



# ANNUAL REPORT 2022-23

**COROMANDEL ENGINEERING COMPANY LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. M M Venkatachalam  
Non-Executive Director, Chairman  
(DIN: 00152619)

Mr. A Sridhar  
Non-Executive Director  
(DIN: 07913908)

Mr. S Shamsuddin  
Non-Executive Director  
(DIN: 07954397)

Mr. N V Ravi  
Non-Executive,  
Independent Director  
(DIN: 00165666)

Mr. P Nagarajan  
Non-Executive,  
Independent Director  
(DIN: 00110344)

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

### KEY MANAGERIAL PERSONNEL

Mr. N Velappan  
Associate Vice President & Manager

Mr. R Selvakumar  
Chief Financial Officer

Ms. C. Parvathi Nagaraj  
Company Secretary &  
Compliance Officer

### BANKERS

HDFC Bank Limited  
Indian Bank  
IndusInd Bank Limited

IDFC First Bank Limited  
Tata Capital Financial Services Limited

### AUDITORS

CNGSN & Associates LLP,  
Chartered Accountants  
Statutory Auditors

Srinidhi Sridharan & Associates,  
Company Secretaries  
Secretarial Auditors

### REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited (Formerly Kfin Technologies Private Limited)  
Selenium Tower B, Plot 31-32, Gachibowli, Financial District  
Nanakramguda, Hyderabad-500032  
Tel:91-40-23420815 to 23420824 Fax: +91-4023420814  
Toll Free No.1-800-3454001

### REGISTERED OFFICE

“Parry House”, 5<sup>th</sup> Floor No. 43, Moore Street, Chennai-600001  
Tel:044-25301700  
Email:[cscecl@cec.murugappa.com](mailto:cscecl@cec.murugappa.com)  
Website:[www.coromandelengg.com](http://www.coromandelengg.com)  
CIN:L74910TN1947PLC000343

### 75<sup>TH</sup> ANNUAL GENERAL MEETING

75<sup>th</sup> Annual General Meeting  
through Video Conferencing or Other Audio-Visual Means  
on Friday, **14<sup>th</sup> July 2023** at 10.00 a.m.

## TEN YEARS FINANCIAL TREND

(Rs. In lakhs)

YEAR ENDED 31 <sup>st</sup> March										
	2014	2015	2016	2017*	2018*	2019*	2020*	2021*	2022*	2023*
<b>OPERATING RESULTS</b>										
Revenue from Operations	19,924.92	23,039.38	12,220.71	3,133.84	3,250.08	4,571.60	5767.27	10,850.83	13,299.57	12651.10
Other Income	109.01	89.70	178.55	70.59	87.64	77.63	326.61	8.67	3.82	4.92
Profit/(Loss) before depreciation	(1,020.17)	542.85	504.79	(395.87)	(722.97)	(789.71)	(472.33)	(752.82)	(488.68)	(361.01)
PBT before Exceptional Income	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)	(806.95)	(1,047.09)	(762.81)	(583.83)
PBT After Exceptional Income	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)	(594.02)	(741.72)	(564.32)	(385.34)
Profit/(Loss) after Tax	(888.17)	112.41	40.37	(767.85)	(1,256.89)	(1,181.90)	(465.61)	(798.41)	(796.68)	(450.86)
Total Comprehensive Income	-	-	-	(770.39)	(1,253.05)	(1,190.25)	(471.03)	(793.10)	(796.47)	(451.94)
<b>SOURCES OF FUNDS</b>										
Paid up share capital	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	6158.99	6,158.99	6,158.99	6158.99
Reserves	313.14	383.88	424.25	(401.97)	(1,655.02)	(2,845.28)	(3316.31)	(4,109.41)	(4,919.85)	(5371.79)
Loan Funds	10,028.82	7,074.47	2,502.72	2,921.57	5,204.54	5,360.09	3834.94	3,093.38	1432.16	2442.23
Deferred Tax Liability/(Asset)Net	(1,469.12)	(1,546.42)	(1,517.85)	(1,535.42)	(1,369.50)	(1,333.75)	(1462.16)	(1,405.47)	(1173.11)	(1107.59)
<b>Total</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>1498.19</b>	<b>2121.84</b>
<b>APPLICATION OF FUNDS</b>										
Fixed Assets	3,539.01	2,931.43	2,455.65	2,065.53	1,688.49	1,343.22	1014.41	726.25	492.36	347.31
Investments	5.44	5.20	5.20	17.67	19.17	15.37	15.37	15.37	-	-
Non Current/Current Assets-Net	9,351.75	6,998.66	2,971.63	2,924.34	4,495.72	3,845.83	4,185.68	2,995.87	1005.83	1774.53
<b>Total</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>1498.19</b>	<b>2121.84</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 Director, 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. 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 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 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 Private 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 and retired in December 2018. In the intervening period from 2010 to 2013, she was the Chief Financial Officer of Parrys Sugar Industries Limited. She has been on the Board of CEC, since March, 2015. She is currently on the Board of Murugappa Management Services Private Limited.

