



**COROMANDEL ENGINEERING COMPANY LIMITED**

**ANNUAL REPORT 2019-20**

**CORPORATE INFORMATION**

<b>Board of Directors</b>	
Mr. M.M. Venkatachalam - Chairman	(DIN: 00152619)
Mr. M.A.M. Arunachalam	(DIN: 00202958)
Mr. N.V. Ravi	(DIN: 00165666)
Mr. P. Nagarajan	(DIN: 00110344)
Ms. G. Jalaja	(DIN: 00149278)
Mr. R. Surendran	(DIN: 00010017)
<b>Bankers</b>	<b>Company Secretary &amp; Compliance Officer</b>
Indian Bank HDFC Bank Ltd. IndusInd Bank Ltd. RBL Bank Ltd. City Union Bank Ltd.  Tata Capital Financial Services Ltd.	Ms. C. Parvathi Nagaraj
	<b>Statutory Auditors</b>
	CNGSN & Associates LLP Chartered Accountants No. 20, Raja Street, T.Nagar, Chennai-600017
<b>Registered Office</b>	<b>Registrar and Share Transfer Agent</b>
“Parry House”, 5 <sup>th</sup> Floor No. 43, Moore Street Chennai – 600 001  Tel : 25301700 Email: investorservices@cec.murugappa.com Website : www.coromandelengg.com CIN:L74910TN1947PLC000343	KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032  Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001 Fax : +91-40 23420814 Email : einward.ris@kfintech.com Website: www.kfintech.com
<b>72<sup>nd</sup> Annual General Meeting</b>	<b>Date: 23<sup>rd</sup> day of July, 2020</b>
	Day : Thursday Time : 10:00 am

**TEN YEARS FINANCIAL TREND**

(Rs. In lakhs)

YEAR ENDED 31st March										
	2011	2012	2013	2014	2015	2016	2017 *	2018 *	2019*	2020*
<b>OPERATING RESULTS</b>										
Revenue from Operations	11275.24	17046.09	21,639.22	19,924.92	23,039.38	12,220.71	3,133.84	3,250.08	4,571.60	5,767.27
Other Income	185.34	78.79	90.30	109.01	89.70	178.55	70.59	87.64	77.63	326.61
Profit/(Loss) before depreciation	523.16	(3088.12)	(453.31)	(1,020.17)	542.85	504.79	(395.87)	(722.97)	(789.71)	(472.33)
Profit/(Loss) before Tax	405.12	(3249.32)	(668.37)	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)	(806.95)
Profit/(Loss) after Tax	288.54	(2145.22)	(544.05)	(888.17)	112.41	40.37	(767.85)	(1,256.89)	(1,181.90)	(465.61)
Total Comprehensive Income	-	-	-	-	-	-	(770.39)	(1,253.05)	(1,190.25)	(471.03)
Dividend - Equity	95.73	-	-	-	-	-	-	-	-	-
<b>SOURCES OF FUNDS</b>										
Paid up share capital	329.48	2829.48	2,829.48	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	6,158.99
Reserves	1585.66	(559.56)	(1,103.61)	313.14	383.88	424.25	(401.97)	(1,655.02)	(2,845.28)	(3,316.31)
Loan Funds	7264.90	6770.40	8,505.80	10,028.82	7,074.47	2,502.72	2,921.57	5,204.54	5,360.09	3,834.94
Deferred Tax Liability/(Asset) Net	114.61	(989.49)	(1,113.81)	(1,469.12)	(1,546.42)	(1,517.85)	(1,535.42)	(1,369.50)	1,333.75	1,462.16
<b>Total</b>	<b>9294.65</b>	<b>8050.83</b>	<b>9,117.86</b>	<b>12,896.20</b>	<b>9,935.29</b>	<b>5,432.48</b>	<b>5,007.54</b>	<b>6,203.38</b>	<b>7,871.92</b>	<b>8,139.78</b>
<b>APPLICATION OF FUNDS</b>										
Fixed Assets	1822.54	2423.15	3,037.54	3,539.01	2,931.43	2,455.65	2,065.53	1,688.49	1,343.22	1,014.41
Investments	5.20	5.20	5.44	5.44	5.20	5.20	17.67	19.17	15.37	15.37
Net Non Current and Current Assets	7466.91	5622.48	6,074.88	9,351.75	6,998.66	2,971.63	2,924.34	4,495.72	6,513.34	7,110.00
<b>Total</b>	<b>9294.65</b>	<b>8050.83</b>	<b>9,117.86</b>	<b>12,896.20</b>	<b>9,935.29</b>	<b>5,432.48</b>	<b>5,007.54</b>	<b>6,203.38</b>	<b>7,871.92</b>	<b>8,139.78</b>

\* -Figures for periods ending from 31st March 2017 are under Ind AS

\* - Paid up share capital as above includes Preference Share Capital Rs 700 L upto 31st March 2019 and Rs. 2835.63 L from March 2020

## DIRECTORS – A BRIEF PROFILE

**Mr. M.M. Venkatachalam (DIN: 00152619)**

Non-Executive Chairman

Mr. M.M. Venkatachalam is a graduate in Agriculture and has done his Masters in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Company. He is also on the Board of various Companies including E.I.D. Parry (India) Ltd., Coromandel International Ltd., Ramco Systems Ltd., Ramco Cements Ltd., Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Murray & Co. Ltd., U.K. etc.

**Mr. M.A.M. Arunachalam (DIN: 00202958)**

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 32 years in the field of varied industrial activities. He has been on the Board of CEC, since September 1995. He is the Managing Director of Parry Enterprises India Ltd. and is also on the Board of Carborundum Universal Ltd.

**Mr. N.V. Ravi (DIN: 00165666)**

Non-Executive Independent 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 the field of construction and has his own property development firm, which has been doing projects, since 1996. He has been on the Board of CEC, since February 2012.

**Mr. P. Nagarajan (DIN: 00110344)**

Non-Executive Independent Director

Mr. P. Nagarajan is a Chartered Accountant with a Bachelors degree in Commerce from Loyola College; Chennai. He also has a degree in Law (BGL) from the Bangalore University.

He has nearly four decades of post qualification work experience in the field of Finance & Accounts having specialized in areas like Treasury, Working Capital Management, Corporate Taxation, Corporate Restructuring, Project Evaluation etc., He worked in organizations such as Fraser & Ross, Chartered Accountants, HMT Ltd. and Coromandel International Ltd. He retired from Coromandel International Ltd. in 2011, having served the Company as the Head of Finance for 14 years. He has also served as member of few committees of FICCI and Fertiliser Association of India.

He has been on the Board of CEC, since July 2014.

**Ms. G. Jalaja (DIN: 00149278)**

Non-Executive Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 34 years of rich experience in areas of Secretarial, Corporate Finance, Legal and Treasury.

Ms. G. Jalaja joined Murugappa Group in the year 1983 and was the Company Secretary of E.I.D.-Parry (India) Ltd. between 1992 to 2010. She re-joined as Company Secretary of the said Company in the year 2013. In the intervening period, she was CFO of Parrys Sugar Industries Ltd. She has been on the Board of CEC, since March, 2015.

**Mr. R. Surendran (DIN: 00010017)**

Non-Executive Independent Director

Mr. R. Surendran is a Fellow member of the Institute of Chartered Accountants of India, with more than 33 years of experience in Industry and Practice. He also holds Bachelors degree in Science along with Post Graduate Diploma in Financial Management. He has rich industrial experience, having worked with Murugappa Group for nearly 25 years until 2006. His area of strength includes taxation & secretarial matters. He has been on the Board of CEC, since January, 2016.

## BOARD'S REPORT

Your Directors present herewith the 72<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

The performance of the Company for the year is summarized below :

### FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Gross Income	6093.88	4649.23
Profit/(loss) before Interest and Depreciation	189.09	(162.89)
Finance charges	661.42	626.82
Gross Profit/(loss)	(472.33)	(789.71)
Depreciation and Amortization expenses	334.62	356.44
Net Profit/(loss) before tax , after exceptional item	(594.02)	(1146.15)
Provision for tax	(128.41)	35.75
Net Profit/(loss) after tax	(465.61)	(1181.90)
Other Comprehensive Income/(loss)	(5.42)	(8.35)
Total Comprehensive Income	(471.03)	(1190.25)
Balance carried to Balance Sheet	(6407.75)	(5936.72)

### OPERATIONS AND PERFORMANCE

For the year under review, Your Company achieved a gross income of Rs. 6093.88 L (PY: Rs. 4649.23 L) and incurred loss after tax of Rs. 465.61 L (PY Loss : Rs. 1181.90 L). EBITDA was positive at Rs. 189.09 L (PY: Negative Rs. 162.89 L) with improvement in operating efficiencies.

The top line growth in revenue of 26% achieved over the previous year, despite intense competition, has been mainly due to higher success rate in winning orders compared to earlier years. Gradually the number of projects on hand and being executed is improving, leading to reduction in % of employee and other administrative costs to revenue. Progress has been made in resolving some of the past receivable issues and collection, while current projects are getting paid on time. The impact of Covid-19 leading to lock down towards the end

of March 2020 affected the revenue marginally in March 2020. There is however no impact on the order book or on the realization of current assets due to pandemic.

On the Property development business, Your Company has made some progress in liquidating the inventory available in Coimbatore, although there are few apartments to be sold .

The depreciation for the year was at Rs. 334.62 L (PY: Rs.356.44 L). There was an exceptional income to the tune of Rs. 212.93 L on account of waiver of outstanding preference dividend from 13<sup>th</sup> November 2014 to 22<sup>nd</sup> August 2019, by the holders of 7,00,000 preference shares.

The finance cost for the year increased to Rs. 661.42 L (PY: Rs. 626.82 L). The PBT after exceptional items was at negative Rs. 594.02 L (PY: Rs. 1146.15 L).

**DIVIDEND**

As the Company has incurred a loss, no dividend is recommended for the financial year 2019-20. Consequent to the same, the Company has not transferred any amount to general reserve.

**SHARE CAPITAL**

The company's paid-up equity capital was Rs. 3323.36 Lakhs as on 31<sup>st</sup> March, 2020. The company's paid-up preference share capital as on 31<sup>st</sup> March, 2020 stood at Rs. 2835.63 L. ( P Y Rs 700 L ).

During the year, the company obtained the approval of the shareholders at the 71<sup>st</sup> Annual General Meeting for the issue of 23,00,000 - 7% Cumulative Non Participating Redeemable Preference Shares of Rs 100 /- each on private placement basis. Out of the said issue, 12,00,000 - 7% Cumulative Non-Participating Redeemable Preference Shares of Rs 100/- each aggregating to Rs 12,00,00,000/- in tranche 1 and 9,35,630 - 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each aggregating to Rs, 9,35,63,000/- in tranche 2 were allotted on 3<sup>rd</sup> September, 2019 and 24<sup>th</sup> October, 2019 respectively, on private placement basis.

**DETAILS OF DEPOSITS**

The Company has not accepted any Deposits covered under Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF LOANS / GUARANTEES GIVEN / INVESTMENTS MADE**

The Company has not extended any loans, guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

**RISK MANAGEMENT**

With an insight to integrate risk management with the overall strategic and operational practices, the Board of Directors have established a review and monitoring process with the management to

ensure that the risks pertaining to the business are identified, steps are taken to manage and mitigate the same and periodical updates are discussed. The Board of directors ensure a discussion with the management team to enable proper risk oversight by the Board. The Board had constituted a Risk Management Committee, details of the same and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

In addition to the Internal Controls on Operations, the Board has laid down standards, processes and structures to implement internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. The effectiveness of the internal financial controls is ensured by management reviews, continuous monitoring and self-assessment and review of all financial transactions and operating systems by the internal auditors. The Company has also in place, adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses or inefficacy or inadequacy in the design or operation were observed.

**DIRECTORS****RE-APPOINTMENT OF RETIRING DIRECTOR**

Based on the recommendation of Nomination & Remuneration Committee and approval of the Board, Ms. G. Jalaja, Director (DIN: 00149278) who retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.26 of the Articles of Association at the forth coming Annual General Meeting and being eligible, offers herself for re- appointment.

**RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

Mr. P. Nagarajan was appointed as Independent Director of the Company at the Annual General Meeting held on 24<sup>th</sup> July, 2015 for a period of 5 consecutive years up to the conclusion of the 72<sup>nd</sup> Annual General Meeting of the Company. Based



on the recommendation of the Nomination and Remuneration Committee, the Company proposes to re-appoint Mr. P. Nagarajan for a period of 5 years as an Independent Director of the Company from 23<sup>rd</sup> July 2020. The Company has received necessary declaration from him under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and that he has registered himself in the databank maintained by the Indian Institute of Corporate Affairs and has also passed the online proficiency self-assessment test.

In the opinion of the Board, Mr. P. Nagarajan, the Director proposed to be re-appointed as an Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder. In terms of Secretarial Standard on General Meetings (SS-2), the necessary resolutions with explanatory statement for the re-appointment of said Independent Director of the Company is included in the Notice sent along with the annual report.

#### **CHANGE IN KEY MANAGERIAL PERSONNEL**

Mr. Velappan, who was appointed by the Board as Manager of the company and Key Managerial Personnel at the 71<sup>st</sup> Annual General Meeting of the Company held on 24<sup>th</sup> July, 2019, has retired at the closure of business hours i.e. 31<sup>st</sup> March, 2020. He was re-appointed as the Manager of the company in the meeting of the Board held on 08<sup>th</sup> June, 2020 with effect from 08<sup>th</sup> June, 2020 to 31<sup>st</sup> March, 2021 and the necessary resolutions along with the explanatory statement for the re-appointment has been included in the notice sent along with the annual report.

Mr. M. Narayanan who was appointed as the Chief Financial Officer on April 26, 2018 demised on March 28, 2020. The Board placed on record its deepest condolences and took note of his valuable contributions during his association with the company. Mr. K. Thiyagarajan was appointed as the Chief Financial Officer in the meeting of the Board held on 08<sup>th</sup> June, 2020.

#### **EVALUATION OF BOARD'S PERFORMANCE**

As per the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. As part of the familiarization programme, a handbook is provided to all Directors, including Independent Directors, at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders.

The details of familiarization programmes as above are also disclosed on the website of the Company at the link: [http://www.coromandelengg.com/Inv\\_policies.html](http://www.coromandelengg.com/Inv_policies.html).

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149 (6) of the Act, under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and stating that they have

registered themselves in the data bank maintained by the Indian Institute of Corporate Affairs and under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, the Board on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and other employees and their remuneration. The details of the Remuneration Policy are stated in the Corporate Governance Report.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31<sup>st</sup> March 2020, the Board had met Five (5) times, 15<sup>th</sup> May 2019, 18<sup>th</sup> June 2019, 24<sup>th</sup> July, 2019, 24<sup>th</sup> October 2019 and 23<sup>rd</sup> January, 2020. The Audit committee met Four (4) times on 15<sup>th</sup> May 2019, 24<sup>th</sup> July 2019, 24<sup>th</sup> October 2019 and 23<sup>rd</sup> January 2020. The details of the said meetings are given in the Corporate Governance Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors' make the following Statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any
- (b) that the Directors had selected such accounting policies as mentioned in Note No.3 of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2020 and of the profit / loss of the company for the year ended on that date;

- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts for the year ended 31<sup>st</sup> March, 2020 have been prepared on a 'going concern' basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior omnibus approval is obtained for Related Party Transactions ("RPTs") which are of a repetitive nature and entered in the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee. Further, transactions proposed in subsequent quarter are also presented. The details of contracts and arrangements with related parties of the



Company for the financial year under review, are given in notes to the Financial Statements, which forms part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company's website at [http://www.coromandelengg.com/Inv\\_Policies.html](http://www.coromandelengg.com/Inv_Policies.html)

### EXPLANATION AND COMMENTS

The reports of statutory auditors and that of the secretarial auditors are self-explanatory and have no adverse comments.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes or commitments after the closure of the financial year.

### COMPOSITION OF AUDIT COMMITTEE

Audit Committee constituted by the Board pursuant to Section 177 of the Companies Act, 2013, consists of the following members:

Mr. P. Nagarajan	-Chairman
Mr. M.A.M. Arunachalam	-Member
Mr. N.V. Ravi	-Member
Mr. R. Surendran	-Member

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.

### VIGIL MECHANISM

The Company has devised a vigil mechanism in pursuance of the provisions of Section 177(10) of the Companies Act, 2013 for Directors and employees to report genuine concerns or grievances to the Audit Committee in this regard and details whereof are available on the Company's website.

### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, the Board has constituted a Nomination

and Remuneration Committee consisting of the following members:

Mr. N.V. Ravi	-Chairman
Mr. M.M. Venkatachalam	-Member
Mr. P. Nagarajan	-Member

The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company had laid out and following the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013.

Policy on Criteria for Board Nomination and Remuneration policy is available in the website of the Company [http://www.coromandelengg.com/Inv\\_Policies.html](http://www.coromandelengg.com/Inv_Policies.html).

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

In view of the losses incurred by the Company in two of the three previous financial years and average of three years' net profit being negative, the requirement on spending or conducting meetings under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company. The Committee was therefore dispensed with at the board meeting held on 23<sup>rd</sup> January, 2020.

### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The company has not received any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### AUDITORS

#### STATUTORY AUDITORS

The members of the company at the 69<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July 2017, appointed M/s. CNGSN & Associates LLP, Chartered Accountants, (FR No. 004915S/S200036) Chennai as Statutory Auditors of the Company to hold office

until the conclusion of the 74<sup>th</sup> Annual General Meeting. The Statutory auditors have confirmed their eligibility under section 141 of the Companies Act, 2013 and have expressed their willingness to continue as the auditors of the company.

As required under Regulation 33(1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer review board of the institute of Chartered Accountants of India.

The Report given by M/s. CNGSN & Associates LLP Chartered Accountants on the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020 is provided in the Finance Section of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report.

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557) has been appointed as the Cost Auditor of the Company for the financial year 2020-21. The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking ratification for the remuneration payable to Mr. N.V. Thanigaimani is included the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Srinidhi Sridharan & Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed here with. During the year under review, there has been no qualification, reservation or adverse remark or disclaimer in their report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, highlighting the business details, is attached and forms part of this report.

#### **CORPORATE GOVERNANCE REPORT**

The company is committed to good corporate governance practices. All material information were circulated to the directors before their meeting or placed at their meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance along with a Certificate from a Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34(3) of the Listing Regulations is attached to this report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a prevention of Sexual Harassment and Grievance Handling Policy in line with the requirements of The Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2019-20:

No. of complaints received – Nil

No. of complaints disposed of – Not Applicable