  
Chennai – 600 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **COROMANDEL ENGINEERING COMPANY LIMITED (CIN: L74910TN1947PLC000343)** having its Registered Office at "PARRY HOUSE", 5<sup>th</sup> Floor, 43, Moore Street, Chennai- 600001(hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such other statutory authority.

S. NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	Date of Appointment
1.	00152619	M M Venkatachalam	Non-Executive – Non-Independent Director, Chairman	31/07/2009
2.	00202958	M A M Arunachalam	Non-Executive – Non-Independent Director	06/09/1995
3.	00165666	N V Ravi	Non-Executive – Independent Director	21/02/2012
4.	00110344	P Nagarajan	Non-Executive – Independent Director	30/07/2014
5.	00149278	G Jalaja	Non-Executive – Non-Independent Director	20/03/2015
6.	00010017	R Surendran	Non-Executive – Independent Director	25/01/2016

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SRINIDHI SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS SRINIDHI SRIDHARAN**

CP No. 17990

ACS No. 47244

UIN: S2017TN472300

UDIN: A047244B000322002

PLACE : Chennai

DATE : 08<sup>th</sup> June,2020

## GENERAL SHAREHOLDER INFORMATION

### Registered Office

“Parry House”, 5<sup>th</sup> Floor, No.43, Moore Street,  
Chennai –600 001

### Corporate Identification Number

L74910TN1947PLC000343

### Annual General Meeting

Day : Thursday

Date : 23<sup>rd</sup> July, 2020

Time : 10:00 a.m.

The AGM shall be conducted through Video Conferencing or Other Audio-Visual Means in compliance with applicable provisions of the Companies Act, 2013, Rules and the framework issued by the Ministry of Corporate affairs issued in this regard.

Financial year: 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

### Date of Book Closure

Thursday the 16<sup>th</sup> day of July 2020 to Thursday the 23<sup>rd</sup> day of July 2020 (Both days inclusive)

### Stock Exchange -

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,  
Fort Mumbai – 400 001

Listing fees for the year 2020-2021 has been paid to the BSE Limited.

### Stock Code

Name of the Stock Exchange / Depository	Code / ISIN / Symbol
BSE Ltd.	533167
Depository ISIN No. NSDL & CDSL	INE312J01012

### Market Price Data:

The monthly high and low market price data and volume of shares traded in BSE from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2020 are as follows:

Month	High ₹	Low ₹	No. of Shares
Apr-19	34	25.8	1,42,476
May-19	29.9	23.5	17,159
Jun-19	29	21.8	21,444
Jul-19	28.5	18.2	50,031
Aug-19	18	15.4	40,918
Sep-19	21	15.7	39,757
Oct-19	20.1	15.6	56,244
Nov-19	21.7	17.9	43,854
Dec-19	19.9	15.5	22,914
Jan-20	19.1	15.7	53,150
Feb-20	17.4	14.4	24,215
Mar-20	16.9	11.7	44,219



**Registrar and Share Transfer Agents:**

In due compliance with SEBI norms, the Company has entrusted the share transfer work, both physical as well as electronic, to the transfer agents mentioned below:

**KFin technologies Private Limited (Formerly Karvy Fintech Private Limited)**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001

Fax : +91-40 23420814

Email : einward.ris@kfintech.com Website: www.kfintech.com

**Share Transfer and Investors Service System**

The Stakeholders Relationship Committee, approves transfers/transmission/transposition, sub-division and consolidation etc.

The Board has delegated powers to approve transfers, transmissions, transpositions, dematerialisation / rematerialisation of shares upto a maximum of 10,000 equity shares per transaction to the Directors of the Company and upto 5,000 equity shares per transaction to the executives of the Company.

**Shareholding pattern as on 31.03.2020**

Category	No. of Holders	Total Shares	% To Equity
PROMOTER COMPANIES	20	21,092,874	63.47
RESIDENT INDIVIDUALS	4,407	7,221,883	21.73
PROMOTERS	21	1,733,780	5.22
DIRECTORS	3	935,650	2.82
H U F	229	642,292	1.93
DIRECTORS AND THEIR RELATIVES	9	529,630	1.59
BODIES CORPORATES	41	483,117	1.45
PROMOTER TRUST	7	473,420	1.42
NON RESIDENT INDIANS	7	53,909	0.16
NON RESIDENT INDIAN NON REPATRIABLE	12	39,360	0.12
I E P F	1	18,838	0.06
TRUSTS	1	4,800	0.02
CLEARING MEMBERS	5	3,045	0.01
NBFC	1	1,000	0.00
<b>Total</b>	<b>4,764</b>	<b>33,233,598</b>	<b>100</b>

**Distribution of shareholding as on 31.03.2020**

Category	No. of shareholders	% to total No.	No. of Shares	% of holding	
1	5000	3596	75.48	375204	1.13
5001	10000	383	8.03	330080	0.99
10001	20000	245	5.14	386193	1.16
20001	30000	137	2.87	352150	1.06
30001	40000	53	1.11	191621	0.58
40001	50000	71	1.49	338591	1.02
50001	100000	94	1.97	707567	2.13
Greater than 100000	185	3.88	30552192	91.93	
<b>TOTAL</b>	<b>4764</b>	<b>100.00</b>	<b>33233598</b>	<b>100.00</b>	

	No. of Shareholders	% to total No.	No. of Shares	% of holding
Shareholders in				
Physical Mode:	823	17.28	36982	0.11
Electronic Mode :				
NSDL	2182	45.80	22280061	67.04
CDSL	1759	36.92	10916555	32.85
<b>TOTAL</b>	<b>4764</b>	<b>100.00</b>	<b>33233598</b>	<b>100.00</b>

**Dematerialization**

The code number (ISIN) allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to the Company is INE312J01012.

**Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**  
Nil

Address for Correspondence	For all matters relating to Investor Relations
For any shareholders assistance, the Company Secretary can be contacted at the following address: Coromandel Engineering Company Ltd. Parry House, 5 <sup>th</sup> Floor, No. 43 Moore Street, Chennai 600001 Phone : 044 - 25341513 E-Mail : coromandelengg@cec.murugappa.com	KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Tel : 91-40-23420815 to23420824 Toll Free No. 1-800-454001 Fax :+91-4023420814 Email : einward.ris@kfintech.com Website: www.kfintech.com

#### Reconciliation of share capital Audit:

A qualified Practicing Company Secretary, Mr. R.Sridharan of M/s. R. Sridharan & Associates, Company Secretaries, Chennai, carried out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit confirms that the total issued / paid- up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### Details of Shares held by Non – Executive Directors as on 31.03.2020:

SL No	Name of the Director	No. of Shares Held
1.	Mr. M.M. Venkatachalam	451610
2.	Mr. M.A.M. Arunachalam	361610
3.	Mr. N.V. Ravi	Nil
4.	Mr. P. Nagarajan	Nil
5.	Ms. G. Jalaja	Nil
6.	Mr. R. Surendran	Nil

#### Nomination Facility

The Shareholders may avail themselves of the nomination facility under section 72 of the Companies Act, 2013. The nomination form (Form SH.13) along with instruction, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's Registrars, M/s. KFin Technologies Private Limited.

Investors are advised to avail this facility; especially investors holding securities in single name, to avoid the process of transmission by law. For investors holding shares held in electronic form, the nomination has to be conveyed to their Depository participants directly, as per the format prescribed by them.

**Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity - NIL**

# SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

To,

The Members,

**Coromandel Engineering Company Limited**

CIN: L74910TN1947PLC000343

"PARRY HOUSE" 5<sup>th</sup> Floor

43, Moore Street

Chennai - 600 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Coromandel Engineering Company Limited** [Corporate Identification Number: L74910TN1947PLC000343] (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 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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; (Not applicable to the company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; (Not applicable to the company during the audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( Not applicable to the company during the audit period) ; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(Not applicable to the company during the audit period);

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws, which are applicable to the Company and categorized under the following major heads/groups:

1. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
2. Acts relating to consumer protection including the Competition Act, 2002;
3. Acts and Rules prescribed under prevention and control of pollution;
4. Acts and Rules relating to Environmental protection and energy conservation;
5. Acts and Rules relating to Electricity, fire, gas cylinders, etc.;
6. Other local laws as applicable to various sites and offices;

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to the explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws as mentioned above.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited pursuant to the provisions of the SEBI (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.

We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors before 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. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been recorded.

**We further report that** there are adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

**We further report that** as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16 (c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that** during the audit period, the Company has;

- 1) Obtained the approval of shareholders at the 71<sup>st</sup> Annual General Meeting held on 24<sup>th</sup> July 2019 for issue of 23,00,000 7% Cumulative Non-participating redeemable preference shares of Rs.100/- each aggregating to Rs.23 Crores on a private placement basis.
- 2) Allotted 12,00,000 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 12 Crores/- on 3<sup>rd</sup> September, 2019.
- 3) Allotted 9,35,630 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each aggregating to Rs.9,35,63,000/- on 24<sup>th</sup> October, 2019.

**For SRINIDHI SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

CS SRINIDHI SRIDHARAN  
CP No. 17990  
ACS No. 47244

UIN : S2017TN472300  
UDIN: A047244B000321980

PLACE : CHENNAI  
DATE : 08<sup>th</sup> June,2020

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COROMANDEL ENGINEERING COMPANY LIMITED

## Report on the audit of Financial Statements

### Opinion

We have audited the standalone financial statements of COROMANDEL ENGINEERING COMPANY LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, and the statement of Profit and Loss, and statement of cash flows and the statement of changes in the equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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, of the state of affairs of the Company as at March 31, 2020, loss and total comprehensive income, and its cash flows for the year ended and statement of changes in the equity on that date.

### Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw attention to Note 41 of the Statement which describes the impact of Covid-19 pandemic, and its possible consequential implications on the Company's operations. Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

### a) Existence and impairment of Trade Receivables

Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition. There is a significant element of judgment. Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.

We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant

overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.

In calculating the Expected Credit Loss as per Ind AS 109 – “Financial Instruments”, the company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.

We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.

**Furthermore, we assessed the appropriateness of the disclosures made in note 10 to the financial statements.**

**b) Revenue recognition (IND AS 115)**

The application of the standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations. In case of Fixed Price Contracts Revenue is recognized using the Percentage of Completion computed as per Input method. There exists an inherent risk and presumed fraud risk around the accuracy and existence of revenues. These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Group

Audit procedure involved review of the company’s IND AS 115 implementation process and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management’s evaluation and assessment of design and operating

effectiveness of internal controls relating to revenue recognition.

**Based on the procedures performed, it is concluded that management’s judgments with respect to recognition and measurement of revenue in light of IND AS 115 is appropriate.**

**Furthermore, the appropriateness of the disclosures made in note 34 to the financial statements was assessed**

**c) Recognition and measurement of deferred taxes**

The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS.

This involves significant calculations requiring detailed knowledge of applicable tax laws.

The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards on sample basis.

**The audit procedures performed did not lead to identification of any material misstatement with respect to recognition and measurement of deferred taxes.**

**Furthermore, the appropriateness of the disclosures made in note 07 to the financial statements was assessed.**

**d) Contingent Liability**

Assessment of Provisions for taxation, litigations and claims: As at 31<sup>st</sup> March 2020 Coromandel Engineering Company Limited had disputed tax dues to the tune of Rs 138.41 lakhs.



