



# *BUILDING TRUST* *SINCE 1947*

COROMANDEL ENGINEERING COMPANY LIMITED  
ANNUAL REPORT 2009 - 2010



## Building Trust

Six decades is considered a full circle and a business that completes this circle is said to be built on a strong foundation. At Coromandel Engineering, for sixty two years, the business itself is of buildings and foundations. Foundations for landmark buildings and edifices. Foundations for residential complexes and imposing corporate offices. The same engineering that gave Chennai its first high rise structure, is still inherent in every brick that is laid, every building that is built. A standing testimony to quality, dependability and trust.

Quality and trust- that is the cornerstone of business at Coromandel Engineering. The Company is certified for ISO 9001:2008 Standards for Quality Management and BS OHSAS 18001:2007 for Safety Management Systems. A reputed name in construction of factory buildings for industries as wide and varied as Sugar, Tyre, Distillery, Cement, Power, etc., Coromandel has also earned the trust of customers through its well known “Coral” brand in the property development (housing) segment.

The India growth story presents a huge opportunity in the construction sector. Coromandel Engineering with its strong focus on quality, innovation and delivery commitment is well poised to grow aggressively in the years ahead.

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## Corporate Information

Board of Directors	Mr. M.M. Venkatachalam - Chairman
	Mr. M.A.M. Arunachalam
	Mr. S.S. Rajsekar
	Mr. J. Srinivasan
	Mr. V. Venkiteswaran
	Mr. K. E. Ranganathan
	Mr. Sridhar Ganesh
	Mr. Jitendra Virwani
Bankers	Indian Bank
	IndusInd Bank Ltd.
	City Union Bank Ltd.
	IDBI Bank Ltd.
	HDFC Bank Ltd.
	Development Credit Bank Ltd.
	New India Co-op Bank Ltd
Auditors	M/s Sundaram & Srinivasan
	Chartered Accountants
Compliance Officer	P.R. Sundar
Registered Office	<p>“Parry House”, 3rd Floor,</p> <p>No.43, Moore Street,</p> <p>Chennai – 600 001</p>

## TEN YEARS FINANCIAL HIGHLIGHTS

(Rs in Lacs)

	Year Ended 31st March									
OPERATING RESULTS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales	1138.46	1027.41	627.69	1521.83	2054.75	2392.49	4502.40	6800.84	10024.63	8,920.85
Other Income	67.64	26.05	30.26	13.62	27.28	93.16	19.02	22.87	37.85	40.00
Profit before depreciation	89.47	22.49	(36.20)	(2.23)	36.76	153.46	276.97	570.37	799.55	434.49
Profit Before Tax	82.66	14.25	(44.53)	(10.20)	29.38	139.12	251.82	527.49	714.22	330.27
Profit After Tax	17.66	7.25	(65.22)	(43.91)	17.99	115.71	202.96	412.87	467.01	218.94
Dividend - Equity	-	-	-	-	-	18.78	48.18	77.07	115.64	76.84
SOURCES OF FUNDS										
Paid up share capital	164.74	164.74	164.74	164.74	164.74	164.74	164.74	164.74	329.48	329.48
Reserves	279.60	274.47	209.25	165.34	181.27	278.20	463.15	766.54	1250.75	1,392.85
Loan Funds	45.46	73.17	184.07	230.88	511.14	576.36	1945.45	2997.71	4005.87	5,533.07
Net Deferred Tax Liability	-	10.46	(4.12)	(18.82)	(10.91)	(2.33)	(0.37)	12.56	47.28	78.80
Total	489.80	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20
APPLICATION OF FUNDS										
Fixed Assets	42.82	38.24	34.78	29.35	32.43	79.39	249.02	713.49	1354.24	1,383.68
Investments	35.89	35.88	35.88	35.88	31.12	31.12	1.13	1.20	1.25	6.25
Net Current Assets	411.09	448.72	483.28	476.91	782.69	906.46	2322.82	3226.86	4277.89	5,944.27
Total	489.80	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20

## DIRECTORS – A BRIEF PROFILE

Mr. M.M. Venkatachalam  
Non Executive Chairman

Mr M. M Venkatachalam, aged 51 years, is a graduate in Agriculture and Master in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Board of Directors of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Murray & Co. Limited, Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Enterprises India Limited and Polutech Ltd.

Mr. M.A.M. Arunachalam  
Non Executive Director

Mr. M.A.M. Arunachalam, aged 43 years, has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 22 years in the field of varied industrial activities. He is the Managing Director of Parry Enterprises India Limited. He has been on the board of CECL, since September 1995.

