

COROMANDEL ENGINEERING COMPANY LIMITED



FIFTY EIGHTH ANNUAL REPORT 2005 - 2006

**COROMANDEL ENGINEERING COMPANY LIMITED****BOARD OF DIRECTORS**

Shri M.A. ALAGAPPAN
Chairman
Shri S. VISHNUMOHAN
Shri M.A.M. ARUNACHALAM
Shri K.T. KUMAR
Shri S.S. RAJSEKAR

BANKERS

INDIAN BANK

AUDITORS

M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
23, C.P. Ramaswamy Road
Alwarpet, Chennai - 600 018.

REGISTERED OFFICE

"Parry House", III Floor,
43, Moore Street,
Chennai - 600 001.

COROMANDEL ENGINEERING COMPANY LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **FIFTY EIGHTH Annual General Meeting** of **COROMANDEL ENGINEERING COMPANY LIMITED** will be held on **SATURDAY the 29th July, 2006** at **11.00 am at Conference Room, 3rd Floor, at "PARRY HOUSE", No.43, Moore Street, Chennai 600 001** to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st March, 2006 and the Balance Sheet as at that date and the Report of the Auditors' thereon.
2. To declare a dividend
3. To appoint a Director in the place of Shri M A M Arunachalam, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. Messrs. Sundaram & Srinivasan, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

Special business

5. To consider and if deemed fit to appoint Mr K T Kumar as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/- signifying his intension to move the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr.K.T.Kumar be and is hereby appointed as the Director of the Company"
6. To consider and if deemed fit to appoint Mr S S Rajsekar as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/- signifying his intension to move the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr.S.S.Rajsekar be and is hereby appointed as the Director of the Company"

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. (Proxy form is annexed herewith). The proxy form duly completed must be sent so as to reach the company, not less than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item Nos: 5 & 6 is given as Annexure to the notice
3. The Register of Members and the Share Transfer Books of the company shall remain closed from **Saturday the 15th July, 2006 to Saturday the 29th July, 2006** (both days inclusive).
4. If dividend, as recommended by the directors, declared at the meeting, the payment will be made within 30 days to those members whose names appears in the Register of Members of the Company as on 29th July 2006 or to their nominees / mandatees.
5. Consequent upon the amendment in Section 205A of the Companies Act, 1956, and introduction of Section 205C, by the Companies (Amendment) Act, 1999 now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
6. Members who have not encashed their dividend warrants for the period 1998-1999 are requested to lodge their claims with the company. Members are advised that once the unclaimed dividend is transferred to "IEPF" no claim shall lie in respect thereof.
7. Members are requested to communicate their change of address if any, quoting their folio number to the Company's Registered Office.

On behalf of the Board

M. A. ALAGAPPAN
Chairman

Chennai
May 29, 2006



ANNEXURE TO THE NOTICE

Item No.5

Mr.K.T.Kumar was appointed as additional director with effect from 28th October 2005. Pursuant to Section 260 of the Companies Act, 1956 and Articles 90 of the Articles of Association of the company he will vacate office at the ensuing annual general meeting. The company has received a notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Mr.K.T.Kumar as Director.

Accordingly, ordinary resolution set out under item No.5 of the notice is submitted to the meeting.

Interest of Directors:

Mr.K.T.Kumar is interested in the resolution. None of the other directors is interested or concerned in the resolution.

Item No.6

Mr.S.S.Rajsekar was appointed as additional director with effect from 28th October 2005. Pursuant to Section 260 of the Companies Act, 1956 and Articles 90 of the Articles of Association of the company he will vacate office at the ensuing annual general meeting. The company has received a notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Mr.S.S.Rajsekar as Director.

Accordingly, ordinary resolution set out under item No.6 of the notice is submitted to the meeting.

Interest of Directors:

Mr.S.S.Rajsekar is interested in the resolution. None of the other directors is interested or concerned in the resolution.

On behalf of the Board

Chennai
May 29, 2006

M. A. ALAGAPPAN
Chairman

COROMANDEL ENGINEERING COMPANY LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the audited accounts for the year ended 31st March 2006.

FINANCIAL HIGHLIGHTS

	2005-2006	2004-2005
	Rs.	Rs.
Profit / (loss) before Interest, Depreciation	15,981,674	5,044,892
(Add)/Less: Depreciation	1,434,111	738,331
Interest	635,584	1,368,447
Profit / (loss) before Tax	13,911,979	2,938,114
Provision for Taxation		
- Current Tax	1,106,000	242,937
- Deferred Tax	857,728	895,761
- Fringe Benefit Tax	376,944	—
Profit/(loss) After Tax	11,571,307	1,799,416
Less: Transfer to General Reserve	206,299	—
Proposed Dividend	1,647,390	—
Tax on Dividend	230,964	—
Earlier years' loss brought forward	(5,661,968)	(7,461,384)
Balance carried forward to Balance sheet	3,824,686	(5,661,968)

OPERATIONS AND PERFORMANCE

During the year under review, your company recorded sales turnover of **Rs.2392 Lacs**. Your Company has successfully completed construction of educational institutions viz. Adarsh Vidyalaya Matriculation School, Sir Ramaswamy Mudaliar School, Murugappa Polytechnic and factory building for Chitrakoot Steel and Power Plant, Eveready Industries and Saint Gobain Glass (I) Ltd at Chennai. The construction of ladies hostel building at Thiagarajar College of Engineering, Madurai and factory building at Dharangadhara Chemical Works, Tuticorin were also the notable projects completed during the period.

Your company's operations showed considerable improvement as compared to the previous year and the Company wiped off the accumulated losses and shown a surplus in the profit and loss account. The company has very good order position for the year 2006-07.

DIVIDEND

The Company earned a net profit after tax is **Rs.11,571,307/-**. Your Directors are pleased to recommend a dividend @10% on the paid-up equity share capital for the financial year ended March 31, 2006. The total outgo of the dividend to be paid to the shareholders will be **Rs.1,878,354/-** (inclusive of dividend tax)

CHANGE OF COMPANY'S NAME

The name of the company has been changed from THE COROMANDEL ENGINEERING COMPANY LIMITED to **COROMANDEL ENGINEERING COMPANY LIMITED** with effect from February 24, 2006 and a fresh certificate of incorporation received from Registrar of Companies, Chennai.

SUBSIDIARY COMPANY

Our subsidiary M/s. Coromandel Holdings and Minerals Limited reported a net profit of **Rs.478,152/-** for the financial year ended 31st March, 2006 against previous year profit of **Rs.194,868/-**.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company Shri. M.A.M.Arunachalam, Director, retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

During the financial year Mr.S.S.Rajsekar and Mr.K.T.Kumar were appointed as additional directors at the Board Meeting held on 28th October, 2005. The Company received notices under section 257 of the Companies Act, 1956 from a Member along with deposit of Rs.500/- each signifying his intention to propose the appointment of Mr.S.S.Rajsekar and Mr K.T.Kumar as Directors of the Company.

AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors responsibility statement pursuant to Section 217 (2AA) of the Companies Act, 1956 is annexed hereto and forms part of this report.

CERTIFICATE U/S. 383A

Pursuant to Section 383 A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001 certificate issued by Messrs. R.Sridharan & Associates, Company Secretaries, is attached hereto.

PARTICULARS OF EMPLOYEES

There are no employees covered under sub section 2A Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.



RELATION WITH EMPLOYEES

Relationship with employees continued to remain cordial throughout the year under review.

PARTICULARS REQUIRED TO BE FURNISHED U/S.217(1)(e)

The company has no activity relating to consumption of energy, technology absorption and foreign exchange earnings and outgo. Hence, there are no particulars required to be furnished under Section 217(1)(e) of the Companies Act, 1956.

Chennai
May 29, 2006

GENERAL

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

Your Directors also place on record their appreciation for the continued dedicated performance and commitment by Officers, Staff and Workmen of the Company.

On behalf of the Board

M. A. ALAGAPPAN
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

(Pursuant to Section 217 (2AA) of the Companies Act, 1956)

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors to the best of their knowledge and belief confirm that:

* In the preparation of the Profit & Loss Account for the financial year ended 31st March, 2006 and the Balance Sheet as at that date ("financial statements") applicable accounting standards have been followed:

* Appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit of the Company for that period.

* Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with

the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. (To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such systems of internal controls its inherent limitations should be recognised. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems.)

* The financial statements have been prepared on a going concern basis.

On behalf of the Board

Chennai
May 29, 2006

M. A. ALAGAPPAN
Chairman

COROMANDEL ENGINEERING COMPANY LIMITED

COMPLIANCE CERTIFICATE

NAME OF THE COMPANY : COROMANDEL ENGINEERING COMPANY LIMITED

Registration No. : 18-343
Authorized Capital : Rs. 4,00,00,000/-
Paid-up Capital : Rs.1,64,73,900/-

To

The Members

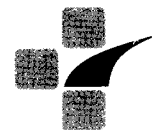
Messrs. Coromandel Engineering Company Limited
'Parry House'
III Floor, No. 43, Moore Street,
Chennai – 600 001.

We have examined the registers, records, books and papers of **Messrs. Coromandel Engineering Company Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2006**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have duly been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met **Four (4)** times on 26th May 2005, 20th July 2005, 28th October 2005 and 30th January 2006 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution passed on 28th December 2005 in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from **6th July 2005 to 20th July 2005** (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The **Fifty-Seventh Annual General Meeting** for the financial year ended **31st March 2005** was held on 20th July, 2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. **One Extra-Ordinary General Meeting** was held on **28th October 2005** during the financial year after giving due

notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.

8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. During the year ended 31st March 2006, the Company has not entered into any contracts falling within the purview of Sections 297 and 299 of the Act. However, the transactions entered into with companies listed in the register maintained under Section 301(3) of the Act have been duly entered in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year ended 31st March 2006.
13. The Company:
 - (i) has delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act.
 - (ii) has not effected any allotment of Securities during the financial year ended 31st March 2006.
 - (iii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year ended 31st March 2006.
 - (iv) was not required to post warrants to any member of the Company as no dividend was declared during the financial year ended 31st March 2006.
 - (v) has transferred the unpaid Dividend pertaining to the year 1997-98, declared at the 50th Annual General Meeting held on 23rd September 1998 which remained unclaimed for a period of seven years to Investor Education and Protection Fund.
 - (vi) has transferred unpaid dividend for the financial year ended 31st March, 1999 to Unpaid dividend account and seven years has not expired for transfer of the same to Investor Education and Protection Fund.
 - (vii) has not issued any shares or debentures and has not accepted any deposits and hence the question of transfer of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor education and Protection Fund does not arise.



- (viii) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of Mr.K.T.Kumar and Mr.S.S.Rajsekar, as additional directors were made at the Board Meeting held on 28th October 2005. There was no appointment of alternate directors and directors to fill casual vacancy during the financial year ended 31st March 2006.
 15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year under review.
 16. The Company has not appointed any sole selling agents during the financial year ended 31st March 2006.
 17. a) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and or such authorities prescribed under the various provisions of the Act during the financial year.
b) The Company has obtained necessary approval from the Registrar of Companies, Chennai for change of name from The Coromandel Engineering Company Limited to Coromandel Engineering Company Limited vide Fresh Certificate of Incorporation issued by the Registrar of Companies on 24th February 2006.
 18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March 2006.
 20. The Company has not bought back any shares during the financial year and hence the question of complying with the buy back provisions does not arise.
 21. The Company has no preference share capital and has not issued debentures and hence the question of redemption of preference shares/ debentures during the financial year under review does not arise.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year ended 31st March 2006.
 24. The amount borrowed by the Company from banks during the financial year ended 31st March 2006 is within the borrowing limits of the company and that necessary resolution as per Section 293(1)(d) of the Act has been passed through postal ballot on 03rd February 2006.
 25. The Company has not made any loans, investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the financial year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year under scrutiny.
 28. The Company has altered the provisions of the Memorandum of Association with respect to name of the company from The Coromandel Engineering Company Limited to **Coromandel Engineering Company Limited** after obtaining approval of the members by Special Resolution through postal ballot on 03rd February 2006 during the year under scrutiny and complied with the provisions of the Act.
 29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
 30. The Company has altered its Articles of Association after obtaining approval of members at the Extra-Ordinary General Meeting held on 28th October 2005 and the amendments to the Articles of Association have been duly complied with.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year ended 31st March 2006.
 33. As per the information and explanations furnished to us, the Company has deposited both the Employer's and Employee's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

For R. SRIDHARAN & ASSOCIATES
Company Secretaries

Chennai
3rd May, 2006

R. SRIDHARAN
C.PNo: 3239

COROMANDEL ENGINEERING COMPANY LIMITED**‘ANNEXURE A’**

Name of the Company : **COROMANDEL ENGINEERING COMPANY LIMITED**
Registration Number of the Company : **18-343**
Authorized Capital : **Rs.4,00,00,000/-**
Paid-up Capital : **Rs.1,64,73,900/-**

Registers as maintained by the Company

Sl.No.	Section Number	Name of the Register
1.	49	Register of Investments not directly held in the name of the Company
2.	143	Register of Charges
3.	108	Share Transfer Register
4.	150	Register of Members
5.	151	Index of Members
6.	193	Minutes of the meetings of Board of directors
7.	193	Minutes of the meetings of the Members
8.	193	Minutes of the Committee Meetings
9.	301	Register of Contracts
10.	303	Register of Directors
11.	307	Register of Directors' Shareholding
12.	372A	Register of Investments/Loans/Guarantees and Securities
13.	Rule-7	Register for renewed and duplicate Share Certificates.
14.	–	Board Meeting Attendance Register
15.	–	General Meeting Attendance Register

For R. SRIDHARAN & ASSOCIATES
 Company Secretaries

R.SRIDHARAN
 C.P.No.: 3239

Chennai
 3rd May, 2006



‘ANNEXURE B’

Name of the Company : COROMANDEL ENGINEERING COMPANY LIMITED
Registration Number of the Company : 18-343
Authorized Capital : Rs.4,00,00,000/-
Paid-up Capital : Rs.1,64,73,900/-

Returns / Documents / Forms filed with the Registrar of Companies, Regional Director,
Central Government or other authorities during the financial year ended 31st March, 2006.

FOR THE FINANCIAL YEAR 2005-2006 (01.04.2005 TO 31.03.2006)

REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description	Date of Filing	Whether Filed Within Prescribed Time Yes / No	If delay in filing Whether Requisite Additional Fee paid Yes / No	Remarks (ROC Receipt No./ Amount Paid)
1.	32	303	Appointment of Mr.M.A.Alagappan as Chairman of the Company and Resignation of Mr.M.V.Murugappan and Mr.S.B.P.V.Ramamohan Rao as Directors.	28.04.05	YES	NA	4539 Rs.500/- (N)
2.	8 & 13	125	Creation of charge on 18.03.2005 in favour of Housing Development Finance Corporation Limited for a sum of Rs.1,50,00,000/-	28.04.05	NO	YES	4807 Rs.500/-(N) Rs.2000/-(A) Rs.50/-(N)
3.	32	303	Resignation of Mr.V.Kandaswamy as Director with effect from 26 th May, 2005.	22.06.05	YES	NA	12794 Rs.500/- (N)
4.	8 & 13	135	Modification of charge created on 07 th November 2001 in favour of Indian Bank, Chennai on 10 th June 2005 for increasing the limit from Rs.366.27 lacs to Rs.725.00 lacs.	06.07.05	YES	NA	15170 Rs.500/-(N) Rs.50/-(N)
5.	Sch VI	220	Balance Sheet for the financial year ended 31 st March 2005.	09.08.05	YES	NA	24628 Rs.500/- (N)
6.	-	383A	Compliance Certificate issued by Mr.R.Sridharan, R.Sridharan & Associates, Company Secretaries, Chennai for the financial year ended 31 st March, 2005.	09.08.05	YES	NA	24628 Rs.500/- (N)
7.	Sch V	159	Annual Return made up to 20 th July 2005 (Date of AGM).	14.09.05	YES	NA	33858 Rs. 500/-(N)
8.	32	303	Appointment of Mr.K.T.Kumar and Mr. S.S.Rajsekar as Additional Directors at the Board Meeting held on 28 th October 2005.	18.11.05	YES	NA	52804 Rs.500/- (N)
9.	29	264	Consent given by Mr. K.T.Kumar to act as a Director of the company.	18.11.05	YES	NA	52804 Rs.500/- (N)
10.	29	264	Consent given by Mr.S.S.Rajsekar to act as a Director of the Company.	18.11.05	YES	NA	52804 Rs.500/- (N)