



Coromandel Engineering Company Limited

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

November 10, 2021

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

Scrip Code: 533167

Dear Sir,

Sub: Draft Scheme of reduction of entire unlisted issued, subscribed and paid up 7% Cumulative Non Participating Redeemable Preference Shares of the Company

We refer to our letter dated 25th September, 2021, intimating the approval of the Board of Directors of our Company for the scheme of reduction of the entire unlisted issued, subscribed and paid up preference share capital of the Company pursuant to Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2014 and in compliance with other applicable Rules and Regulations, if any.

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

In this regard, we are enclosing herewith the Certified True Copy of the draft scheme of reduction of entire unlisted issued, subscribed and paid up 7% Cumulative Non Participating Redeemable Preference Shares of the Company which is being filed with the Hon'ble National Company Law Tribunal subject to the approval of the Members of the Company.

Kindly take the above information on record.

Thanking you

Yours faithfully

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C. Parvathi Nagaraj
Company Secretary



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

BETWEEN

COROMANDEL ENGINEERING COMPANY LIMITED

AND

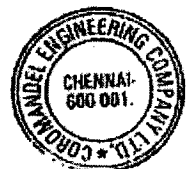
ITS SHAREHOLDERS

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



SCHEME OF REDUCTION OF PREFERENCE SHARE CAPITAL

A. PREAMBLE:

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

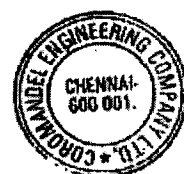
B. DESCRIPTION OF THE COMPANY:

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



C. RATIONALE AND PURPOSE OF THE SCHEME:

6. The Company has accumulated losses to the extent of Rs.72,00,84,808/- (Rupees Seventy Two Crores Eighty Four Thousand Eight Hundred Eight Only) ("Accumulated Losses") as per the last audited balance sheet i.e. as on 31.03.2021. These Accumulated Losses have substantially wiped off the value represented by the share capital and reserves of the Company by reason of which the financial statements and the balance sheet of the Company are impacted. The global pandemic situation has further adversely impacted the real estate markets more particularly in India which was already facing a lot of economic and other challenges prior to the onset of the pandemic. This has impacted the financial position of the Company resulting in increase of the accumulated losses and consequentially, the Company is not in a position to meet its liabilities in respect of the preference shares including payment of dividend to Preference Shareholders. In the given condition, the redemption of the preference shares as on the redemption date as per the terms of the issue of preference shares is also unlikely. The present reduction of the Preference Share Capital of the Company is also being carried out inter-alia to:
- satisfy the need of the Company to re-adjust the relation between its capital and assets; and
 - accurately and fairly reflect the liabilities and assets of the Company in its books of accounts and to operate with leaner base balance sheet; and
 - ensure that the financial statements of the Company reflects its true and actual state of affairs and position of the Company after setting-off the capital which is lost and not represented by any tangible assets; and
 - improve the net worth of the Company to ensure that the actual value of the Company is represented in the books and records of the Company.
7. In such circumstances it is desirable that the capital structure of the Company should be reorganized accordingly. Therefore, the Board of Directors at their meeting held on 25.09.2021 deliberated and decided that the Accumulated Losses be set-off to the extent of the total value of Preference Share Capital of the Company being reduced subject to the consent of the shareholders.

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



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

D. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



PART - I

1. DEFINITIONS:

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

- 1.1. 'Act' means the Companies Act, 2013, as the case may be, the rules and regulations made there under and will include any statutory modifications, re-enactments and/or amendments thereof from time to time;
- 1.2. 'Accumulated Losses' means the accumulated losses of the Company that have been carried forward from previous years and the amount shown in the audited balance sheet of the Company as on 31st March, 2021 in the Annual Report of the Company;
- 1.3. 'Board' or 'Board of Directors' means Board of Directors of the Company;
- 1.4. 'BSE' shall mean BSE Limited;
- 1.5. 'Company' means Coromandel Engineering Company Limited, a Company having CIN: L74910TN1947PLC000343 incorporated under the provisions of the Companies Act, 1913 on 3rd Day of September, 1947;
- 1.6. 'Effective Date' (or) the 'Scheme being effective' for this Scheme shall mean the date on which a certified copy of the order of the NCLT under Sections 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, is filed with the office of the Registrar of Companies;

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



- 1.7. 'Preference Share Capital' shall mean the entire issued, subscribed and paid-up preference share capital of the Company divided into 28,35,630 (*Twenty Eight Lakhs Thirty Five Thousand Six Hundred and Thirty*) 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- (*Rupees One Hundred Only*) amounting to a total of Rs. 28,35,63,000/- (*Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only*) (*all 7% Cumulative Non-Participating Redeemable Preference Shares of the Company forming part of the Preference Share Capital shall be collectively referred to as "Preference Shares"*);
- 1.8. 'Preference Shareholders' shall mean all shareholders of the Company holding preference shares which form a part of the Preference Share Capital of the Company including but not limited to the Promoters, Promoter Companies, Promoter Trusts, Promoter HUFs, their family, friends and relatives.
- 1.9. 'Rules' means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other such rules wherever applicable.
- 1.10. 'The NCLT' shall mean National Company Law Tribunal ("NCLT") or such tribunal or any other appropriate forum or authority having jurisdiction to approve this Scheme as per the law for the time being in force;
- 1.11. 'This Scheme' or 'The Scheme' or 'Scheme' means this scheme of reduction of capital between the Company & its shareholders in its present form or with such alterations/modifications as may be approved by the NCLT of relevant jurisdiction under the applicable law.