The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities.

Discussing significant litigations and claims with the Company's Internal Legal Team .

Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors.

Assessing the reliability of the past estimates of the management.

**Based on the procedures performed, it is concluded that the management's assessment of the outcome of pending litigations and claims is appropriate.**

**Furthermore, the appropriateness of the disclosures made in note 30 to the financial statements was assessed.**

**e) Accuracy of Unbilled Revenues in Civil Contracts:**

Unbilled Revenue in Civil Contracts operations is a critical estimate to determine the revenues. This estimate has a high risk of uncertainty as it requires consideration of progress of the work done, efforts till date and efforts to complete the remaining contract performance obligations. (Refer note 13)

Audit Procedure involved evaluating the design of the Internal Controls relating to recording of efforts incurred and estimation of efforts incurred to complete the performance obligations.

Performed analytical Procedure and test of details for reasonableness of incurred and estimated efforts.

**The audit procedures performed did not lead to identification of any material misstatement with respect to recognition and measurement of unbilled revenue.**

**f) Inventory WIP:**

Management judgment is required to establish the carrying value of inventory particularly in

relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.

The judgment reflects that inventory is held to support company's operations which results in the company holding inventory for extended periods before utilization. In cases of disputes with land owners we have relied on Management Representation.

Physical Verification of Inventory was not conducted on 31<sup>st</sup> March 2020 owing to lock down, accordingly necessary Alternative Audit Procedures have been conducted to conclude that inventory is free of material misstatements . With respect to the Net Realizable value of Inventory the company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.

Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records.

**Based on the audit procedure performed, no material discrepancies were identified.**

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

[Description of each key audit matter in accordance with SA 701.]

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with the rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the

company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and statement of changes in the equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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, 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 its financial statements- Refer Note 30
- II. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**Place: Chennai**  
Date: 08.06.2020

**For CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
F.R.No.004915S  
**C.N Gangadaran**  
**Partner**  
Membership No 11205

## ANNEXURE 1 TO THE AUDITOR'S REPORT

### Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) There are no immovable properties held by the company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification. However as on 31<sup>st</sup> March 2020 the physical verification was not conducted owing to Covid 19 lock down, the Company has employed necessary cut off procedures in this regard. Accordingly necessary alternative Audit Procedures have been conducted to conclude that inventory is free of material misstatement .
- iii. According to the information and explanations given to us, during the year, the Company has not granted any loans, secured or unsecured
  - b) As at 31<sup>st</sup> March 2020 according to the records of the Company, the following are the particulars of the disputed dues on account of value added tax and entry tax:

to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and securities and has not made any investments.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.
- vi. The Central Government has vide notification dated 3<sup>rd</sup> June 2011 prescribed the maintenance of cost records by various classes of companies. We have broadly reviewed books of accounts maintained by the company pursuant to the rules under section 148 (1) of the Companies Act 2013 and are of the opinion, prima facie, the prescribed accounts and records have been made and maintained
- vii. a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.

Sl. No	Nature of Dues	Amount Disputed (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Forum where Pending
1	Andhra Pradesh VAT	43.32	28.37	STAT Hyderabad(2006-07 & 2007-08)
2	Telangana VAT	86.50	26.62	STAT, Hyderabad (2010-11 to 2012-13)
3	Tamil Nadu Entry Tax	2.99	2.99	Additional Commissioner, Chennai (AY 2012-13)
4	Kerala VAT	5.60	0.66	Assistant Commissioner Commercial Tax officer Ernakulam

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government. The company has not issued any debentures.
- ix. The company has not raised money by way of initial public offer or further public offer during the Current year and the term loans were applied for the purposes for which those were raised.
- x. In our opinion and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the financial period.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 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. Based on the above para, matters referred in clause (xiv) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

**Place: Chennai**  
Date: 08.06.2020

**For CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
F.R.No.004915S  
**C.N Gangadaran**  
Partner  
Membership No 11205

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s COROMANDEL ENGINEERING COMPANY LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management 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. 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 Companies Act, 2013.

### **Auditors' 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

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 purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements 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 (3) 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**Place: Chennai**  
Date: 08.06.2020

**For CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
F.R.No.004915S  
**C.N Gangadaran**  
Partner  
Membership No 11205



**BALANCE SHEET**

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	4 a	1,014.41	1,343.22
(b) Right of use Assets	4 b	-	-
(c) Capital work-in-progress		-	-
(d) Intangible assets	4c	-	-
(e) Financial Assets			
(i) Investments	5	15.37	15.37
(ii) Trade receivables	6	-	-
(iii) Other Financial Assets		-	-
(f) Deferred tax assets (net)	7	1,462.16	1,333.75
(g) Other non-current assets	8	365.00	365.00
<b>Total Non - Current Assets</b>		<b>2,856.94</b>	<b>3,057.34</b>
<b>2 Current assets</b>			
(a) Inventories	9	3,273.03	4,068.10
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	10	1,589.80	850.67
(iii) Cash and cash equivalents and bank balances	11	6.04	10.92
(iv) Other Financial assets	12	133.16	130.81
(c) Other current assets	13	1,771.47	1,048.59
<b>Total Current Assets</b>		<b>6,773.50</b>	<b>6,109.10</b>
<b>Total Assets ( 1+2 )</b>		<b>9,630.44</b>	<b>9,166.44</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	3,323.36	3,323.36
(b) Other Equity excluding non-controlling interests	14 a	(3,316.31)	(2,845.28)
<b>Total equity attributable to owners of the Company</b>		<b>7.05</b>	<b>478.08</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Preference Capital	15	2,835.63	700.00
(ii) Borrowings	16	1,699.96	2,838.68
(iii) Trade payables		-	-
(iv) Other financial liabilities	17	106.88	196.40
(b) Provisions	18	41.30	28.45
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
<b>Total Non - Current Liabilities</b>		<b>4,683.77</b>	<b>3,763.53</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,134.97	2,121.41
(ii) Trade payables - Micro & Small Enterprise	31	11.50	24.94
(iii) Trade payables -Others	20	772.85	1,181.18
(iv) Other financial liabilities	21	1,570.76	1,177.37
(b) Provisions		-	-
(c) Other current liabilities	22	449.54	419.93
<b>Total Current Liabilities</b>		<b>4,939.62</b>	<b>4,924.83</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>9,630.44</b>	<b>9,166.44</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.004915SC.N. GANGADARAN  
Partner  
Membership No.011205Chennai  
08<sup>th</sup> June 2020M.A.M. ARUNACHALAM  
DirectorN. VELAPPAN  
Manager

On Behalf of the Board

M.M.VENKATACHALAM  
ChairmanC.PARVATHI NAGARAJ  
Company Secretary

## STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars		Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	23	5,767.27	4,571.60
II	Other Income	24	326.61	77.63
III	<b>Total Revenue ( I + II )</b>		<b>6,093.88</b>	<b>4,649.23</b>
IV	Expenses			
	(a) Materials consumed	25	1,345.38	2,048.57
	(b) Changes in Inventories	26	1,011.17	316.96
	(c) Sub-contracting Expenses		2,498.45	1,343.10
	(d) Employee Benefit Expenses	27	597.60	589.59
	(e) Finance Cost	28	661.42	626.82
	(f) Depreciation and Amortisation Expenses	4	334.62	356.44
	(g) Other Expenses	29	452.19	513.91
	(h) <b>Total Expenses</b>		<b>6,900.83</b>	<b>5,795.38</b>
V	<b>Profit/(loss) before exceptional items (III-IV)</b>		(806.95)	(1,146.15)
VI	Exceptional income - waiver of Preference Dividend		212.93	-
VII	<b>Profit/(loss) After exceptional items (V-VI)</b>		(594.02)	(1,146.15)
VIII	Tax expense/(gain)			
	(1) Current tax		-	-
	(2) Deferred tax		(128.41)	35.75
IX	<b>Net Profit/(loss)after tax</b>		<b>(465.61)</b>	<b>(1,181.90)</b>
X	Add:Other Comprehensive Income/(Loss) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements of the defined benefit liabilities / asset	39	(5.42)	(8.35)
	(b) Equity instruments through other comprehensive income		-	-
	Other Comprehensive Income/(Loss) Total		(5.42)	(8.35)
XI	<b>Total Comprehensive Income</b>		<b>(471.03)</b>	<b>(1,190.25)</b>
XII	Earnings per equity share (Rs)			
	(1) Basic		(1.40)	(3.56)
	(2) Diluted		(1.40)	(3.56)

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.0049155

C.N. GANGADARAN  
Partner  
Membership No.011205

M.A.M. ARUNACHALAM  
Director

On Behalf of the Board

M.M.VENKATACHALAM  
Chairman

Chennai  
08<sup>th</sup> June 2020

N. VELAPPAN  
Manager

C.PARVATHI NAGARAJ  
Company Secretary

**A. Equity Share Capital - Refer Note no 14**

(₹ in lakhs)

Balance as at April 01, 2018	3,323.36
Balance as at March 31, 2019	3,323.36
Balance as at March 31, 2020	3,323.36

**B. Statement of changes in other Equity - Refer Note no 14a**

Particulars	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Investment Allowance Reserve	Securities Premium	Retained earnings	Reserve for equity instruments	
<b>Balance at beginning of the Year - April 01, 2018</b>	<b>7.24</b>	<b>551.72</b>	<b>77.71</b>	<b>2440.80</b>	<b>(4746.46)</b>	<b>13.97</b>	<b>(1,655.02)</b>
Loss for the year					(1181.90)		(1181.90)
Other Comprehensive income for the year					(8.35)	-	(8.35)
Total Comprehensive income for the year					(1190.25)	-	(1190.25)
Transfer to General Reserve		77.71	(77.71)				0.00
<b>Balance at end of the year - March 31, 2019</b>	<b>7.24</b>	<b>629.43</b>	<b>0.00</b>	<b>2440.80</b>	<b>(5936.72)</b>	<b>13.97</b>	<b>(2845.28)</b>
Loss for the year					(465.61)		(465.61)
Other Comprehensive income for the year					(5.42)	-	(5.42)
Total Comprehensive income for the year					(471.03)	-	(471.03)
<b>Balance at end of the year - Mar 31, 2020</b>	<b>7.24</b>	<b>629.43</b>	<b>0.00</b>	<b>2440.80</b>	<b>(6407.75)</b>	<b>13.97</b>	<b>(3316.31)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **CNGSN & Associates LLP**  
Chartered Accountants  
F.R.No.004915S

**C.N. GANGADARAN**  
Partner  
Membership No.011205

Chennai  
08<sup>th</sup> June 2020

**M.A.M. ARUNACHALAM**  
Director

**N. VELAPPAN**  
Manager

On Behalf of the Board

**M.M.VENKATACHALAM**  
Chairman

**C.PARVATHI NAGARAJ**  
Company Secretary

**CASH FLOW STATEMENT**

(₹ in lakhs)