Mr. S.S.Rajsekar  
Non Executive Director

Mr. S. S. Rajsekar, aged 55 years, is a Chemical Engineer (B. Tech) from Anna University. He has more than 30 years of experience in the field of real estate and property related advisory services. He has extensive senior-level contacts in the business community, through holding key positions in business organisations, Boards of Corporate Companies, Chambers of Commerce, advisory committees of Banks/Financial Institutions. He was the past president of Andhra Chamber of Commerce and currently he is a Managing Committee member of Madras Management Association. He has been on the board of CECL, since October 2005.

Mr. J. Srinivasan,  
Non Executive Director

Mr. J. Srinivasan, aged 70 years, holds a Bachelor's Degree in Economics – Political Science – Commerce combination of the University of Delhi. He is also a Fellow of the Institute of Company Secretaries of India. He has been in Industry for over 52 years in different capacities. Till October 2006, he was the CEO of both TTK-LIG Limited and SSL-TTK Limited. Presently, he is the Mentor Director of the TTK Group. He was responsible for taking over Dr. Scholl, domestic business in SSL-TTK and for shifting UK operations to India. In recognition of his contribution the JV partners have named Sriperumbudur plant after him. He is also associated with a few NGOs in Chennai, like VHS, TTK-VHS-Rotary Blood Bank, TTK Hospital of TT Ranganathan Foundation, Spastics Society of Tamil Nadu, etc. He has been on the board of CECL, since July 2008.

Mr. V. Venkiteswaran  
Non Executive Director

Mr.V.Venkiteswaran, aged 63, has business experience of over 39 years in diverse areas of operations. He is a Mechanical Engineer from the University of Madras and worked over 36 years with Tata Tea Limited, initially overseeing the technical aspects of large tea plantations before attaining the position of GM. He held several key management positions in diverse operations like heading a subsidiary Company in the US, the Tata Tetley JV at Cochin and was responsible for a number of green field projects in India and abroad. All this culminated in his position as Executive Director of TTL between 2002 and 2006, after which he was a consultant for specific overseas projects till August, 2007. He has been on the board of CECL, since July 2008.



Mr. K.E.Ranganathan  
Non Executive Director

Mr.K.E.Ranganathan, aged 48 years, is a Graduate in Commerce from Madras University and an Associate member of Institute of Chartered Accountants of India (ICAI) and an Associate member of Institute of Company Secretaries of India (ICSI).He has been with Murugappa Group since 1994 and has held various positions in accounts, finance, sales, marketing, distribution and operations. He was awarded the prestigious 'Fulbright Scholarship' in USA during the year 2000. He was the Managing director of Parryware Roca P.Ltd. till 2008. He was appointed as Managing Director of Parry Infrastructure Company Private Limited, a wholly owned subsidiary of EID Parry (India) Limited. and also in the board of Parry Agro Industries Limited and Parry Enterprises India Limited. He was appointed as a Director in July 2009.

Mr. Sridhar Ganesh  
Non Executive Director

Mr. Sridhar Ganesh, aged 59 years, is a graduate in Physics and an alumnus of IIM Calcutta. He has extensive experience in the areas of developing people strategy, building organization culture, leadership development and coaching for performance and has worked across the HR function in organizations like Cadbury Schweppes, Berger

Paints etc. He took up the current role as Director HR with the Murugappa Group in February 2007. He is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on Skills & Human Resources. He is also the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. He was appointed as a Director in October 2009.

Mr. Jitendra Virwani  
Non Executive Director

Mr. Jitendra Virwani, aged 44 years, is the Chairman of Embassy Group, one of India's largest and arguably among the finest property developers in the world. Mr.Virwani joined the property development business in 1985 at age 19. From 1993 he has been at the helm of affairs of the Group and seen his vision for a world class property development organisation, both in terms of size and excellence, transform into reality. He has been in the field of property development for around last 25 years and possesses wide and rich experience in this field. He is also an active participant in various social welfare activities for making contributions towards the social causes. He is also the founder of Stonehill International School, the first school in South India to offer IB curriculum in all grades. He was appointed as a Director in January 2010.