**Mr. A Sridhar – (DIN 07913908)****Non-Executive Director**

Mr. A Sridhar is a Chartered Accountant with a post qualification experience of 35 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 was 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 31st December, 2019. He is currently a Non Executive Director on the Board of Parry Agro Industries Limited, Parry Sugar Refinery India Private Limited, Parrys Investments Limited etc. and the Chief Financial Officer of E.I.D. – Parry (India) Limited.

**Mr. S Shamsuddin (DIN 07954397)****Non-Executive Director**

Mr. S. Shamsuddin is a Science graduate and holds a Master Degree in Law from Madras University. He was enrolled as an Advocate and practiced in the High Court of Madras. Then he joined M/s Ennore Foundries Limited (Hinduja Group) in the Legal & Secretarial Department. Then he joined E.I.D. - Parry (India) Limited, heading the Legal Department and retired as General Manager. He is presently offering his consultancy services to the Diversified Business Group of Companies of Murugappa Group.

## BOARD'S REPORT

Dear Members,

Your Directors' present the 75<sup>th</sup> Annual Report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2023.

The financial performance of the Company for the financial year ended 31<sup>st</sup> March 2023 is summarised below:

### FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Gross Income	12656.02	13303.39
Profit/(loss) before Interest and Depreciation	60.23	(17.16)
Finance charges	421.24	471.52
Gross Profit/(loss)	(361.01)	(488.68)
Depreciation and Amortization expenses	222.82	274.12
Net Profit/(loss) before tax , after exceptional item	(385.34)	(564.32)
Provision for tax	65.52	232.36
Net Profit/(loss) after tax	(450.86)	(796.68)
Other Comprehensive Income/(loss)	(1.08)	0.21
Total Comprehensive Income	(451.94)	(796.47)
Balance carried to Balance Sheet	(8449.26)	(7997.32)

### OPERATIONS AND PERFORMANCE

For the year under review, your company achieved a gross income of Rs. 12656.02 Lakhs and incurred a loss after tax of Rs.450.86 Lakhs. EBITDA was positive at Rs.60.23 Lakhs (as compared to Rs. 17.16 Lakhs negative in the previous financial year). Depreciation for the year was Rs.222.82 Lakhs.

Your Company has put in several systems and review processes and has adopted better planning and execution strategies. The order book is also at healthy levels.

There has been good improvement in ensuring timely collection from current projects and finance costs were kept under control.

### DIVIDEND AND GENERAL RESERVE

In view of the accumulated losses, no dividend is recommended for the financial year 2022-23. The Company has not transferred any amount to the general reserve.

### SHARE CAPITAL

As on 31<sup>st</sup> March 2023, the Company's paid-up equity capital is Rs.3323.36 Lakhs. The paid-up preference share capital as on 31<sup>st</sup> March 2023 stood at Rs.2835.63 Lakhs.

Due to its financial position, the Company was not able to meet its liabilities in respect of Preference shareholders. Hence the Board of Directors of the Company resolved that the Company's paid up Preference Share Capital be wholly reduced by extinguishing all rights to payments to be made to Preference Shareholders subject to the consent of the Preference Shareholders, Equity Shareholders and other statutory authorities.