	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
<b>Cash Flow from Operating Activities</b>				
<b>Net Profit/ (Loss) before tax as per Statement of Profit &amp; Loss</b>		<b>(806.95)</b>		<b>(1,146.15)</b>
Adjustments for :				
Depreciation and amortisation expenses	334.62		356.44	
Finance Cost	661.42		626.82	
Interest Income	(0.77)		(57.41)	
Dividend Income	(0.55)		(0.42)	
Provision for doubtful debts no longer required	0.00		(10.96)	
(Profit) / Loss on sale/W.off of assets (Net)	1.63	<b>996.35</b>	(0.20)	<b>914.28</b>
<b>Operating Profit before working capital changes</b>		<b>189.40</b>		<b>(231.87)</b>
Adjustments for :				
Trade and other Receivables	(1,426.78)		245.52	
Inventories	795.06		305.67	
Trade and other Payables	319.13	<b>(312.59)</b>	77.75	<b>628.94</b>
<b>Cash Generated from Operations</b>		<b>(123.19)</b>		<b>397.07</b>
Direct Taxes Refund/(Paid)(Net)		(29.60)		(17.67)
<b>Net Cash from/(used) in Operating Activities</b>		<b>(152.79)</b>		<b>379.39</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(7.62)		(11.29)	
Sale of Property, Plant and Equipment	0.18		0.32	
Sale of investment	-		3.80	
Interest income	0.77		57.41	
Dividend Received	0.55		0.42	
Waiver of Preference dividend	212.93			
<b>Net Cash from Investing Activities</b>		<b>206.81</b>		<b>50.65</b>
<b>Cash flow from Financing Activities</b>				
Proceeds from Preference Issue	2,135.63		-	
Loans availed/(repaid) (Net)	(1,525.16)		155.54	
Finance Charges	(661.42)		(584.83)	
<b>Net Cash from/(used in) Financing Activities</b>		<b>(50.95)</b>		<b>(429.29)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>		<b>3.07</b>		<b>0.75</b>
<b>Opening balance of Cash and Cash Equivalents</b>		<b>2.58</b>		<b>1.83</b>
<b>Closing balance of Cash and Cash Equivalents</b>		<b>5.65</b>		<b>2.58</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.0049155

**C.N. GANGADARAN**  
Partner  
Membership No.011205

**M.A.M. ARUNACHALAM**  
Director

On Behalf of the Board

**M.M.VENKATACHALAM**  
Chairman

Chennai  
08<sup>th</sup> June 2020

**N. VELAPPAN**  
Manager

**C.PARVATHI NAGARAJ**  
Company Secretary

**STATEMENT SHOWING THE APPLICABLE KEY ACCOUNTING STANDARDS UNDER IND AS WITH RELATED ACCOUNTING POLICY AND NOTES REFERENCES FOR THE FINANCIAL STATEMENTS**

IND AS NO	Description	Accounting Policy No	Note No
2	Inventories	3.8	9
7	Statement of Cash flows	3.16	11
10	Event after the reporting period		42
12	Income tax	3.13	7
16	Property , Plant and equipment	3.3	4a
18	Revenue	3.9	23, 34
19	Employee Benefits	3.12	39
24	Related Party Disclosures		38
33	Earnings per share	3.15	35
37	Provisions, contingent liabilities and assets	3.14	6, 18, 21, 30
38	Intangible assets	3.6	4c
107	Financial Instruments - Disclosures	3.17	40
108	Operating Segments	3.18	36
113	Fair Value measurements	3.1	40
115	Revenue from Contracts	3.9	23,34
116	Leases	3.4	4b

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. CORPORATE INFORMATION

Coromandel Engineering Company Limited (CEC) was incorporated as a Public Limited Company in the year 1947 and the Equity Shares of the Company are listed in BSE Ltd. CEC is in the business of Construction and Property Development.

### 2. APPLICATION OF NEW AND REVISED IND AS

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Basis of preparation and presentation of Financial Statements

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III of the Companies Act, 2013 ("the Act"). The financial statements are presented in Indian Rupees (INR), which is also the functional currency.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable

or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use as in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;
- c. Level 3 inputs are unobservable inputs for the asset or liability;

#### 3.2. Use of estimates and judgements

The preparation of the financial statements requires the management to make estimates, assumptions and judgements that affect the reported amount of assets and liabilities, income and expenses. Actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis.

Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

### 3.3. Property, Plant and Equipment

Property, Plant and Equipment are valued at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc. attributable to acquisition and installation of assets and borrowing costs incurred up to the date of commencing operations. Impairment loss is recognised, where applicable; when the carrying value of fixed assets exceeds its market value or the value in use, whichever is higher.

### 3.4. Leases: Right-of-use asset and Lease liabilities

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease tenure.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### 3.5. Depreciation

Depreciation on tangible assets is provided as per revised useful life contained in Schedule II of the Companies Act, 2013.

### 3.6. Intangible Assets and amortization

Intangible assets (computer software) acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful life as determined under Schedule II of the Companies Act, 2013.

### 3.7. Investments in equity instruments at FVTOCI

On initial recognition, the Company had made an irrevocable election on instrument by instrument basis, pertaining to investment in equity instruments, to present the subsequent changes in fair value in other comprehensive income.

Dividend on these investments is recognized when the Company's right to receive the dividend is established and recognized in profit and loss in "other income" head.

### 3.8. Inventories

Materials at site are valued at cost on Weighted Average Method. Work-in-Progress in respect of contracts till attaining a reasonable progress level and in property development, till significant risks and rewards of ownership are

transferred, is valued at cost plus proportionate overheads. Unsold land is valued at cost .

### 3.9. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be measured, irrespective of when the payment is being made. Revenue is measured at the fair value of the billing whether received or to be received, net of taxes collected on behalf of the Government.

- i) Revenue in respect of Construction Contracts, is recognised on percentage of completion method.
- ii) In case of Property development, Percentage of completion is arrived at as the proportion of costs incurred (including directly attributable borrowing costs) up to the Balance Sheet date to the estimated total project costs.
- iii) In case of indivisible works contracts, revenues are recognized on percentage completion method, synchronised to the billing schedules agreed by the customers.
- iv) Revenue in respect of billed and unbilled contracts/property development in progress includes recognised profits based on percentage of completion and retention on bills. Provision for expected losses is made irrespective of percentage of completion.
- v) Revenue from Property Development activity is recognised when significant risks and rewards of ownership in the land and/ or building are transferred to the customers.
- vi) Bill raised for value of work done in respect of completed and ongoing contracts including retention on bill is disclosed as proceeds on contracts.

vii) Sale of goods is recognized when the goods are delivered and titles have passed.

viii) Sales are recorded net of trade discounts/ rebates exclusive of taxes collected on behalf of Government.

### 3.10. Other Income

- i) Dividend Income from investments is recognized when the right to receive payment has been established.
- ii) Interest Income from a financial asset is recognized and accrued on time proportion basis
- iii) Insurance claims are accounted on the basis of claims admitted and to the extent amount recoverable can be measured reliably

### 3.11 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of assets that necessarily takes substantial period of time to get ready for intended use are treated as part of the cost of such assets. Borrowing costs attributable to unsold properties that are under development are inventorised and charged to revenue as and when they are sold. All other borrowing costs are recognized in profit and loss in the period they are incurred.

### 3.12. Employee Benefits

#### a. Short Term

Short term employee benefits, including accumulated compensated absences, are recognized as an expense as per the Company's scheme, based on expected obligations on undiscounted basis.

#### b. Long term

##### i. Leave encashment

This is recognized at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto the reporting date.



ii. Provident Fund

Contributions are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

iii. Superannuation

This is defined contribution plan. Fixed contributions to the Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India are charged to the Statement of Profit and Loss. The Company has no further obligations for future superannuation benefits other than its annual contributions and recognizes such contributions as an expense in the year incurred.

iv. Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). Liability for future gratuity benefits is accounted based on actuarial valuation, as at the Balance Sheet date, determined by independent Actuary.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to asset ceiling (if any) and the return on plan assets (excluding net interest), is recognized in Other Comprehensive income in the period in which they occur and this is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of plan amendment.

### 3.13. Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be received or payable to taxation authorities.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and 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 recognized for all deductible tax differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

### 3.14. Provisions & Contingent Liabilities/ Assets:

Provisions are recognized for known liabilities that can be measured where the Company has a present obligation as a result of past event. It is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed for possible obligation which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the

obligation cannot be made. Contingent assets are not recognized in the financial statements.

### **3.15. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expenses or income related to the dilutive potential equity shares by the weighted average number of equity shares considered for basic earnings per share and the weighted average number of equity shares including those which could have been issued on the conversion of all dilutive potential equity shares.

### **3.16. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit/ (loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Company are segregated based on available information.

For this purpose, cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of

three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **3.17. Financial instruments**

Financial assets and liabilities are recognized where the Company becomes a party to the contractual provisions of the instruments. They are initially measured at fair value.

All regular purchases or sale of financial assets are recognized or derecognized on a trade date basis. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt and equity instruments issued by a Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of financial liabilities and equity instrument.

### **3.18 Operating cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization into cash/cash equivalents, the operating cycle has been determined as 12 months for the purpose of classification of its assets and liabilities

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****NOTE 4 a PROPERTY, PLANT AND EQUIPMENT**

(₹ in lakhs)

Carrying amounts of:	As at		
	31.03.2020	31.3.2019	01.04.2018
Office Buildings	0.00	0.00	0.00
Plant and equipment	1,007.37	1,332.67	1,676.05
Furniture and fittings	0.26	0.35	0.44
Vehicles	4.21	7.55	10.89
Office Equipment	1.13	2.53	0.90
Computers	1.43	0.12	0.21
Total	<b>1,014.41</b>	<b>1,343.22</b>	<b>1,688.49</b>

	Office Buildings	Plant and equipment	Furniture and Fittings	Vehicles	Office Equipment	Computers	Total
<b>Cost or deemed cost</b>							
<b>Balance at April 1, 2018</b>	<b>23.11</b>	<b>3,829.51</b>	<b>1.28</b>	<b>16.19</b>	<b>27.87</b>	<b>43.22</b>	<b>3,941.18</b>
Additions	-	8.68	-	-	2.48	0.13	11.29
Disposals	-	0.25	-	-	1.88	0.73	2.86
<b>Balance at March 31, 2019</b>	<b>23.11</b>	<b>3,837.94</b>	<b>1.28</b>	<b>16.19</b>	<b>28.47</b>	<b>42.62</b>	<b>3,949.61</b>
Additions	-	4.04	-	-	1.59	1.99	7.62
Disposals	-	-	-	-	1.81	-	1.81
<b>Balance at March 31, 2020</b>	<b>23.11</b>	<b>3,841.98</b>	<b>1.28</b>	<b>16.19</b>	<b>28.25</b>	<b>44.61</b>	<b>3,955.42</b>

