

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	"Parry House", 3rd Floor, No.43, Moore Street, Chennai - 600 001

TEN YEARS FINANCIAL HIGHLIGHTS

Rs. in Lacs

	Year Ended 31st March									
OPERATING RESULTS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales	1027.41	627.69	1521.83	2054.75	2392.49	4502.40	6800.84	10024.63	8,920.85	11,269.75
Other Income	26.05	30.26	13.62	27.28	93.16	19.02	22.87	37.85	40.00	190.84
Profit before depreciation	22.49	(36.20)	(2.23)	36.76	153.46	276.97	570.37	799.55	434.49	523.16
Profit Before Tax	14.25	(44.53)	(10.20)	29.38	139.12	251.82	527.49	714.22	330.27	405.12
Profit After Tax	7.25	(65.22)	(43.91)	17.99	115.71	202.96	412.87	467.01	218.94	288.54
Dividend - Equity	-	-	-	-	18.78	48.18	77.07	115.64	76.84	95.73
SOURCES OF FUNDS										
Paid up share capital	164.74	164.74	164.74	164.74	164.74	164.74	164.74	329.48	329.48	329.48
Reserves	274.47	209.25	165.34	181.27	278.20	463.15	766.54	1250.75	1,392.85	1,585.66
Loan Funds	73.17	184.07	230.88	511.14	576.36	1945.45	2997.71	4005.87	5,533.07	7,264.90
Net Deferred Tax Liability	10.46	(4.12)	(18.82)	(10.91)	(2.33)	(0.37)	12.56	47.28	78.80	114.61
Total	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65
APPLICATION OF FUNDS										
Fixed Assets	38.24	34.78	29.35	32.43	79.39	249.02	713.49	1354.24	1,383.68	1,822.54
Investments	35.88	35.88	35.88	31.12	31.12	1.13	1.20	1.25	6.25	5.20
Net Current Assets	448.72	483.28	476.91	782.69	906.46	2322.82	3226.86	4277.89	5,944.27	7,466.91
Total	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65

DIRECTORS – A BRIEF PROFILE

Mr. M M Venkatachalam

Non-Executive Chairman

Mr. M.M.Venkatachalam 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 U.K., Parry Agro Industries Limited, Ambadi Enterprises Limited, Parry Enterprises India Limited, Polutech Ltd etc.

Mr M A M Arunachalam

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 23 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 is a Chemical Engineer (B. Tech) from Anna University. He has more than 31 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 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 53 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 has business experience of over 40 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 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 Private Limited 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. He was appointed as a Director of CECL in July 2009.

Mr. Sridhar Ganesh
Non-Executive Director

Mr. Sridhar Ganesh 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 organisations 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 of CECL in October 2009.

Mr. Jitendra Virwani
Non-Executive Director

Mr. Jitendra Virwani 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 the age of 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 26 years and possesses wide and rich experience in the 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 ID curriculum in all grades. He was appointed as a Director of CECL in January 2010.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SIXTY THIRD Annual General Meeting of the shareholders of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Monday, the 25th July 2011 at 9.30. a.m. at the Registered Office of the Company at 3rd 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 year ended 31st March, 2011 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. S S Rajsekar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri. V Venkateswaran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Shri. J Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 traveling and out of pocket expenses actually incurred by them.

SPECIAL BUSINESS

7. To consider and if deemed fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be required, the Articles of Association of the Company, be amended by substituting the following new Article 96 in the place of the existing Article 96.

The new Article 96 will read as follows:

96. Every Director including the Ex-officio Director shall be paid, out of the funds of the company, a sitting fee of such sum subject to the ceiling prescribed by the Act or Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Board of Directors or of any Committee thereof or otherwise incurred in the execution of his duties as Directors. The Board of Directors may revise the sitting fee payable to the Directors from time to time, not exceeding such sum as may be prescribed under the Act or any statutory modification or re-enactment thereof or by the Central Government.

On behalf of the Board

Place : Chennai
Date : 20th April, 2011

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 Monday, 11th July, 2011 to Monday, 25th July, 2011 (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 (or to their nominees / mandates) whose names appear in the Register of Members of the Company as on 25th July, 2011 and in case of shares in dematerialized form as per the details furnished by the Depositories.
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. 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 & 2009-10 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 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. S S Rajsekar

Mr. S S Rajsekar is a Chemical Engineer (B.Tech). He has more than 31 years of experience in the field of real estate and property related advisory services. He has been on the Board of CECL, since October 2005.

Mr S S Rajsekar does not hold any equity shares in the Company.

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

Director: Chennai Consultancy Services Private Limited, Chidbhava Constructions and Properties Private Limited, Oil and Natural Gas Corporation Limited, Tamilnadu Corporation for Development of Women Limited, ONGC TERI Biotech Limited.

Committee Membership: Oil and Natural Gas Corporation Limited - Human Resource Management Committee & Health Safety & Environment Committee, Audit & Ethics Committee, Project Appraisal Committee, Shareholders' Investors Grievance Committee and Code for Redressal of Grievance of the Parties.

Mr. V Venkiteswaran

Mr V Venkiteswaran is a Mechanical Engineer and has business experience of over 40 years in diverse areas of operation. He has been on the board of CECL, since July 2008.