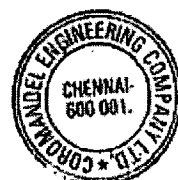
2. INTERPRETATION:

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



3. CAPITAL STRUCTURE:

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

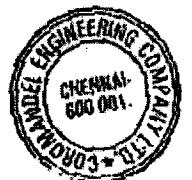
Particulars	Amount (In Rs.)
Authorized Share Capital	
4,00,00,000 Equity Shares of Rs. 10/- each	40,00,00,000
32,00,000 Preference Shares of Rs. 100/- each	32,00,00,000
Total	72,00,00,000
Issued Share Capital	
3,32,77,278 Equity Shares of Rs. 10/- each fully paid	33,27,72,780
28,35,630 Preference Shares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

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



PART-II

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

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



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

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

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj



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

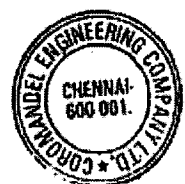
- 5.1. This Scheme contemplates the reduction of the Preference Share Capital of the Company only and therefore this Scheme is required to be approved by the Preference Shareholders pursuant to Section 66 of the Companies Act, 2013. However, this Scheme shall also be placed at the General Meeting of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

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For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



6. EFFECTS AND IMPACT OF THIS SCHEME:

6.1 CREDITORS OF THE COMPANY: The reduction of the Preference Share Capital of the Company as presented under this Scheme will not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in the Preference Share Capital of the Company does not involve either diminution of any liability in respect of any unpaid capital or the payment to any Preference Shareholder nor is any call on any preference share of the Company being waived. The creditors of the company are in no way affected by the proposed Preference Share Capital reduction as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors.

6.2 EQUITY SHAREHOLDERS OF THE COMPANY: This Scheme is for the benefit of the Equity Shareholders of the Company and does not cause any prejudice to their interests since the Accumulated Losses of the Company has resulted in a loss of value and is not represented by any tangible assets of the Company as on the date of this Scheme. This Scheme will only result in improvement of Net Worth of the Company which will benefit the equity shareholders. The Equity Shareholding pattern of the Company prior to and following the implementation of the Scheme shall remain same. This Scheme would in fact be beneficial to such parties since this Scheme results in improving the financial position of the Company including its Net Worth. The other benefits of this Scheme are as stated in the Rationale of this Scheme.

6.3 EMPLOYEES AND WORKERS OF THE COMPANY: This Scheme does not have any adverse impact on the employees and workers of the Company, nor its suppliers or customers. This Scheme would in fact be beneficial to such parties since this Scheme results in improving the financial position of the Company including its net-worth.

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



6.4 **LEGAL PROCEEDINGS:** This Scheme does not affect any legal proceeding by or against the Company.

7 Notwithstanding the reduction of the Preference Share Capital as mentioned under this Scheme, the Company shall not be required to add "*and reduced*" as suffix to its name and the Company shall continue with its existing name.

8 The provisions of this Part shall operate notwithstanding anything to the contrary in this Scheme.

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For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



PART-III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

9. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL:

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

10. CONDITIONALITY OF THIS SCHEME:

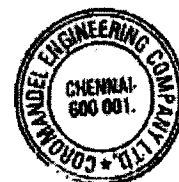
The Scheme is conditional upon and subject to:

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



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

In the event of any of the aforesaid sanctions and approvals not being obtained and/ or this Scheme not being sanctioned by the National Company Law Tribunal and/ or the order or orders not being passed as aforesaid, this Scheme shall become null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and the Company shall bear and pay the costs, charges and expenses for or in connection with the Scheme. This Scheme contemplates the reduction of the Preference Share Capital of the Company only and therefore this Scheme is required to be approved by the Preference Shareholders pursuant to Section 66 of the Companies Act, 2013. However, this Scheme shall also be placed at the General Meeting of the equity shareholders only by way of abundant caution. The Company shall be entitled to proceed with this Scheme irrespective of the decision of the Equity Shareholders of the Company since the Scheme does not concern the Equity Shareholders and further since this Scheme will directly benefit the Company and its Equity Shareholders.

12. ACCOUNTING TREATMENT:

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

13. COSTS, CHARGES AND EXPENSES:

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

For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



14. MODIFICATIONS / AMENDMENTS OF THE SCHEME:

The Company, by its Board or such other person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the National Company Law Tribunal and/or any other authority under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith, as may be considered by the Board to be in the best interest of the Company and its members including the withdrawal of this Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this Scheme.

15. SEVERABILITY:

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

For Coromandel Engineering Company Limited

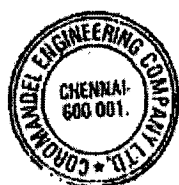
C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary



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

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



For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C Parvathi Nagaraj
Company Secretary