	Office Buildings	Plant and equipment	Furniture and Fittings	Vehicles	Office Equipment	Computers	Total
<b>Accumulated depreciation and impairment</b>							
<b>Balance at April 1, 2018</b>	<b>23.11</b>	<b>2,153.46</b>	<b>0.84</b>	<b>5.30</b>	<b>26.97</b>	<b>43.01</b>	<b>2,252.69</b>
Depreciation expense	-	351.95	0.09	3.34	0.84	0.22	356.44
Eliminated on disposals	-	0.14	-	-	1.87	0.73	2.74
<b>Balance at March 31, 2019</b>	<b>23.11</b>	<b>2,505.27</b>	<b>0.93</b>	<b>8.64</b>	<b>25.94</b>	<b>42.50</b>	<b>2,606.39</b>
Depreciation expense	-	329.34	0.09	3.34	1.17	0.68	334.62
Eliminated on disposals	-	-	-	-	-	-	-
<b>Balance at March 31, 2020</b>	<b>23.11</b>	<b>2,834.61</b>	<b>1.02</b>	<b>11.98</b>	<b>27.11</b>	<b>43.18</b>	<b>2,941.01</b>

	Office Buildings	Plant and equipment	Furniture and Fittings	Vehicles	Office Equipment	Computers	Total
<b>Carrying amount</b>							
<b>Balance at April 1, 2018</b>	-	<b>1,676.05</b>	<b>0.44</b>	<b>10.89</b>	<b>0.90</b>	<b>0.21</b>	<b>1,688.49</b>
Additions	-	8.68	-	-	2.48	0.13	11.29
Disposals	-	0.11	-	-	0.01	-	0.12
Depreciation expense	-	351.95	0.09	3.34	0.84	0.22	356.44
<b>Balance at March 31, 2019</b>	-	<b>1,332.67</b>	<b>0.35</b>	<b>7.55</b>	<b>2.53</b>	<b>0.12</b>	<b>1,343.22</b>
Additions	-	4.04	-	-	1.59	1.99	7.62
Disposals	-	-	-	-	1.81	-	1.81
Depreciation expense	-	329.34	0.09	3.34	1.17	0.68	334.62
<b>Balance at March 31, 2020</b>	-	<b>1,007.37</b>	<b>0.26</b>	<b>4.21</b>	<b>1.14</b>	<b>1.43</b>	<b>1,014.41</b>

**Assets pledged as security**

Property, Plant and Equipment have been pledged as security for long term loan taken during the year

**Capitalised borrowing cost :**No Borrowing cost has been capitalised on property, plant and equipment for the year ended 31<sup>st</sup> March 2020 & 31<sup>st</sup> March 2019

**NOTE 4 b RIGHT OF USE ASSETS**

The company has adopted Ind AS 116 retrospectively from April 1, 2019, however the Company does not have any lease or right of use asset for a tenure exceeding 12 months and hence there is no impact on account of adoption of AS 116.

**NOTE 4 c INTANGIBLE ASSETS**

(₹ in lakhs)

Carrying amounts of :	As at		
	31.03.2020	31.3.2019	01.04.2018
Software & Licensing	-	-	-
	-	-	-

		Software and Licensing	Total
<b>Cost or deemed cost</b>			
Balance at April 1, 2018		26.68	26.68
Additions		-	-
Disposals		-	-
<b>Balance at March 31, 2019</b>		<b>26.68</b>	<b>26.68</b>
Additions		-	-
Disposals		-	-
<b>Balance at March 31, 2020</b>		<b>26.68</b>	<b>26.68</b>

		Software and Licensing	Total
<b>Accumulated depreciation and impairment</b>			
Balance at April 1, 2018		26.68	26.68
Amortisation expense		-	-
Disposals		-	-
<b>Balance at March 31, 2019</b>		<b>26.68</b>	<b>26.68</b>
Amortisation expense		-	-
Disposals		-	-
<b>Balance at March 31, 2020</b>		<b>26.68</b>	<b>26.68</b>

		Software and Licensing	Total
<b>Carrying amount</b>			
Balance at April 1, 2018		-	-
Additions		-	-
Amortisation expense		-	-
<b>Balance at March 31, 2019</b>		<b>-</b>	<b>-</b>
Additions		-	-
Amortisation expense		-	-
<b>Balance at March 31, 2020</b>		<b>-</b>	<b>-</b>

**Significant intangible assets**

The Company does not hold any intangible assets that materially affect the business operations of the company.

**NOTE 5**  
**NON CURRENT INVESTMENTS**

(₹ in lakhs)

	Face Value	Quantity as at		Value as at	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
(A) Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)	Rs.			Rs. Lakhs	Rs. Lakhs
Shares in companies - Non Trade					
Quoted (fully paid up)					
Sri Vajra Granites Ltd	10	100	100	0.00	0.00
Un Quoted (fully paid up)					
New India Co-operative Bank Ltd	10	50000	50000	15.37	15.37
Total				<b>15.37</b>	<b>15.37</b>

Particulars	As at	
	31.03.2020	31.03.2019
(a) Aggregate market value of quoted investments	0.00	0.00
Aggregate carrying value of unquoted investments	15.37	15.37
(b) Financial assets designated at FVTOCI	15.37	15.37
Mandatorily measured at FVTPL	0.00	0.00

**NOTE 6**  
**TRADE RECEIVABLES**

	As at	
	31.03.2020	31.03.2019
<b>Unsecured, considered good</b>		
Doubtful	79.11	79.11
Less: Provision for doubtful receivables	79.11	79.11
	-	-

- a) Trade receivables are generally due between 30 days to 60 days based on submission and certification of invoices.
- b) Credit risk is managed at client and contract level. At the time of entering into contracts, the credit period is mutually agreed and varies from contract to contract.
- c) The Company has evaluated on contract to contract basis for computing credit loss allowance, if any, for the receivables.
- d) Some trade receivables may be past due over 365 days without being impaired considering the certainty of realisation.

**NOTE 7**  
**DEFERRED TAX ASSET/(LIABILITY) NET**

	As at	
	31.03.2020	31.03.2019
Timing Difference		
- Depreciation	(5.54)	(49.09)
- Expenses allowed on payment basis	14.00	11.73
- Provision for doubtful receivables and advances	22.01	22.01
Unabsorbed Business losses	1,431.69	1,349.10
	<b>1,462.16</b>	<b>1,333.75</b>

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.

(₹ in lakhs)

Particulars	Balance as at	Recognised in		Balance as at
	01.04.2019	Profit & loss	Other comprehensive Income	31.03.2020
<b>Breakup for deferred tax assets (net):</b>				
Accelerated depreciation for tax purposes	(49.09)	43.55	0	(5.54)
Expenses allowed on payment basis	11.73	2.27	0	14.00
Allowances for doubtful receivables and advances	22.01	-	0	22.01
Carry forward of unused tax losses	1,349.10	82.59	0	1,431.69
	<b>1,333.75</b>	<b>128.41</b>	-	<b>1,462.16</b>
Particulars	Balance as at	Recognised in		Balance as at
	01.04.2018	Profit & loss	Other comprehensive Income	31.03.2019
<b>Breakup for deferred tax assets (net):</b>				
Accelerated depreciation for tax purposes	(91.31)	42.22	0	(49.09)
Expenses allowed on payment basis	23.89	(12.16)	0	11.73
Allowances for doubtful receivables and advances	25.06	(3.05)	0	22.01
Carry forward of unused tax losses	1,411.86	(62.76)	0	1,349.10
	<b>1,369.50</b>	<b>(35.75)</b>	-	<b>1,333.75</b>

The Company elected to exercise the option under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The full impact on account of remeasurement of Deferred Tax Assets and Liabilities due to revised rates, have been recognised in the statement of Profit and Loss for the year ended 31st March, 2020.

**NOTE 8****OTHER NON CURRENT ASSETS**

	As at	
	31.03.2020	31.03.2019
Advance for properties	365.00	365.00
Less : Provision for doubtful advances	-	-
	<b>365.00</b>	<b>365.00</b>

**NOTE 9****INVENTORIES**

	As at	
	31.03.2020	31.03.2019
Raw Materials at cost	483.41	267.30
Work-in-Progress at cost	903.75	903.75
Finished Apartments at cost	1885.87	2,897.04
	<b>3,273.03</b>	<b>4,068.10</b>

a.The method of valuation of inventories has been stated in Note No. 3.8

b.The above inventories are expected to be recovered in the normal operating cycle of the Company

**NOTE 10****TRADE RECEIVABLES (UNSECURED)**

(₹ in lakhs)

		As at	
		31.03.2020	31.03.2019
	<b>Unsecured - Considered good</b>		
	Outstanding for a period exceeding six months from the due date of payment		
(a)	<b>Unsecured, considered good</b>	109.76	23.96
	Doubtful	-	-
	Less: Provision for doubtful debts	-	-
		<b>109.76</b>	<b>23.96</b>
	Other Receivables		
(b)	<b>Unsecured, considered good</b>	1,480.04	826.71
	Doubtful		
	Less: Provision for doubtful debts	-	-
		<b>1,480.04</b>	<b>826.71</b>
	<b>Total (a + b)</b>	<b>1,589.80</b>	<b>850.67</b>

a) Trade receivables are generally due between 30 days to 60 days based on submission and certification of invoices.

b) Credit risk is managed at client and contract level. At the time of entering into contracts, the credit period is mutually agreed and varies from contract to contract.

c) The Company has evaluated on contract to contract basis for computing credit loss allowance, if any, for the receivables.

**NOTE 11****CASH AND CASH EQUIVALENTS AND BANK BALANCES**

		As at	
		31.03.2020	31.03.2019
a)	Cash on hand	2.47	0.32
b)	Current Account balance with Banks	3.18	2.26
	<b>Total</b>	<b>5.65</b>	<b>2.58</b>
	Restricted balances		
c)	Margin Money - For Bank Guarantees	0.39	8.34
	<b>TOTAL</b>	<b>6.04</b>	<b>10.92</b>

During the year, the Company has not entered into any non-cash transactions on investing and financing activities.

**NOTE 12****OTHER FINANCIAL ASSETS**

		As at	
		31.03.2020	31.03.2019
a)	Deposits	133.16	130.81
		<b>133.16</b>	<b>130.81</b>

**NOTE 13****OTHER CURRENT ASSETS**

(₹ in lakhs)

	As at	
	31.03.2020	31.03.2019
Loans and Advances to suppliers and subcontractors	257.17	70.35
Unbilled Contract in progress	827.33	435.32
Advance Tax & TDS receivable	86.51	56.92
Balance with Statutory Authorities	495.07	460.68
Others	105.39	25.33
	<b>1,771.47</b>	<b>1,048.59</b>

**NOTE 14****EQUITY SHARE CAPITAL**

	As at	
	31.03.2020	31.03.2019
<b>Authorised</b>		
<b>Equity Shares</b>		
4,00,00,000 (01 April 2019 & 31 March 2020 : 4,00,00,000) equity shares of Rs.10 each	4,000.00	4,000.00
	4,000.00	4,000.00
<b>Issued</b>		
<b>Equity Shares</b>		
3,32,77,278(01 April 2019 & 31 March 2020 : 3,32,77,278) Equity shares of Rs. 10 each #	3,327.73	3,327.73
	<b>3,327.73</b>	<b>3,327.73</b>
<b>Subscribed and Paid Up</b>		
<b>Equity Shares</b>		
3,32,33,598 (01 April 2019 & 31 March 2020 : 3,32,33,598) Equity shares of Rs. 10 each	3,323.36	3,323.36
	<b>3,323.36</b>	<b>3,323.36</b>

# - Issued Equity Share Capital includes 43680 Equity Shares of Rs. 10/- each issued on Rights basis, kept in abeyance due to a pending legal issue

<b>a. Reconciliation of the number of shares outstanding at the beginning and end of the reporting period;</b>		
<b>Equity Shares</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
At the beginning of the period	3,32,77,278	3,32,77,278
Outstanding at the end of the period	3,32,77,278	3,32,77,278
<b>b. Terms/rights attached to equity shares :</b>		
The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, is subject to approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.		