As stated in the notes to the accounts in the previous year, the company had, based on the consent provided by the preference shareholders and Equity Shareholders during FY 2021-22 for complete extinguishment of the rights of preference

shareholders and entitlements with respect to the preference shares of the value of Rs.2835.63 lakhs allotted to them had approached the NCLT, Chennai, with a Scheme of Reduction of Preference Share capital. The NCLT vide its order dated 9<sup>th</sup> of May 2023, has approved the said extinguishment of the entire obligation of the Company with respect to the Preference Share Capital of Rs.2835.63 lakhs.

As per the Board resolution of the Company, the extinguishment will come into effect from the date of approval of NCLT which is 9<sup>th</sup> May 2023. Hence, the effect of extinguishment is not considered in the financial statements of the Company for the year ending 31<sup>st</sup> March 2023 and as at 31<sup>st</sup> March 2023. The terms of the order of NCLT in CP No. 42 (CHE) of 2022 dated May 9<sup>th</sup>, 2023, have been fully complied with and duly certified by the Company Secretary and Compliance Officer.

Consequent to the extinguishment of entire obligations towards preference share capital as approved by the NCLT, the net worth of the Company which is (Rs. 2048.43 Lakhs Negative) as on 31<sup>st</sup> March 2023 will stand improved to Rs.787.20 Lakhs (Positive).

The above facts have been taken note of by the Directors as material facts occurring after the Balance Sheet date. The necessary financial effect of the extinguishment of the preference share capital of the company will be given effect in the first quarter of FY 2023-24.

#### **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 OR INVESTMENTS**

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 robust 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 periodical discussion with the management team to enable proper risk oversight by the Board.

#### **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 internal audit plan is also aligned to the business objectives of the Company, which is reviewed and approved by the Audit Committee. Further, the Audit Committee monitors the adequacy and effectiveness of the Company's internal control framework. Significant audit observations are followed-up and the actions taken are reported to the Audit Committee. The Company has also in place, adequate Internal Financial Controls with reference to Financial Statements. The internal control system ensures compliance with all applicable laws and regulations and facilitates optimum utilisation of available resources and protects the interests of all stakeholders.

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 & KEY MANAGERIAL PERSONNEL**

As on 31<sup>st</sup> March 2023, the Board of Directors of the Company comprises of 6 Directors out of which 3 Directors are independent.

During the year under review, there were no changes in the composition of the Board of Directors.

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed there under, Mr. M M Venkatachalam (DIN 00152619), Non-Executive Director and Chairman of the Company is liable to retire by rotation, at the ensuing Annual General Meeting and being eligible offered himself for reappointment. The resolution seeking members approval for the re-appointment of Mr. M M Venkatachalam as a Director of the Company is included in the Notice convening the 75<sup>th</sup> Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and they fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are uploaded on the website of the Company at the link [http://www.coromandelengg.com/Inv\\_Policies.html](http://www.coromandelengg.com/Inv_Policies.html)

The Board of Directors has carried out an annual evaluation of its own performance, working of its Committees, Individual Directors and Chairman of the Company pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder and SEBI (LODR) Regulations. The performance was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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. At its meeting held on 23<sup>rd</sup> March 2023, the performance of the Non-Independent Directors, the Board as a whole and the Chairman

of the Board was evaluated, taking into account the views of Directors.

The Board pursuant to the recommendation of the Nomination & Remuneration Committee, at its meeting held on 30<sup>th</sup> May 2023 considered and re-appointed Mr. N Velappan as Manager of the Company for a period of one year from 1<sup>st</sup> June 2023 up to and including 31<sup>st</sup> May 2024. His appointment shall be subject to the approval of the shareholders. The resolution seeking members approval for the re-appointment of Mr. N Velappan as Manager of the Company is included in the Notice convening the 75<sup>th</sup> Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. N Velappan, Manager, Mr. R Selvakumar, Chief Financial Officer and Ms. C Parvathi Nagaraj, Company Secretary & Compliance Officer.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the financial year ended 31<sup>st</sup> March 2023, 4 (Four) Board Meetings were held. Details of the meetings held and attendance of each Director are given in the Corporate Governance Report forming part of this Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and ability confirm as under:

- (a) in the preparation of the annual Financial Statements, 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, 2023 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 of the company 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.