Mr. V Venkiteswaran does not hold any equity shares in the Company.

Mr. J Srinivasan

Mr J Srinivasan holds a Bachelor's Degree in Economics – Political Science – Commerce. He is also a fellow of the Institute of Company

Secretaries of India. He has been in Industry for over 53 years in different capacities. He has been on the board of CECL, since July 2008.

Mr J Srinivasan does not hold any equity shares in the Company.

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

Director: SSL – TTK Limited and TTK Healthcare Limited

Committee Membership: Nil

On behalf of the Board

Place : Chennai

Date : 20th April, 2011

M.M. VENKATACHALAM
CHAIRMAN

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956.

Item no. 7

At present Article 96 of the Articles of Association of the Company provides for the payment of Directors Sitting Fees not exceeding Rs.3,000/- (Rupees Three Thousand only) per Director for each Meeting attended.

The first proviso to Section 310 of the Companies Act, 1956 read with Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 as amended from time to time provides the following limits for payment of fee for attending each meeting of the Board of Directors or a Committee thereof:

(a)	Companies with a paid up share capital and free reserves of Rs.10 crores and above or turnover of Rs.50 crores and above	Sitting fee not to exceed the sum of Rs.20,000/-
(b)	Other Companies	Sitting fee not to exceed the sum of Rs.10,000/-

Considering the increase in activities of the Company and the time devoted by the Non-Executive Directors for the meetings, it is proposed to authorise the Board of Directors to fix the sitting fee payable to each Director for attending each meeting of the Board of Directors or a Committee thereof of an amount not exceeding the limits prescribed by the Act or Central Government from time to time.

Accordingly, the Board commends the special resolution set out under Item no.7 of the notice for approval of the members.

Interest of Directors

All the non-executive Directors of the Company for the time being may be considered interested in this resolution to the extent of the sitting fee payable to them. Save as aforesaid, none of the Directors is, in any way concerned or interested in the said resolution except to the extent of their respective shareholding in the Company.

On behalf of the Board

Place : Chennai
Date : 20th April, 2011

M.M. VENKATACHALAM
CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the audited accounts for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

Rs. in Lacs

Description	2010 - 11	2009 - 10
Profit/(Loss) Before Interest & Depreciation	675.37	549.53
Less: Depreciation	118.04	104.22
Interest	152.21	115.04
Profit Before Tax	405.12	330.27
Less: Provision for Taxation	116.58	111.33
Profit After Tax	288.54	218.94
Less: Transfer to General Reserve	29.00	22.00
Proposed Dividend	82.37	65.90
Tax on Dividend	13.36	10.94
Add: Earlier years' profit brought forward	649.30	529.20
Profit carried to Balance Sheet	813.11	649.30

OPERATIONS AND PERFORMANCE

During the year under review, your Company recorded a turnover of Rs.11,269.75 Lacs and PBT of Rs.405.12 Lacs as against the last year turnover of Rs. 8,920.85 Lacs and PBT of Rs. 330.27 Lacs.

Your Company, during the year, has undertaken construction of factory buildings for entities across India, in Sectors like Chemicals, Fertiliser, Automobile, Power, Distillery, Cement etc and Residential Apartments and Warehouse. The tender enquiries are increasing and the Company is quoting for tenders in the range of Rs 50 to 100 Crores.

Turnover reported in Property Development is Rs. 1,161.57 Lacs during the year as against Nil sales last year.

Your Company during the year has acquired operational Plant and Machinery and other Fixed Assets amounting to Rs.557.13 Lacs.

LISTING OF SECURITIES IN STOCK EXCHANGES

The Company's Shares are listed in Madras Stock Exchange Limited and Bombay Stock Exchange Limited. Your Directors are pleased to inform that in terms of the agreement entered into by MSE with National Stock Exchange (NSE), the equity shares of your Company are allowed to dealings on the NSE (Capital Market Segment) with effect from 17.02.2011.

ACCREDITATION/RECOGNITION

Your Company has successfully undergone the Surveillance Audit under ISO 9001:2008 for Quality Management System and BS OHSAS 18001:2007 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.

DIVIDEND

The Company has earned a net profit after tax of Rs 288.54 Lacs. Your Directors are pleased to recommend a dividend of Rs. 2.50 (25%) per equity share of Rs.10/- each for the financial year ended March 31, 2011. The total outgo on account of the dividend to be paid to the shareholders will be Rs. 95.73 Lacs (inclusive of dividend distribution tax).

DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company Messrs. S S Rajsekar, V. Venkiteswaran and J Srinivasan, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

A brief resume, expertise and details of other directorships of these Directors are attached along with the Notice convening the ensuing Annual General Meeting.

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.

The Board, subject to the recommendation of the Audit Committee, proposes that M/s.Sundaram & Srinivasan, Chartered Accountants, Chennai bearing registration No. 004207S be re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company. M/s.Sundaram & Srinivasan, Chartered Accountants, Chennai have forwarded a certificate to the Company, stating that their re-appointment, if made, will be within the limit specified in that behalf in sub-section (1B) of section 224 of the Companies Act, 1956.

DEPOSITS

The Company has not accepted any deposits during the financial year.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis Report, Corporate Governance Report and Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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, 2011 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 judgments 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