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

S No	Name of the Shareholder	As at		As at		As at	
		As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Carborundum Universal Limited	3042900	9.16	3042900	9.16	3042900	9.16
2	Cholamandalam Home Finance Ltd	2500100	7.52	2500100	7.52	2500100	7.52
3	Dare Investments Limited	2500100	7.52	2500100	7.52	2500100	7.52
4	Parry Agro Industries Limited	2500100	7.52	2500100	7.52	2500100	7.52
5	Parry Infrastructure Company Private Limited	2500100	7.52	2500100	7.52	2500100	7.52
6	Ambadi Investments Limited	3492579	10.51	3492579	10.51	3492579	10.51

**NOTE 14 A****Other equity excluding non-controlling interests.**

		As at	As at
		31.03.2020	31.03.2019
a)	Capital Reserve	7.24	7.24
b)	General Reserve		
	As Per last Balance Sheet	629.43	551.72
	Add : Transfer from Statement of Profit and Loss	-	-
	Add : Transfer from Investment allowance reserve	-	77.71
		<b>629.43</b>	<b>629.43</b>
c)	Securities Premium Account	2440.80	2,440.80
d)	Retained earnings :		
	Balance as per last financial statement	(5,936.72)	(4,746.46)
	Add : Net profit/(Loss) after tax for the year	(471.03)	(1,190.25)
	Appropriations :		
	Less : Transfer to General Reserve	-	-
	Balance available for Appropriation	(6,407.75)	(5,936.72)
e)	Items of Other Comprehensive Income :		
	Reserve for equity instruments	13.97	13.97
		<b>(3,316.31)</b>	<b>(2,845.28)</b>

Capital Reserve includes the amounts received as Capital subsidy from Government of Tamil Nadu and those arising out of amalgamation in earlier years

General Reserve is a free reserve, retained from Company's profits and can be utilised upon fulfilling certain conditions in accordance with the Companies Act.

Investment Allowance Reserve consists of reserves created in earlier years (1991-92) as per provisions of Income Tax Act, based on Capital expenditure incurred in those years. Since the period prescribed to be retained by the Act expired, the same was transferred to General Reserves during year ended 31st March, 2019. Securities Premium account represents the premium received towards allotment of 16,47390 Rights issue shares in 2008-09 and 2,99,38,818 Rights issue shares in 2013-14 , net of utilisation for permitted purposes under Companies Act.

Balance will be utilised in accordance of provisions of Section 52 and Section 68 of the Companies Act. Balance in Retained earnings , when positive, can be distributed by the Company as dividends to its equity shareholders, in compliance of the Companies Act and depending on the financial position and dividend policy of the Company.

Reserve for equity instruments represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive income.

## NOTE 15

### PREFERENCE CAPITAL

(₹ in lakhs)

	As at	
	31.03.2020	31.03.2019
<b>Authorised</b>		
32,00,000(01 April 2019 : 25,00,000) preference shares of Rs.100 each	3,200.00	2,500.00
<b>Issued</b>		
28,35,630 (01 April 2019 :7,00,000) Preference Shares of Rs. 100 each issued on Preferential basis	2,835.63	700.00
<b>Subscribed and Paid Up</b>		
28,35,630 (01 April 2019 :7,00,000) Preference Shares of Rs. 100 each issued on Preferential basis	<b>2,835.63</b>	<b>700.00</b>

#### a. Reconciliation of the number of shares outstanding at the beginning and end of the reporting period;

At the beginning of the period	700,000	700,000
Issued during the period	2,135,630	-
Redeemed during the period	-	-
Outstanding at the end of the period	2,835,630	700,000

#### b. Terms/rights attached to preference shares :

The preference shares, carrying a coupon rate of 7% p a, are cumulative in nature and by virtue of agreement with Preference Shareholders holding 7,00,000 preference shares, the date of redemption is extended upto 22nd August 2022 and Dividend is waived upto 22nd Aug 19. During the Year, additional cumulative non convertible preference shares were issued to the tune of Rs 1200 Lakhs on 3rd Sep 19 and Rs 935.63 Lakhs on 24th Oct 19, carrying a coupon rate of 7% p a, redeemable after 5 years. Dividend not paid for an year will be paid in arrears, in subsequent year, subject to availability of Profits and other statutory requirements.
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## NOTE 16

### LONG TERM BORROWINGS

	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Term Loan from Non Banking Financial Institution	1,699.96	2,838.68
	<b>1,699.96</b>	<b>2,838.68</b>

Term Loan from Non Banking Financial Institution is repayable by February 2021, bullet repayment with option for pre-payment out of cash flows arising out of underlying property development assets, against which charge is created for the loan. Interest rate is linked to cash flows arising out of underlying property development assets, against which charge is created for the loan. Interest rate is linked to long term lending rates

**NOTE 17****OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Liability towards fixed dividend on Preference Shares	106.88	196.40
	<b>106.88</b>	<b>196.40</b>

The dividend on Preference Shares due at 7% from 13th November 2014 to 21st August 2016 and at 6% from 22nd August 2016 to 22nd August 2019 had been waived by Preference Shareholders.

**NOTE 18****LONG TERM PROVISIONS**

	As at 31.03.2020	As at 31.03.2019
a) Provision for Employee benefits	41.30	28.45
b) Provision for taxation	-	-
	<b>41.30</b>	<b>28.45</b>

The movement in provision for employee benefits reflect the net additional provision made/settlements during the respective periods.

**NOTE 19****SHORT TERM BORROWINGS**

	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
a) Cash Credit from Banks	934.97	921.41
b) Working Capital Loan (Secured by Charge of PPE assets of the Company)	600.00	-
c) Short term loan from Non Banking Financial Company (Secured against charge on the present and future current assets of Property Development Business )	600.00	1,000.00
<b>Unsecured</b>		
d) Short term loan from Bank	-	200.00
	<b>2,134.97</b>	<b>2,121.41</b>

**NOTE 20****TRADE PAYABLES**

	As at 31.03.2020	As at 31.03.2019
For Goods and Services		
a) Dues of Micro Enterprises and Small Enterprises (Note 31)	11.50	24.94
b) Dues of Others	772.85	1,181.18
	<b>784.35</b>	<b>1,206.12</b>

**NOTE 21****OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

		As at	As at
		31.03.2020	31.03.2019
	<b>Secured</b>		
a)	Current maturities of long term borrowings	-	400.00
	<b>Unsecured</b>		
b)	Outstanding Liabilities	1478.14	699.86
c)	Interest Payable	17.90	-
d)	Provision for Employee Benefits	6.86	7.54
e)	Other payables	67.86	69.97
		<b>1,570.76</b>	<b>1,177.37</b>

**NOTE 22****OTHER CURRENT LIABILITIES**

		As at	As at
		31.03.2020	31.03.2019
a)	Advance from customers-PDD	74.45	49.89
b)	Advance from Customers	369.56	358.34
c)	Statutory Liabilities	5.53	11.69
		<b>449.54</b>	<b>419.93</b>

**NOTE 23****REVENUE FROM OPERATIONS**

		For the year ended	
		31.03.2020	31.03.2019
a)	Sale of Services		
	Proceeds on contract	4,806.10	4,242.79
b)	Proceeds on Property development	958.57	318.05
	Other Operating revenues		
c)	Scrap and Sundry Sales	2.60	10.76
		<b>5,767.27</b>	<b>4,571.60</b>

**NOTE 24****OTHER INCOME**

		For the year ended	
		31.03.2020	31.03.2019
a)	Interest Income	0.77	57.41
b)	Interest on Income Tax Refund	-	4.86
c)	Dividend Income	0.55	0.42
d)	Profit on Sale of Fixed Assets	-	0.31
e)	Provision for doubtful debts no longer required	-	10.96
f)	Miscellaneous receipts	13.64	3.67
g)	Other Income - Reversal of expenses and provision	311.65	-
		<b>326.61</b>	<b>77.63</b>

**NOTE 25****MATERIALS CONSUMED**

(₹ in lakhs)

		For the year ended	
		31.03.2020	31.03.2019
a)	Opening stock of Raw Materials	267.30	256.02
b)	Add: Purchases	1,561.49	2,059.85
		1,828.79	2,315.87
c)	Less: Closing stock of Raw Materials	483.41	267.30
		<b>1,345.38</b>	<b>2,048.57</b>

**NOTE 26****CHANGES IN INVENTORIES**

		For the year ended	
		31.03.2020	31.03.2019
a)	Opening stock of		
	Work-in-progress	903.75	903.75
	Finished goods	2,897.04	3,214.00
b)	Purchase		
c)	Closing stock of		
	Work-in-progress	903.75	903.75
	Finished goods	1,885.87	2,897.04
	<b>(Increase)/ Decrease</b>	<b>1,011.17</b>	<b>316.96</b>

**NOTE 27****EMPLOYEE BENEFIT EXPENSES**

		For the year ended	
		31.03.2020	31.03.2019
a)	Salaries, wages and bonus	509.23	498.74
b)	Contribution to provident and other funds	56.19	54.43
c)	Staff welfare expenses	32.18	36.42
		<b>597.60</b>	<b>589.59</b>

**NOTE 28**  
**FINANCE COST**

(₹ in lakhs)

		For the year ended	
		31.03.2020	31.03.2019
a)	Interest expenses	522.92	572.43
b)	Fixed dividend on Preference Shares	123.41	42.00
c)	Processing fees and others	15.09	12.39
		<b>661.42</b>	<b>626.82</b>

**NOTE 29**  
**OTHER EXPENSES**

		For the year ended	
		31.03.2020	31.03.2019
a)	Transport & freight	48.90	38.53
b)	Power & fuel	9.25	11.62
c)	Rent	60.19	60.40
d)	Rates and taxes	20.00	15.53
e)	Repairs and maintenance		
	- Plant and Machinery	9.67	5.37
	- Others	14.25	17.68
f)	Plant hire charges	86.71	83.02
g)	Insurance	39.44	32.26
h)	Professional and consultancy charges	49.05	113.10
i)	Travelling expenses	46.01	55.36
j)	Communication and Postage expenses	21.28	24.60
k)	Security & Watchward	21.06	23.78
l)	Advertisement, Exhibition and Sales Promotion expenses	2.11	3.24
m)	Printing and Stationery	5.91	6.94
n)	Loss on sale of Fixed Assets (Net)	1.63	-
o)	Fixed Assets written off	-	0.11
p)	Bank Charges	2.59	9.01
q)	Payment to Auditors (see Note 32)	7.28	7.16
r)	Directors Sitting Fees	5.70	5.00
s)	Miscellaneous expenses	1.16	1.21
		<b>452.19</b>	<b>513.91</b>