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SIXTY SECOND Annual General Meeting of the shareholders of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Thursday, the 29<sup>th</sup> July 2010 at 10.00 a.m. at the Registered Office of the Company at 3<sup>rd</sup> Floor, "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 financial year ended 31<sup>st</sup> March, 2010 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 to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and in this connection, to consider and if deemed fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

RESOLVED THAT Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai, bearing registration no. 004207S, be and are hereby re-appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration of Rs.2,00,000/- (Rupees Two lakhs only) plus the applicable taxes and reimbursement of travelling and out of pocket expenses actually incurred by them.

### SPECIAL BUSINESS

5. To consider and if deemed fit, to appoint Mr. M. M. Venkatachalam 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 intention to move the following resolution as an Ordinary Resolution: RESOLVED THAT Mr.M.M. Venkatachalam be and is hereby appointed as a Director of the Company.

6. To consider and if deemed fit, to appoint Mr. K. E. Ranganathan 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 intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. K. E. Ranganathan be and is hereby appointed as a Director of the Company.

7. To consider and if deemed fit, to appoint Mr. Sridhar Ganesh 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 intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Sridhar Ganesh be and is hereby appointed as a Director of the Company.

8. To consider and if deemed fit, to appoint Mr. Jitendra Virwani 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 intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Jitendra Virwani be and is hereby appointed as a Director of the Company.

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## 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. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 15<sup>th</sup> July, 2010 to Thursday, the 29<sup>th</sup> July, 2010 (both days inclusive).
4. Dividend as recommended by the Board, if declared at the meeting, the payment will be made within 30 days to those members whose names appear in the Register of Members of the Company as on 29<sup>th</sup> July, 2010 or in the Register of Beneficial owners maintained by the Depositories as at the close of working hours as on 14<sup>th</sup> July, 2010 or to their nominees / mandates
5. As per Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF). It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie with the Company in respect of such amount.
6. Members who have not encashed their dividend warrants for the years 2005-2006, 2006-2007, 2007-2008 & 2008-2009 are requested to lodge their claims with the Company.
7. Members are requested to notify the change in their address, if any, immediately so that the dividend can be sent to the latest address. In case of Shareholders holding shares in physical

form, all intimations regarding change of address and change of bank account details etc are to be sent to M/s. Karvy Computer Shares Private Limited, Unit: Coromandel Engineering Company Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 and in cases of Shareholders holding shares in demat form, the same is to be sent directly to their Depository Participants.

8. As per clause 49 of the Listing Agreement, a brief resume and functional expertise of the Directors proposed for appointment / re-appointment are furnished below along with the details of Companies in which they are Directors and the Board Committees of which they are members.

Mr. M. A. M. Arunachalam

Mr. M.A.M. Arunachalam, aged 43 years has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 22 years in the field of varied industrial activities. He is the Managing Director of Parry Enterprises India Limited. He has been on the board of CECL, since September 1995.

Mr. M. A. M. Arunachalam holds 201610 equity shares of Rs. 10/- each in the Company.

The details of other Directorship / Committee membership held by him are as follows:

Managing Director: Parry Enterprises India Limited

Director: New Ambadi Estates Private Limited, Placon (India) Private Limited and A. M.M.Arunachalam & Sons Private Limited

Committee Membership: Nil



### Mr. M. M. Venkatachalam

Mr. M. M. Venkatachalam, aged 51 years, is a graduate in Agriculture and Master in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Board of Directors of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Murray & Co. Limited, Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Enterprises India Limited and Polutech Ltd.

Mr. M. M. Venkatachalam holds 201610 equity shares of Rs. 10 each in the Company.

The details of other Directorship/Committee membership held by him are as follows:

Chairman: Parry Agro Industries Limited, Parry Enterprises India Limited and Ambadi Enterprises Limited

Director: Coromandel International Limited, Ramco Systems Limited, USV Limited, New Ambadi Estates Private Limited, New Ambadi Investments & Enterprises P.Ltd., Cholamandalam Factoring Limited, Laserwords Private Limited, Parry Murray & Co. Limited, UK, Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited, Polutech Limited, M M Muthiah Sons Private Limited

Committee Membership : Parry Agro Industries Limited- Member- Shareholders & Investors' Grievance Committee

Ramco Systems Limited – Chairman – Audit Committee

### Mr. K. E. Ranganathan

Mr. K E Ranganathan, aged 48 years, is a Graduate in Commerce from Madras University and an Associate Member of Institute of Chartered Accountants of India (ICAI) and an Associate Member of Institute of Company Secretaries of India (ICSI). He has been with Murugappa Group since 1994 and has held various positions in accounts,

finance, sales, marketing, distribution and operations.. He was awarded the prestigious 'Fulbright Scholarship' in USA during the year 2000. He was the Managing director of Parryware Roca P.Ltd. till 2008. He was appointed as Managing Director of Parry Infrastructure Company Private Limited, a wholly owned subsidiary of E.I.D Parry (India) Limited. and also in the board of Parry Agro Industries Limited and Parry Enterprises India Limited. He was appointed as a Director in July 2009

Mr. K. E. Ranganathan does not hold any equity shares in the Company.

