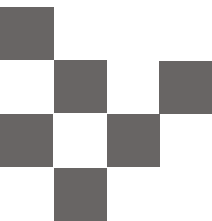




Coromandel Engineering Company Limited
Annual Report 2011 - 2012



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CORPORATE INFORMATION

Board of Directors	<p>Mr. M.M. Venkatachalam – Chairman and Managing Director</p> <p>Mr. M.A.M. Arunachalam</p> <p>Mr. S.S. Rajsekar</p> <p>Mr. J. Srinivasan</p> <p>Mr. V. Venkiteswaran</p> <p>Mr. Sridhar Ganesh</p> <p>Mr. N.V. Ravi (Appointed w.e.f 21.02.2012)</p>
Bankers / Financial Institution	<p>Indian Bank</p> <p>IndusInd Bank Ltd.</p> <p>City Union Bank Ltd.</p> <p>IDBI Bank Ltd.</p> <p>HDFC Bank Ltd.</p> <p>Development Credit Bank Ltd.</p> <p>New India Co-op Bank Ltd.</p> <p>Tata Capital Financial Services Ltd.</p>
Auditors	<p>M/s Sundaram & Srinivasan</p> <p>Chartered Accountants</p>
Company Secretary	<p>Mr. R. Narayanan</p>
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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sales	627.69	1521.83	2054.75	2392.49	4502.40	6800.84	10024.63	8920.85	11275.24	17046.09
Other Income	30.26	13.62	27.28	93.16	19.02	22.87	37.85	40.00	185.34	78.79
Profit/(Loss) before depreciation	(36.20)	(2.23)	36.76	153.46	276.97	570.37	799.55	434.49	523.16	(3088.12)
Profit/(Loss) before Tax	(44.53)	(10.20)	29.38	139.12	251.82	527.49	714.22	330.27	405.12	(3249.32)
Profit/(Loss) after Tax	(65.22)	(43.91)	17.99	115.71	202.96	412.87	467.01	218.94	288.54	(2145.22)
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	329.48	329.48	329.48	2829.48
Reserves	209.25	165.34	181.27	278.20	463.15	766.54	1250.75	1392.85	1585.66	(559.56)
Loan Funds	184.07	230.88	511.14	576.36	1945.45	2997.71	4005.87	5533.07	7264.90	6770.40
Deferred Tax Liability/ (Asset) Net	(4.12)	(18.82)	(10.91)	(2.33)	(0.37)	12.56	47.28	78.80	114.61	(989.49)
Total	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7334.20	9294.65	8050.83
APPLICATION OF FUNDS										
Fixed Assets	34.78	29.35	32.43	79.39	249.02	713.49	1354.24	1383.68	1822.54	2423.15
Investments	35.88	35.88	31.12	31.12	1.13	1.20	1.25	6.25	5.20	5.20
Net Current Assets	483.28	476.91	782.69	906.46	2322.82	3226.86	4277.89	5944.27	7466.91	5622.48
Total	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7334.20	9294.65	8050.83

DIRECTORS – A Brief Profile

Mr. M M Venkatachalam **Chairman & Managing Director**

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 and Managing Director 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 Limited 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 24 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 32 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 54 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 41 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. 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 Chairman 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. N V Ravi
Non-Executive Director

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **SIXTY FOURTH Annual General Meeting of the shareholders of COROMANDEL ENGINEERING COMPANY LIMITED** will be held on **Saturday, the 28th July 2012 at 2.00 p.m. at the Registered Office of the Company at "PARRY HOUSE", III Floor, 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, 2012 and the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To appoint a Director in the place of Mr. M A M Arunachalam who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Sridhar Ganesh, 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 2,30,000 (Rupees Two lacs thirty thousands 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 pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT Mr N V Ravi who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose term of office as Director expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director and who has consented to such appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation.

6. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be required, the Company hereby approves the appointment, by the Board of Directors ("the Board"), of Mr.M.M.Venkatachalam as Managing Director of the Company for a period of five years with effect from 26th April 2012 without any remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

On behalf of the Board

Place: Chennai
Date : 26th April 2012

M M Venkatachalam
Chairman and Managing Director

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 Saturday, 14th July, 2012 to Saturday, 28th July, 2012 (both days inclusive).
4. 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.
5. Members who have not encashed their dividend warrants for the years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 are requested to lodge their claims with the Company.
6. Members are requested to notify the change in their address, if any, immediately so that all communications 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 case of Shareholders holding shares in demat form, the same is to be sent directly to their Depository Participants.

ANNEXURE TO THE NOTICE

A. Information of directors seeking appointment / re-appointment in The Annual General Meeting pursuant to clause 49 of the listing agreement

Item No.2

Mr. M A M Arunachalam

Mr. M A M Arunachalam has done his Bachelors in Commerce and Master in Business Administration from the University of Chicago. He is an Industrialist and has an experience of 24 years in the field of varied industrial activities. He has been on the board of CECL since September 1995

Mr. M A M Arunachalam is holding 2,01,610 Equity Shares in the Company.

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

Directorship	Committee membership
Parry Enterprises India Ltd	-----

Item No.3

Mr. Sridhar Ganesh

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 organizations like Cadbury Schweppes, Berger Paints etc. He was appointed as a Director of CECL 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:

Directorship	Committee membership
(1) Carborundum Universal Ltd	Carborundum Universal Ltd. - Member - Share Transfer, Finance & Investors Grievance Committee
(2) Parry Enterprises India Ltd	
(3) Parry Agro Industries Ltd	
(4) Ambadi Enterprises Ltd	
(5) Murugappa Holdings Ltd	
(6) Parry Murray & Co., Ltd., UK	
(7) Adrenalin ESystems Ltd	

Item No.5

Mr N.V. Ravi

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

He was appointed as the Director of CECL in February 2012

Mr.N.V.Ravi does not hold any Equity Shares in the Company.

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

Directorship	Committee membership
1.Sakthi Auto Motors Limited	
2. Sakthi Finance Financial Services Limited	
3. Sakthi Beverages Limited	

Item No.6

Mr. M M Venkatachalam

Mr. M M Venkatachalam is a graduate in Agriculture and Master in Business Administration from the 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 has been appointed as the Managing Director of the Company effective from 26th April 2012.

Mr. M M Venkatachalam is holding 2,01,610 equity shares in the Company.

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

Directorship	Committee membership / Chairmanship
1. Parry Enterprises India Ltd	1. Ramco Systems Ltd – Chairman – Audit Committee 2. Coromandel International Ltd – Member – Audit Committee
2. Parry Agro Industries Ltd	
3. Cholamandalam Factoring Ltd	
4. Ramco Systems Ltd	
5. Polutech Ltd	
6. Parry Murray & Co.Ltd., UK	
7. Ambadi Enterprises Ltd	
8. USV Ltd	
9. Coromandel International Ltd	
10. Sabero Organics Gujarat Ltd	