**NOTE 30**  
**CONTINGENT LIABILITY**

(₹ in lakhs)

	As at	As at
	March 31, 2020	March 31, 2019
Contingent liability		
1.1 Estimated amount of contracts remaining to be executed on capital account not provided for	NIL	NIL
1.2) a) Guarantees issued by the Company's bankers for which the Company has given counter guarantees. (Net of guarantees for which liability exists in the books of account)	785.54	413.29
1.2) b) Letter of credits issued by the Company's bankers for which the Company has given counter guarantees	NIL	97.27
1.3 Estimated liability on account of certain taxes and duties not provided for		
i) Sales tax /VAT		
Andhra Pradesh VAT for 2006-07 & 2007-08 (against which Rs 32.01 L deposited with the Commercial Tax Officer, Hyderabad)	43.32	43.32
Tamil Nadu-Entry tax for 2012-13 (Entire amount of Rs 2.99 Lacs deposited with the Commercial Tax Officer, Ranipet)	2.99	2.99
Kerala VAT for 2011-12 - tax on disputed turnover and interest thereon (Rs 0.66 Lacs paid, appeal filed)	5.60	5.60
Telangana Order passed by DC, VAT 2010-11 to 2012-13 (Appeal filed before SAT, Hyderabad). deposited Rs. 34.28 L, Stay obtained from HC for additional collection)	86.50	86.50
<b>NOTE 31</b>		
(i) Sundry Creditors include:		
Principal amount dues to Micro, Small and Medium enterprises in respect of suppliers from whom intimation received on their status under MSME Dev Act, 2006 (Refer Note 20). This is based on information collected by management and relied upon by Auditors	11.50	24.94
<b>NOTE 32</b>		
Auditor's Remuneration (included in Note 29)		
Statutory audit fees	4.25	4.25
Tax audit fees	1.40	1.40
Other services	1.33	1.35
Out of pocket expenses	0.30	0.16

(₹ in lakhs)

	As at	As at
	March 31, 2020	March 31, 2019
<b>NOTE 33</b>		
Turnover		
Contract revenue	5,764.67	4,560.84
Scrap & sundry sales	2.60	10.76
<b>NOTE 34</b>		
Disclosure relating to Contracts		
Contract revenue recognised	2,141.41	1,892.37
Contract costs incurred	1,993.07	1,790.27
Advances received	369.56	358.34
Retention	439.19	473.30
Dues from customers	991.62	226.20
<b>NOTE 35</b>		
Basic/Diluted Earnings Per Share		
- Profit/(loss) attributable to the Equity Shareholders	(465.61)	(1,181.90)
- No. of Adjusted Equity Shares Outstanding during the year	33,233,598	33,233,598
- Nominal value of Equity Share (Rs.)	10	10
- Basic Earnings Per Share (Rs.)	(1.40)	(3.56)
- Diluted Earnings Per share (Rs.)	(1.40)	(3.56)
<b>NOTE 36</b>		
As the Company's business activity falls within a single significant business segment, viz. "Construction", no separate segment reporting as per Accounting Standard 108 is disclosed		
<b>NOTE 37</b>		
Expenditure in Foreign currency	-	-
<b>NOTE 38</b>		
<b>Related Party</b>		
M/s Parry Enterprises India Ltd		
<b>Key Management Personnel</b>		
Mr. N. Velappan, Associate Vice President		
Mr. R. Narayanan, CFO & Company Secretary (Part of Previous year)		
Mr. M. Narayanan, CFO		
Mrs C. Parvathi Nagaraj, Company Secretary		
<b>Transactions with Related parties</b>		
Payment for services to M/s Parry Enterprises India Ltd	6.65	9.26
Remuneration to Key Management Personnel		
Mr. N. Velappan	36.08	31.27
Mr. R. Narayanan, CFO & Company Secretary (Part of year)		2.44
Mr. M. Narayanan, CFO	20.44	18.34
Mrs C. Parvathi Nagaraj, Company Secretary	1.96	1.96



(₹ in lakhs)

**NOTE 39****EMPLOYEE BENEFITS****a) Defined Contribution plans :**

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company under the control of trustees. When any employee leaves the plans before full vesting of contributions, the contributions payable by the Company are reduced by the amount of contributions forfeited by said employee.

Contribution to Provident fund and Other funds under defined contribution plans are as follows :

	<b>2019-20</b>	<b>2018-19</b>
Amount recognised in Profit and Loss for the year	50.27	46.86

**b) Defined benefit plans :**

The Company offers funded defined benefit plans for employees. Under the plans, the employees are entitled to post-retirement benefits amounting to 57.69% of last drawn monthly salary for each year of completed service until retirement age or resignation, subject to having specified years of service with the Company. The defined benefit plans are administered by separate funds, independent of the Company.

The above plans expose the Company to actuarial risks such as Investment, Interest rate, salary and longevity risk. These risks typically arise out of movement in market yields, interest rate movements, rate of increase in salary of participants and their tenure with the Company. Some of the risks are partially offset by counter gains of the fund.

No other Post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and present value of defined benefit obligation were carried out as at 31st March, 2020 by a certified actuary of the Institute of Actuaries of India. The present value of defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

## Details of Actuarial Valuation of Gratuity

(₹ in lakhs)

	2019-20	2018-19
<b>i) Changes in Present Value of Benefit Obligation- Gratuity</b>		
<b>1 Present Value of Benefit Obligation at the beginning of the Period</b>	<b>58.30</b>	<b>51.66</b>
2 Current Service Cost	4.42	1.80
3 Interest Cost	4.25	1.60
4 Benefits Paid	(2.54)	(5.12)
5 Actuarial (Gain)/Loss	2.58	8.35
<b>6 Present value of Benefits Obligation at the end of the period</b>	<b>67.01</b>	<b>58.30</b>
<b>ii) Changes in Fair Value of Plan Assets</b>		
<b>1 Fair Value of Plan Assets at the beginning of the Period</b>	<b>46.90</b>	<b>48.25</b>
2 Expected return on Plan Assets	3.41	3.76
3 Contributions	0.11	
4 Benefits Paid	(2.54)	(5.12)
5 Actuarial gain/(Loss) on Plan assets	(2.85)	-
<b>6 Fair Value of Plan Assets at the end of the period</b>	<b>45.03</b>	<b>46.90</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
1 Projected Benefit Obligation at the end of the period	<b>67.01</b>	<b>58.30</b>
2 Fair Value of Plan Assets at the end of the period	<b>45.03</b>	<b>46.90</b>
<b>3 Funded Status of the Plan-Liability/(Asset)</b>	<b>21.98</b>	<b>11.40</b>
<b>iv) Amount recognised in the Statement of Profit &amp; Loss/Other Comprehensive Income</b>		
1 Current Service Cost	<b>4.42</b>	<b>1.80</b>
2 Interest Cost	4.25	1.60
3 Expected return on Plan Assets	(3.41)	(3.76)
4 Net Actuarial (Gain)/Loss recognised in Other Comprehensive Income	5.42	8.35
<b>5 Net Cost of defined benefit plan for the year</b>	<b>10.68</b>	<b>7.99</b>
Of the above, break up for Net Actuarial (Gain)/Loss are as follows:		
Experience adjustments on plan liabilities-(loss)/gain	(6.97)	(4.03)
Impact of change in assumptions on plan liabilities - (loss)/gain	4.39	(4.18)
Experience adjustments on plan assets-(loss)/gain		
<b>v) Principal Actuarial Assumptions</b>		
1 Discount Rate	6.64%	7.46%
2 Estimated Rate of Return on Plan Assets	6.64%	7.46%
3 Expected rate of Salary increases	5%	6%
4 Attrition Rate	5%	5%
5 Mortality Table used-Indian Assured Lives Mortality (2006-08) Ultimate		

**Note on Provident Fund :** With respect to the Provident Fund administered by the Trust, the Company shall make good deficiency, if any, between interest to be credited to members as per interest rate notified by Government and the return on investments on the Trust funds for the year. Having regard to assets of the fund and return on investments, the Company does not expect any deficiency in the foreseeable future.

**NOTE 40****FINANCIAL INSTRUMENTS****a) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's approach on capital management are

- a) Protecting the ability to continue as a going concern, so that return to shareholders and benefits to other stakeholders can be continuously provided
- b) Maintain capital structure in such a manner to minimise the weighted average cost of capital

**Debt to Equity Ratio**

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Debt (including Preference Capital)	6,670.57	6,060.09
Equity	7.05	478.08
Debt to Equity ratio	946.06	12.68

Covenants relating to various loans have been adhered to as on March 31, 2020.

**b) Categories of financial instruments**

Particulars	31.03.2020	31.03.2019
<b>i) Financial assets</b>		
<b>Measured at fair value through Profit or Loss (FVTPL) - mandatorily measured</b>	-	-
<b>Measured at Amortised cost</b>		
- cash and bank balances	6.04	10.92
- Other financial assets	1,722.96	981.49
<b>Measured at fair value through Other Comprehensive Income (FVTOCI)</b>		
- Investments in equity instruments designated at initial recognition	15.37	15.37
<b>ii) Financial liabilities (including borrowings/preference capital and payables)</b>	9,132.55	8,239.98

**c) Financial risk management objectives**

Based on the Company's activities, it is exposed to market risk, liquidity risk and credit risk. The following explains the manner in which the Company manages the risk.

- i) Market risk arising from interest rate movement on long term borrowings are monitored through trend and sensitivity analysis and managed through negotiations
- ii) Liquidity risk on account of borrowings and other liabilities are monitored through cash flow analysis and managed through having adequate sanctioned undrawn funded and non funded facilities. This addresses the financial liabilities portion.
- iii) Credit risk on account of trade receivables and financial assets measured at amortised cost are measured through ageing analysis, counter party risk analysis and financial analysis, managed through review of credit limits, follow up and secured mode of payment.

The risk management is governed by policies established with approval of Board of Directors. This is also reviewed by the Risk Management Committee of the Board and monitored by the senior management on periodic basis.

The Company does not have any risk associated with foreign currency transactions or price risk from current investments.

**Fair Value measurements**

The Company measures some of the financial assets and liabilities at fair value at the end of the reporting period. The following gives the information on how the fair valuation is done :

(₹ in lakhs)

Financial assets and financial liabilities	Fair value as at		Fair value Hierarchy	Valuation techniques
	31.03.2020	31.03.2019		
Investments in quoted/actively traded equity instruments at FVTOCI	0	0	Level 1	Market quoted bid price
Investments in other equity instruments at FVTOCI	15.37	15.37	Level 3	Valuation based on discounted cash flow

There were no changes in the fair value hierarchy levels in the above periods.

Fair value of financial assets and financial liabilities that are not measured at fair value , but requiring fair value disclosures

Financial assets held at amortised cost :	Carrying value as at		Fair value Hierarchy	Fair value
	31.03.2020	31.03.2019		
Non-Current Financial Assets				
Receivables	-	-	Level 2	No change
Current Financial Assets				
Receivables	1,589.80	850.67	Level 2	No change
Deposits	133.16	130.81	Level 3	No change

Non current financial liabilities				
Borrowings	1,699.96	2,838.68	Level 2	No change
Preference Capital	2,835.63	700.00	Level 2	No change
Other financial liabilities	106.88	196.40	Level 2	No change

Current financial liabilities				
Borrowings	2,134.97	2,121.41	Level 2	No change
Trade payables	784.35	1,206.12	Level 2	No change
Other financial liabilities	1,570.76	1,177.37	Level 3	No change

**NOTE 41**

An assessment of the Impact of Covid-19 on the operations and carrying value of the assets of the Company was carried out by the management of the Company. The Company has fixed unit rate contracts and revenue is derived based on measurement of work done. Hence no revenue impact is estimated on the existing contracts. The RM inventories consists of items like cement held for use and there is no diminution in the value of the same. Similarly, there is no impairment in the carrying value of Receivables or Plant and Equipments held by the Company, as per the estimate of management. Given the uncertainty because of Covid-19, the final impact on the Company's assets in future might be different from the estimate as at the date of approval of these financial statements.

**NOTE 42****EVENTS AFTER THE REPORTING PERIOD**

There is no significant event to be reported that happened between the closing date and the date of the meeting of Board of Directors

**NOTE 43****APPROVAL OF FINACIAL STATEMENTS**

The Financial statements were reviewed and recommended by the Audit committee and has been approved by the Board of Directors in their respective meeting held on 8th June, 2020.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For CNGSN & Associates LLP**  
**Chartered Accountants**  
**F.R.No.004915S**

**C.N. GANGADARAN**  
Partner  
Membership No.011205

Chennai  
08<sup>th</sup> June 2020

**M.A.M. ARUNACHALAM**  
Director

**N. VELAPPAN**  
Manager

On Behalf of the Board

**M.M.VENKATACHALAM**  
Chairman

**C.PARVATHI NAGARAJ**  
Company Secretary

## NOTICE OF THE SEVENTY SECOND ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Seventy Second Annual General Meeting of COROMANDEL ENGINEERING COMPANY LIMITED** will be held on **Thursday, the 23<sup>rd</sup> day of July, 2020 at 10.00 am I.S.T by way of Video Conferencing (“VC”) or other Audio Visual Means(“OAVM”)** to transact the following business:

### ORDINARY BUSINESS

NOTICE is hereby given that the **Seventy Second Annual General Meeting of COROMANDEL ENGINEERING COMPANY LIMITED** will be held on **Thursday, the 23<sup>rd</sup> of July, 2020 at 10.00 am I.S.T by way of Video Conferencing (“VC”) or other Audio Visual Means (“OAVM”)** to transact the following business:

#### ORDINARY BUSINESS:

- To receive, consider and adopt the Directors’ Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the Report of the Auditors thereon.
- To appoint a Director in the Place of Ms. G.Jalaja, (DIN: 00149278), who retires by rotation and being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS:

- To consider and if deemed fit, to pass, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Second Amendment Rules, 2017, (including any statutory modification(s)

or re-enactment thereof, for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes and payment of such out of pocket expenses as approved by the Board of Directors of the Company to be paid to Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557) for the conduct of the audit of the cost accounting records of the Company for the financial year ended 31st March, 2021 be and is hereby ratified and confirmed.

- To consider and if deemed fit, to pass, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. N. Velappan as the “Manager” of the Company from 08<sup>th</sup> June, 2020 upto 31<sup>st</sup> March, 2021 on the terms and conditions of appointment and remuneration as given under;

Terms & conditions of the appointment

a) Period of appointment: From 08<sup>th</sup> June, 2020 upto 31<sup>st</sup> March, 2021

b) Remuneration:

S.NO	PARTICULARS	AMOUNT
1	Basic	Rs. 1,00,000/per month
2	Allowances	Rs.1,90,000/per month
3	LTA	Not Applicable
4	PF/SAF/Gratuity	Not Applicable
5	Medical Reimbursement & Hospitalization	Rs. 15,000 per annum
6	Car fuel	Rs. 60,000 per annum

c) Tax on the above is to be borne by employee as per statutory requirements .

5. To consider and if deemed fit, to pass the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. P. Nagarajan (DIN:00110344) who was appointed by the members as an Independent Director of the company at the Annual General Meeting held on 24<sup>th</sup> July, 2015 for a period of 5 consecutive years up to the conclusion

of the 72<sup>nd</sup> Annual General Meeting of the Company and who being eligible for re-appointment as an Independent Director has offered himself for re-appointment in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from 24<sup>th</sup> July, 2020.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts and deeds, matters and things and also to execute such documents, writings etc., as may be required to give effect to this resolution and do all things incidental and ancillary thereto.

**Place: Chennai**  
Date: 08<sup>th</sup> June, 2020

**On Behalf of the Board**

**M.M. VENKATACHALAM**  
Chairman  
(DIN: 00152619)

## NOTES

The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business and the relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment at this AGM is annexed herewith.

### **General instructions for accessing and participating in the 72nd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

- 1. In view of the pandemic CoVID-19 and the resultant lockdown situation across the country restricting the movement of persons, the 72nd Annual General meeting (AGM) of the company will be held over video conferencing (“VC”) or Other Audio Visual Means (“OAVM”) in compliance with framework issued by the Ministry of Corporate Affairs through its circular No. 20/2020 dated May 05, 2020 read with circular No. 14/2020 dated April, 08, 2020 and circular no. 17/2020 dated April 13, 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities Exchange Board of India in this regard. The deemed venue for the 72nd AGM shall be the Registered Office of the Company from where the Company Secretary of the Company would be convening and attending the AGM.**
- 2. Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip is not attached to this notice.**
3. Members who have not registered or who wish to update their e-mail ID, postal address, telephone/mobile numbers, Permanent Account Numbers, bank account details are requested to register/intimate the same with their Depository Participant, if the shares are held by them in electronic form and in case of members holding shares in physical form, all intimations are to be sent to M/s. KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Registrar and Transfer Agent, at einward.ris@kfintech.com.
4. Corporate members intending to send their Authorized representatives to attend the Meeting are requested to send to the Company a certified scanned copy of the Board Resolution authorizing their representatives to attend the AGM through VC or OAVM on its behalf and vote through remote e-voting. The said resolution/ authorization shall be sent to the following e-mail address rsaevoting@gmail.com with a copy marked to evoting@kfintech.com.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 16th July, 2020 to Thursday, 23rd July, 2020 (both days inclusive), for the purpose of Annual General Meeting.
7. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
8. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, securities of listed companies can be transferred only in dematerialized form effective 1st April 2019. In view of the same, Members are advised to dematerialize the shares held by them in physical form forthwith immediately.
9. As per the provisions of the Companies Act, 2013, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Registrar and Share Transfer Agent (RTA).
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the



financial year 2019-20 will also be available on the Company's website coromandelengg.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. 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. OTHER THAN THE ABOVE, NO PHYSICAL/HARD COPIES OF THE NOTICE AND THE ANNUAL REPORT WILL BE SENT TO THE SHAREHOLDERS. Please note that the above is in accordance with the various exemptions provided by the MCA and SEBI in connection with conduct of Shareholders' meetings during 2020.

11. Members may note that the VC/OAVM Facility provided by M/s. KFin Technologies Private Limited allows participation of up to 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 72nd AGM without any restriction on account of first-come first-served principle, in accordance with the circulars issued by MCA in this regard.
12. The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can send an email for this purpose to csecl@cec.murugappa.com.

**A. Instruction to members for Voting through electronic means:**

1. Pursuant to the framework issued by MCA and SEBI and 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 72nd Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system. ('remote e-voting').

2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
3. The members attending the Meeting by way of VC/OAVM Facility and who have not cast their vote by remote e-voting and are otherwise not barred from doing so shall be eligible to vote through e-voting system at the Meeting.
4. The Company has engaged the services of M/s. KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) ("Karvy") as the Agency to provide e-voting facility.
5. The Board of Directors of the Company has appointed Mr. R Sridharan, Practising Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 16, 2020
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. July 16, 2020 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 July 20, 2020
- End of remote e-voting:  
At 5.00 p.m. (IST) on July 22, 2020.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon the expiry of the aforesaid period.

9. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. July 23, 2020.

10. Registration of e-mail address: On account of the continuing threat posed by COVID-19 pandemic and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their e-mail addresses registered by following the procedure given below:

- a. Those shareholders who have registered/not registered their mail address and mobile no. including address and bank details may please contact and validate/update their details with their Depository Participant in case of shares held in electronic form and with the Company's Registrar and Transfer Agent, M/s. KFin Technologies Private Limited in case the shares are held in physical form.
- b. Shareholders who have not registered their email address and in consequence thereof, the Annual Report, Notice of e-AGM and e-voting Notice could not be served, may temporarily get their e-mail address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by writing an email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) providing their email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with

the User ID and password. In case of any queries, shareholders may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

- c. Shareholders may also visit the website of the Company [www.coromandelengg.com](http://www.coromandelengg.com) or the website of the Registrar and Transfer Agent [www.kfintech.com](http://www.kfintech.com) for downloading the Annual Report and Notice of the e-AGM.
- d. Alternatively Shareholders may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending electronically the Annual report, Notice of e-AGM and the e-voting instructions.

**11. The process and manner for remote e-voting are as under:**

- i) Open your web browser during the voting period and navigate to <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 your 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, e-mail 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 e-voting event.
- vii) Select the EVEN of COROMANDEL ENGINEERING COMPANY LIMITED and click on "SUBMIT".
- viii) Now you are ready for e-voting as "Cast Vote" page opens.
- ix) 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 not exceeding your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- x) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- xi) 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.
- xii) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xiii) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you have voted on the resolution, 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 modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

#### Other instructions:

- i) In case of any queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> (KFintech website) or call KFintech on 040-6716 1736 & Toll-free No.1-800-3454-001.
- ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date viz., 16th July, 2020. However, a person who is not a Member as on the cut-off date should treat this Notice for information purpose only. 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 expiry of the aforesaid period. Once the vote on a resolution is cast by the Member, he will not be allowed to change it subsequently or cast the vote again.
- iv) Any person who acquires shares of the Company and becomes a Member of the Company after serving of the Notice to the shareholders and holding shares as on the cut-off date of 16th July, 2020, may obtain the login ID and password by sending a request at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) However, if you are already registered with KFintech for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user details/Password" option available on <https://evoting.kfintech.com>
- v) Since the Company is required to provide the Members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote during the e-AGM.
- vi) Members who have cast their votes through remote e-voting may also attend the e-AGM. However, those Members are not entitled to cast their vote again in the e-AGM.

- vii) A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the e-AGM. Thus, voting facility at the e-AGM shall be used only by those who have not exercised their right to vote through remote e-voting.

**A. Instructions for members for voting during the AGM:**

- i) The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- ii) The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- iii) E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.
- iv) Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- v) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the and declare the result of the voting forthwith.
- vi) The results of voting declared along with the Scrutiniser's Report shall be placed on the Company's website [www.coromandelengg.com/](http://www.coromandelengg.com/) and on the website of KFinTech immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).

**B. Instructions for members for attending the AGM through VC/OAVM facility are as under:**

- a. The Company has appointed KFin Technologies Private Limited to provide

Video Conferencing facility for conduct of the 72nd AGM (referred herein as "e-AGM") and as the attendant enablers for conduct of the e-AGM.

- b. Members are requested to visit <https://evoting.kfintech.com> and click on the e-AGM-Video Conference & Streaming to join the Meeting by using the remote e-voting credentials.
- c. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided above.
- d. Facility of joining the AGM through VC / OAVM shall open at 9.45 am i.e. 15 minutes before the time scheduled for the AGM and may be closed after the expiry of 15 minutes after the scheduled time. The members of the company shall be able to join on a "First come first served basis".
- e. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting.
- f. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- g. Members who need assistance before or during the AGM, can contact Mr. Raj Kumar Kale, Senior Manager – Corporate Registry, Kfin Technologies Private Limited, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana 500032. Phone No.: 040 – 6716 1736.

**C. Speaker registration before AGM:**

- a. Members who would like to express their views/ ask questions during the meeting

may write to the Company Secretary mentioning their name, demat account number/folio number, E-mail ID and Mobile Number on the Company's investor email-id i.e. [cscecl@cec.murugappa.com](mailto:cscecl@cec.murugappa.com) from 18th July 2020 (9:00 a.m. IST) to 21st July 2020 (5:00 p.m. IST). Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date.

- b. Alternatively, members who wish to register themselves as speakers may log in to <https://evoting.karvy.com> with their e-voting credentials and click on "Speaker

Registration" and mention their name, demat account number/folio number, E-mail ID and Mobile Number from 18th July 2020 (9:00 a.m. IST) to 21st July 2020 (5:00 p.m. IST).

Members shall be provided with a "queue number" before the AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session.

## ANNEXURE TO THE NOTICE

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

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

##### Item No. 2

Ms. G.Jalaja is liable to retire by rotation at this AGM pursuant to Section 152(6) of the Companies Act, 2013 and being eligible offers herself for re-appointment. The company has received the requisite consent and disclosures from her.

##### Brief profile of Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 35 years of rich experience in areas of Secretarial, Corporate Finance, Legal and Treasury.

The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure.

The Board considers that the continued association of Ms. G. Jalaja would be of immense benefit to the company and hence it is desirable to continue to avail her services as a director. Accordingly, the Board recommends the resolution set forth in Item no.2 of the Notice for the approval of the members.

##### Memorandum of Interest

Except Ms. G. Jalaja being the appointee, none of the other directors or key managerial personnel of the company or their relatives is interested or concerned, financially or otherwise in the aforesaid resolution proposed to be passed as an ordinary resolution.

##### Item No. 3

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company. On the recommendation of the Audit Committee, the Board has appointed Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557), as Cost Auditor to conduct the audit of cost accounting

records of the company for the financial year 2020-21 at a remuneration of Rs. 75,000/- (Rupees Seventy-Five Thousand only) (exclusive of taxes as may be applicable) and reimbursement of out of pocket expenses, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified by the members under the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules,2014.

##### Memorandum of Interest

None of the Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item no.3 of the Notice.

The Board recommends the resolution set forth in Item no.3 of the Notice for the approval of the members.

##### Item No.4

Mr. N. Velappan was re-appointed as the Manager of the company by the Board for a term commencing from 01<sup>st</sup> May, 2019 up to 31<sup>st</sup> March, 2020 subject to the shareholder's approval which was obtained on 24<sup>th</sup> July, 2019. As Mr. Velappan's tenure as the Manager expired at the close of business hours on 31<sup>st</sup> March 2020, the Board based on the recommendation of the Nomination and Remuneration Committee considered the re-appointment of Mr. Velappan as the Manager of the Company at their meeting held on 08<sup>th</sup> June, 2020 and has recommended his re-appointment for the approval of the shareholders at the 72<sup>nd</sup> Annual General Meeting.

##### Memorandum of Interest

Except Mr. N Velappan, being the appointee, none of the Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item No.4.

The Board recommends the resolution set forth in Item No.4 for the approval of the members of the company.

**Information about the appointee:**

1. Background details: Worked in Industry for 37 years occupying several senior positions, as given below.
2. Past remuneration: Re-Appointed with effect from 08<sup>th</sup> June, 2020 and past remuneration as Manager is given below.
3. Job profile and his suitability

Mr. N. Velappan, aged 58 years, passed his Bachelor of Engineering (Civil) in the year 1983 in first class with distinction from Annamalai University, Chidambaram. His first employment was with Public Works department, Tamil Nadu from June 83 to September 84. He joined Coromandel Engineering as a Graduate Engineer Trainee in September 84 and rose to the level of Associate Vice President in the year 2014. During the 36 years of service, he has worked in Industrial, Commercial, Institutional & Residential Projects.

Mr. Velappan was trained in Construction of Silos and Chimneys using Slipform Technique by M/s Interform, Sweden which was applied in Dalmia Cements and T. V. Tower Construction at Shimoga, Projects. Further, the Company had selected him and sent to Kansas, USA during November 1995 and trained in Pre - Engineered metal building systems through M/S. Butler Manufacturing Company - Kansas, USA. Special Projects handled by him for CEC includes Dalmia Cements, T.V. Tower Anantapur & Shimoga, Construction of RCC Pylons (Boiler Supporting structures) for APSEB through BHEL, PEB Buildings for Ford & Visteon, Auditorium for Alagappa University and Spare Parts ware house for Daimler. He was on transfer to E.I.D. - Parry (India) Ltd. in between 1993 to 1996 for setting up their Acetic Acid Plant and Neemazal Plant (Green field project) in Cuddalore and re-inducted to CEC in 1996.

He has handled all functions - Tendering, Purchase, Agency - Procurement, Planning, Property Development, Projects, etc. in head office since 1996.

Sl. No	Particulars	Upto 31.03.2020	08.06.2020 to 31.03.2021
1	Basic	Rs. 1,05,125/per month till 30/06/19 and Rs. 1,19,755/- per month from 01/07/2019	Rs. 1,00,000/per month
2	Allowances	Rs. 1,18,460/per month till 30/06/19 and Rs. 1,22,825/- per month from 01/07/2019	Rs. 1,90,000/per month
3	LTA	13% of Annual Basic	Not Applicable
4	PF/SAF/Gratuity	As per statutory/trust rules/Company Policy	Not Applicable
5	Medical Reimbursement & Hospitalization	Rs. 15,000 per annum	Rs. 15,000 per annum
6	Car Fuel	Rs. 60,000 per annum	Rs. 60,000 per annum

Tax on the above is to be borne by employee as per statutory requirements.

**Item No.5**

The members of the company had appointed Mr. P Nagarajan as an Independent Director of the Company at the 67<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> July, 2015 for a term of 5 years upto the conclusion of the 72<sup>nd</sup> Annual General Meeting of the Company to be held in the calendar year 2020. In accordance with Section 149 (10 & 11) of the Companies Act, 2013 an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in the Board's Report.

Mr. P. Nagarajan is a Chartered Accountant with a Bachelor's degree in Commerce from Loyola College, Chennai. He has nearly four decades of post qualification work experience in the field of Finance & Accounts having specialized in areas like Treasury, Working Capital Management, Corporate Taxation, Corporate Restructuring, Project Evaluation etc., He worked in organizations such as Fraser & Ross, Chartered Accountants, HMT Ltd. and Coromandel International Ltd. He retired from Coromandel International Ltd. in 2011, having

served the Company as the Head of Finance for 14 years. He has also served as member of few committees of FICCI and Fertiliser Association of India.

The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure.

The Company has received from Mr. P. Nagarajan, a declaration in prescribed form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, his consent to act as Director in prescribed form DIR-2 and his disclosure of interest in prescribed form MBP-1. He has also provided a declaration that he has registered himself in the databank maintained by the Indian Institute of Corporate Affairs and has also passed the online proficiency self-assessment test.

The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing Mr. P. Nagarajan's candidature for the office of Director. In the opinion of the Board, Mr. P. Nagarajan satisfies the criteria prescribed in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for re-appointment as an

Independent Director of the Company and that he is independent of the Management.

The Board at its meeting held on 08<sup>th</sup> June, 2020 based on the recommendation of the Nomination and Remuneration Committee on the basis of his skills, experience, knowledge and performance evaluation carried out by the Board, The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. P. Nagarajan as an Independent Director.

Hence the Board recommends the re - appointment of Mr. P. Nagarajan for another term of five consecutive years as Independent Director of the company with effect from 24<sup>th</sup> July,2020 not liable to retire by rotation.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company.

#### **Memorandum of Interest**

Except Mr. P. Nagarajan being an appointee, none of the other Directors or their relatives is concerned or interested, financially or otherwise in the resolution set out under Item No.5 of the Notice.

The Board recommends the resolution set forth in Item No.5 for the approval of the members

**On Behalf of the Board**

**Place: Chennai**  
Date: 08<sup>th</sup> June, 2020

**M.M. VENKATACHALAM**  
Chairman  
(DIN: 00152619)



**DETAILS AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS REGULATIONS 2015) & CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETING**

Name of Director	<b>G.JALAJA</b>			
DIN	00149278			
Date of Birth	03/05/1958			
Date of Appointment (initial)	20/03/2015			
Qualification	Chartered Accountant with FCS			
Expertise in specific functional areas	Secretarial, Corporate Finance, Legal and Treasury.			
Directorships in other Companies /Memberships in Board Committees of other Companies				
Name of the Company	Board	Audit Committee	Stakeholders Relationship Committee	Other Committees
NIL	-	-	-	-

Note : For further details, please refer the Corporate Governance Report Section of the Annual Report.

No of Shares held in the Company	NIL
Inter Se Relationship with any other Directors of KMP of the Company	NIL

Name of Director	<b>Mr P Nagarajan</b>			
DIN	00110344			
Date of Birth	12/06/1951			
Date of Appointment (initial)	30/07/2014			
Qualification	Chartered Accountant			
Expertise in specific functional areas	Corporate Finance, Treasury, Working Capital Management, Corporate Taxation, Corporate Restructuring and Project Evaluation			
Directorships in other Companies /Memberships in Board Committees of other Companies				

Name of the Company	Board	Audit Committee	Stakeholders Relationship Committee	Other Committees
Murugappa Management Services Limited	Non-Executive/ Independent Director	Member	-	Member – Nomination and Remuneration committee
Kartik Investments Trust Limited	Non-Executive/ Independent Director	Chairman	Member	Member – Nomination and Remuneration Committee
Jasper Industries Private Limited	Non – Executive Non – Independent Director	-	-	Member -Management Committee
Jasper Auto Services Private Limited	Non – Executive Non – Independent Director	-	-	-
Future Energy Automotive Private Limited	Non – Executive Non – Independent Director	-	-	-
Ambadi Investments Limited	Non-Executive Independent Director	Member	-	Member – Nomination and Remuneration Committee
Parry Sugars Refinery India Private Limited	Non- Executive Independent Director, Chairman	Chairman	-	-

Note : For further details, please refer the Corporate Governance Report Section of the Annual Report.

No of Shares held in the Company	NIL
Inter Se Relationship with any other Directors of KMP of the Company	NIL



*If undelivered please return to:*

**COROMANDEL ENGINEERING COMPANY LIMITED**

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