The details of other Directorship/Committee membership held by him are as follows:

Managing Director: Parry Infrastructure Company Private Limited

Director: Parry Agro Industries Limited and Parry Enterprises India Limited

Committee Membership: Nil

### Mr. Sridhar Ganesh

Mr. Sridhar Ganesh, aged 59 years, is a graduate in Physics and an alumnus of IIM Calcutta. He has extensive experience in the areas of developing people strategy, building organization culture, leadership development and coaching for performance and has worked across the HR function in organizations like Cadbury Schweppes, Berger Paints etc. He took up the current role as Director HR with the Murugappa Group in February 2007. He is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on Skills & Human Resources. He is also the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. He was appointed as a Director in October 2009

Mr. Sridhar Ganesh does not hold any equity shares in the Company.

The details of other Directorship/Committee membership held by him are as follows:

Director: Carborundum Universal Limited, Laserwords Private Limited, Parry Enterprises India Limited, Parry Agro Industries Limited and Ambadi Enterprises Limited.

Committee Membership : Carborundum Universal Limited - Member- Share Transfer, Finance & Investor Grievance Committee

#### Mr. Jitendra Virwani

Mr. Jitendra Virwani, aged 44 years, is the Chairman of Embassy Group, one of India's largest and arguably among the finest property developers in the world. Mr. Virwani joined the property development business in 1985 at age 19. From 1993 he has been at the helm of affairs of the Group and seen his vision for a world class property development organisation, both in terms of size and excellence, transform into reality. He has been in the field of property development for around last 25 years and possesses wide and rich experience in this field. He is also an active participant in various social welfare activities for making contributions towards the social causes. He is also the founder of Stonehill International School, the first school in South India to offer IB curriculum in all grades. He was appointed as a Director in January 2010.

Mr. Jitendra Virwani does not hold any equity shares in the Company.

The details of other Directorship/Committee membership held by him are as follows:

Managing Director: Golf Link-Embassy Business Park Management Services Private Limited and Golfinks Software Park Private Limited

Director: Concord India Private Limited, D. M. Estates Private Limited, D. S. R. K. Holdings Private Limited, Ditrita Developers Private Limited,

Embassy Construction Development Private Limited, Embassy Leasing Private Limited, Embassy Finvest Private Limited, Embassy Home Inv. Private Limited, Embassy Hs. Fin & Dev. Private Limited, Embassy Realtors Private Limited, Embassy Shelters Private Limited, M. D. Properties Private Limited, Magarath Properties Private Limited, Nam Estates Private Limited, Nam Investments Private Limited, Narpat Holdings Private Limited, Oakwood Developers Private Limited, Oasis Home Holdings Private Limited, Pet Properties & Consts. Private Limited, Raffle Square Dev. Corpn. Private Limited, Infantry holdings Private Limited, Sapphire Realtors Private Limited, Solomon David Holdings Private Limited, Swire Holdings Private Limited, Udhyaman Investments Private Limited, Umbel Properties Private Limited, Embassy Projects Private Limited, Embassy Management Consultants Private Limited, Swire Investments Private Limited, More-Finanshare Investments Private Limited, Dynasty Properties Private Limited, Saltire Developers Private Limited, Pune- Dynasty Projects Private Limited, Pune - Embassy Projects Private limited, Guruprasad Hotels Private Limited, DSRK Holdings (Chennai) Private Limited, Embassy Knowledge Infrastructure Projects Private Limited, Udhay-JVG Realty Private Limited, Udhay-VJ Realty Private Limited, JV Holdings Private Limited, Swire Tech – Park Private Limited, RGE Constructions and Development Private Limited, Starwood Properties Private Limited, LJ-Victoria Properties Private Limited, Polywood Properties Private Limited, VIC Steels Private Limited, GEM Cements Private Limited, Traffalgar Real Estates Properties Private Limited, Neptune Real Estates Private Limited, Blue Lagoon Real Estates Private Limited.

Committee Membership : Nil

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN