



# **COROMANDEL ENGINEERING COMPANY LTD.**

**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. A Sridhar (DIN: 07913908) Mr. R Surendran (DIN:00010017) (Retired w.e.f 24 <sup>th</sup> January, 2021)	
<b>Bankers</b>	<b>Key Managerial Personnel</b>
Indian Bank HDFC Bank Limited IndusInd Bank Limited City Union Bank Limited  Tata Capital Financial Services Limited	Mr. N Velappan – Associate Vice President & Manager Mr. R Selvakumar – Chief Financial Officer Ms. C. Parvathi Nagaraj – Company Secretary & Compliance Officer
	<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 : 044 - 25301700 Email: <a href="mailto:cscecl@cec.murugappa.com">cscecl@cec.murugappa.com</a> Website : <a href="http://www.coromandelengg.com">www.coromandelengg.com</a> CIN:L74910TN1947PLC000343	KFin technologies Private Limited (Formerly Karvy Fintech Private Limited) 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 : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a>
<b>73<sup>rd</sup> Annual General Meeting</b>	<b>Date: 09<sup>th</sup> August, 2021</b>
	Day : Monday Time : 10:00 AM Mode : Video Conferencing

## TEN YEARS FINANCIAL TREND

(Rs. In lakhs)

YEAR ENDED 31 <sup>st</sup> March										
	2012	2013	2014	2015	2016	2017 *	2018 *	2019 *	2020*	2021*
<b>OPERATING RESULTS</b>										
Revenue from Operations	17,046.09	21,639.22	19,924.92	23,039.38	12,220.71	3,133.84	3,250.08	4,571.60	5767.27	10,850.83
Other Income	78.79	90.30	109.01	89.70	178.55	70.59	87.64	77.63	326.61	8.67
Profit/(Loss) before depreciation	(3,088.12)	(453.31)	(1,020.17)	542.85	504.79	(395.87)	(722.97)	(789.71)	(472.33)	(752.82)
Profit/(Loss) before Tax	(3,249.32)	(668.37)	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)	(806.95)	(1,047.09)
Profit/(Loss) after Tax	(2,145.22)	(544.05)	(888.17)	112.41	40.37	(767.85)	(1,256.89)	(1,181.90)	(465.61)	(798.41)
Total Comprehensive Income	-	-	-	-	-	(770.39)	(1,253.05)	(1,190.25)	(471.03)	(793.10)
Dividend - Equity	-	-	-	-	-	-	-	-	-	-
<b>SOURCES OF FUNDS</b>										
Paid up share capital	2829.48	2,829.48	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	6158.99	6,158.99
Reserves	(559.56)	(1,103.61)	313.14	383.88	424.25	(401.97)	(1,655.02)	(2,845.28)	(3316.31)	(4,109.41)
Loan Funds	6,770.40	8,505.80	10,028.82	7,074.47	2,502.72	2,921.57	5,204.54	5,360.09	3834.94	3,093.38
Deferred Tax Liability/(Asset) Net	(989.49)	(1,113.81)	(1,469.12)	(1,546.42)	(1,517.85)	(1,535.42)	(1,369.50)	(1,333.75)	(1462.16)	(1,405.47)
<b>Total</b>	<b>8,050.83</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>5,204.42</b>	<b>5,215.46</b>	<b>3,737.49</b>
<b>APPLICATION OF FUNDS</b>										
Fixed Assets	2,423.15	3,037.54	3,539.01	2,931.43	2,455.65	2,065.53	1,688.49	1,343.22	1014.41	726.25
Investments	5.20	5.44	5.44	5.20	5.20	17.67	19.17	15.37	15.37	15.37
Non Current / Current Assets - Net	5,622.48	6,074.88	9,351.75	6,998.66	2,971.63	2,924.34	4,495.72	3,845.83	4,185.68	2,995.87
<b>Total</b>	<b>8,050.83</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>5,204.42</b>	<b>5,215.46</b>	<b>3,737.49</b>

\* - Figures for period ending from 31<sup>st</sup> March, 2017 are prepared under Ind AS

\* - Paid up share capital includes Rs 2835.63 Lacs Preference Share Capital

## 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) Limited, Coromandel International Limited, Ramco Systems Limited, The Ramco Cements Limited, Parry Agro Industries Limited 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 21 years in the field of varied industrial activities. He has been on the Board of CEC, since September 1995. He is on the Board of various Companies including Tube Investments of India Limited, Cholamandalam Investment and Finance Company Limited, Shanthi Gears Limited, CG Power and Industrial Solutions Limited, Parry Enterprises India Limited etc.

**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 Bachelor's 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 specialization 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 Limited. He retired from Coromandel International Limited 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. He is currently on the Board of Kartik Investments Trust Limited, Parry Sugars Refinery India Private Limited, Ambadi Investments Limited and Murugappa Management Services Limited.

**Ms. G. Jalaja (DIN: 00149278)****Non-Executive Independent Director**

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 35 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) Limited between 1992 to 2010. She re-joined as Company Secretary of the said Company in the year 2013. In the intervening period, she was Chief Financial Officer of Parrys Sugar Industries Limited. She has been on the Board of CEC, since March, 2015.

**Mr. R Surendran (DIN: 00010017)****Non-Executive Independent Director (Retired w.e.f. 24<sup>th</sup> January, 2021)**

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

**Mr. A Sridhar (DIN: 07913908)****Non Executive Director (Additional Director w.e.f. 01<sup>st</sup> May, 2021)**

Mr. A Sridhar is a Chartered Accountant with a post qualification experience of 34 years of service. He had headed finance function in Public-Sector Undertakings, MNC's, various corporate establishments and overseas assignment. The industry exposure includes sectors such as manufacturing, tourism, entertainment and nutraceuticals. In the year 2013, he moved to Parry Agro Industries Limited, a part of Murugappa Group as Head of Operations and promoted as CEO and Whole Time Director in October, 2017. He retired from the services of Parry Agro Industries Limited as the CEO and Whole Time Director on 31<sup>st</sup> December, 2019 and is currently a Non Executive Director on the Board of said company. He joined the Board of CEC in May 2021.

## BOARD'S REPORT

Your Directors present herewith the 73<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

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

### FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Gross Income	10859.50	6093.88
Profit/(loss) before Interest and Depreciation	(104.39)	189.09
Finance charges	648.44	661.42
Gross Profit/(loss)	(752.83)	(472.33)
Depreciation and Amortization expenses	294.26	334.62
Net Profit/(loss) before tax , after exceptional item	(741.72)	(594.02)
Provision for tax	56.69	(128.41)
Net Profit/(loss) after tax	(798.41)	(465.61)
Other Comprehensive Income/(loss)	5.31	(5.42)
Total Comprehensive Income	(793.10)	(471.03)
Balance carried to Balance Sheet	(7200.85)	(6407.75)

### OPERATIONS AND PERFORMANCE

For the year under review, your Company achieved a gross income of Rs. 10859.50 Lakhs (PY: Rs. 6093.88 Lakhs) and incurred loss after tax of Rs. 798.41 Lakhs (PY Loss: Rs. 465.61 Lakhs). EBITDA was negative at Rs. 104.39 Lakhs (PY: Profit Rs. 189.09 Lakhs) mainly due to the disruption caused by the Covid 19 Pandemic in the first half of the year adversely impacting the Revenue and Costs. During the second half of the year, the Company was able to generate higher volumes and performed better.

The top line growth in revenue of 88 % was achieved over the previous year, despite intense competition, and pandemic related issues. This has been mainly due to higher orders on hand and better planning and execution strategies. The number and value of projects on hand has significantly improved, leading to higher revenue and reduction in percentage of employee costs and other administrative costs to

revenue thus improving the margin at site levels. Progress has been made in resolving some of the past receivable issues, while collections in respect of the current projects are generally on time.

Your Company has made good progress in liquidating the Property development inventory available in Coimbatore.

The depreciation for the year was at Rs. 294.26 Lakhs (PY: Rs. 334.62 Lakhs). There was an exceptional credit to the tune of Rs. 305.37 Lakhs on account of waiver of outstanding preference dividend from 23<sup>rd</sup> August, 2019 to 31<sup>st</sup> March, 2021, by the holders of preference shares.

The finance cost for the year was kept in control, in spite of higher volumes at Rs. 648.44 Lakhs (PY: Rs. 661.42 Lakhs). The PBT after exceptional items was at negative of Rs. 741.72 Lakhs (PY: negative of Rs. 594.02 Lakhs).

**DIVIDEND**

As the Company has incurred a loss, no dividend is recommended for the financial year 2020-21. 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, 2021. The Company's paid-up preference share capital as on 31<sup>st</sup> March, 2021 stood at Rs. 2835.63 Lakhs. (PY Rs. 2835.63 Lakhs)

**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 ensures 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.

**BOARD OF DIRECTORS**

Mr. R Surendran, Independent Director, retired on the closing hours of business on 24<sup>th</sup> January, 2021 on completion of his term as an Independent Director. The Board places on record its earnest appreciation for the valuable advice and contributions rendered to the Board during his association with the Company.

Mr. M M Venkatachalam, Director (DIN:00152619) retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.26 of the Articles of Association of the Company at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. In terms of Secretarial Standards on General Meetings (SS-2), the necessary resolution for the re-appointment of Mr. M M Venkatachalam as a Director of the Company is included in the Notice sent along with the annual report.

The Board of Directors, pursuant to the recommendation of the Nomination and Remuneration Committee, considered the re-designation of Ms. G Jalaja (DIN: 00149278), Non Executive Non Independent Director as an Independent Director of the Company with effect from 22<sup>nd</sup> April, 2021 for a term of five consecutive years. She was earlier appointed on the Board as an Additional Director on 20<sup>th</sup> March, 2015 and her appointment as a non-executive and Non Independent Director of the Company was approved by the Members at the Annual General Meeting held on 24<sup>th</sup> July, 2015.

In the opinion of the Board, Ms. G Jalaja meets the criteria of Independence as provided in Section 149(6) of the Act and the Rules framed there under and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and she has submitted the requisite declarations and consent to that effect. She has also provided a declaration that she has registered herself in the databank maintained by the Indian Institute of Corporate Affairs and has been exempted from passing the online proficiency self-assessment test. In terms of Secretarial Standards on General Meetings (SS-2), the necessary resolutions with explanatory statement for the re-designation of said Director of the Company is included in the Notice sent along with the annual report.

Mr. A Sridhar (DIN: 07913908), was appointed as an Additional Director of the Company with effect from 01<sup>st</sup> May, 2021 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, to hold office up to the date of ensuing Annual General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. A Sridhar as a Director of the Company liable to retire by rotation. The required consent and disclosure forms have been received from Mr. A Sridhar. In terms of Secretarial Standards on General Meetings (SS-2), the necessary resolutions with explanatory statement for the appointment of said Director of the Company is included in the Notice sent along with the annual report.

#### **KEY MANAGERIAL PERSONNEL**

Mr. N Velappan was appointed by the Board as Manager of the Company and Key Managerial Personnel and approved by shareholders at the 72<sup>nd</sup> Annual General Meeting of the Company held on 23<sup>rd</sup> July, 2020. As his term concluded at the closure of business hours on 31<sup>st</sup> March, 2021, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 28<sup>th</sup> January, 2021 has considered his re-appointment as the Manager of the Company with effect from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022. The necessary resolutions along with

the explanatory statement for the re-appointment have been included in the notice sent along with the annual report.

Mr. K Thiyagarajan who was appointed as the Chief Financial Officer on 08<sup>th</sup> June, 2020 resigned due to personal reasons, with effect from the closing hours of business on 31<sup>st</sup> January, 2021. The Board noted his contributions during his association with the Company. The Board at its meeting held on 28<sup>th</sup> January, 2021 appointed Mr. R Selvakumar as the Chief Financial Officer of the Company with effect from 01<sup>st</sup> February, 2021.

#### **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 Requirement) 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/index.html>

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations 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 meet with the criteria of Independence laid down in Section 149(6) of the Act, under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) and stating that they have registered themselves in the data bank maintained by the Indian Institute of Corporate Affairs and the Independent Directors have passed/ are exempted from passing the Online Proficiency Self-Assessment Test, as applicable.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and the rules made there under and the Listing Regulations for appointment as Independent Director and confirm that they are independent of the management. Pursuant to the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors of the company had a separate meeting during the financial year without the attendance of non-independent Directors and members of management.

**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 2021, the Board had met Four (4) times; 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) in the preparation of the annual financial statements for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed and no material departures have been made from the same;

(b) the accounting policies as mentioned in Note No. 3 of the Financial Statements have been selected and applied 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, 2021 and of the loss of the company for that period;

(c) proper and sufficient care has been taken 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) the annual accounts for the year ended 31<sup>st</sup> March, 2021 have been prepared on a going concern basis;

(e) the internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and operating effectively;

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are 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 on an arm's length basis. 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)

#### 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

\*Ceased to be a Director with effect from 24<sup>th</sup> January, 2021.

During the year, four Audit Committee meetings were held, the details of which are given in the Corporate Governance Report.

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 the policy on appointment of Directors 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.

During the year, two meetings of the Nomination and Remuneration Committee were held, the details of which are given in the Corporate Governance Report.

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

#### CORPORATE SOCIAL RESPONSIBILITY

In view of the losses incurred by the Company during the three previous financial years and average of three years' net profit being negative, the requirement on spending or constitution of the Corporate Social Responsibility Committee under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company.

#### 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 Requirement) 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, 2021 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) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of products of the Company covered under CETA categories and appoint a cost auditor to conduct the cost audit of the cost records of the Company.

The Board based on the recommendation of the Audit Committee, had appointed Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557) of M/s. Thanigaimani & Associates, Cost Accountants as the Cost Auditor of the Company for the Financial Year 2020-21 on a remuneration of Rs. 75,000/-. Further, the Board has re-appointed Mr. N V Thanigaimani to conduct the audit of the cost records of the Company for the Financial Year 2021-22 at the same remuneration. 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 the Cost Auditor for the Financial Year 2021-22 is

included the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDITORS**

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 M/s. Srinidhi Sridharan & Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report is annexed here with as Annexure - I. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors 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 as Annexure - II.

#### **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 Requirement) 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 as Annexure – IV and Annexure – V respectively.

#### **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