#### **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (LODR) Regulations. The Audit Committee comprises of all Independent Directors namely, Mr. P Nagarajan, Mr. N V Ravi and Ms. G Jalaja. Mr. P Nagarajan is the Chairperson of the Committee.

During the year, four meetings of the Audit Committee 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.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has a process in place to periodically review and monitor Related Party Transactions. All Related Party Transactions entered during the financial year were placed before the Audit Committee for approval and were in the ordinary course of the business of the Company and were on arm's length basis. There were no related party transactions that had conflict with the interest of the Company. During the year, none of the transactions with related parties came under the purview of Section 188(1) of the Act. Accordingly, the NIL disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is enclosed. The Policy

on Related Party Transactions, as approved by the Board, is available on the Company's website at [http://www.coromandelengg.com/PDF/2022-23/Policies/Policy\\_RelatedParty.pdf](http://www.coromandelengg.com/PDF/2022-23/Policies/Policy_RelatedParty.pdf)

#### **VIGIL MECHANISM**

In accordance with Section 177 of the Act and the SEBI (LODR) Regulations, the Company has formulated a Vigil Mechanism and has a whistle blower policy in place to address the genuine concerns or grievances, if any, of the directors and employees. The whistle blower policy is available on the website of the Company at [http://www.coromandelengg.com/PDF/2022-23/Policies/Policy\\_WhistleBlower.pdf](http://www.coromandelengg.com/PDF/2022-23/Policies/Policy_WhistleBlower.pdf)

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Company has in place a Nomination and Remuneration Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (LODR) Regulations. The Nomination and Remuneration Committee comprises of majority Independent Directors namely, Mr. N V Ravi, Mr. P Nagarajan and Mr. M M Venkatachalam. Mr. N V Ravi is the Chairperson of the Committee.

During the year, one meeting of the Nomination and Remuneration Committee was held, the details of which are given in the Corporate Governance Report.

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

#### **REMUNERATION POLICY**

The Board, based on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and other employees and their remuneration. This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015, to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance



and a balance between rewarding short and long-term performance of the Company. The policy is uploaded on the website of the Company at the link [http://www.coromandelengg.com/PDF/2022-23/Policies/Policy\\_NRC.pdf](http://www.coromandelengg.com/PDF/2022-23/Policies/Policy_NRC.pdf)

### **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.

### **AUDIT**

#### **STATUTORY AUDIT**

CNGSN & Associates LLP, Chartered Accountants, (FR No. 004915S/S200036) Chennai were appointed as Statutory Auditors of the Company at the 74<sup>th</sup> Annual General Meeting of the Company held on 3<sup>rd</sup> August, 2022, to hold office for a term of 5 consecutive years until the conclusion of 79<sup>th</sup> Annual General Meeting of the Company.

The Company has received confirmation from CNGSN & Associates LLP, Chartered Accountants that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of ICAI and they are not disqualified from continuing as Auditors of the Company.

The Independent Auditors' Report(s) to the Members of the Company in respect of the Financial Statements for the Financial Year ended 31<sup>st</sup> March 2023 form part of this Annual Report and does not contain any qualification(s) or adverse observations.

#### **COST AUDIT**

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 Thanigaimani & Associates, Cost Accountants as the Cost Auditor of the Company for the Financial Year 2022-23 on a remuneration of Rs. 75,000/-. Further, the Board, based on the recommendations of the Audit Committee, has re-appointed Mr. N V Thanigaimani to conduct the audit of the cost records of the Company for the Financial Year 2023 - 24. 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 2023-24 is included in the Notice convening the 75<sup>th</sup> 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 Srinidhi Sridharan & Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report is enclosed. There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditors in their report.

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

The Management Discussion and Analysis for the year under review as stipulated under Regulation 34(2) of the SEBI (LODR) Regulations, highlighting the business details, is attached and forms part of this report.

#### **CORPORATE GOVERNANCE REPORT**

In terms of Regulation 34 of the Securities and Exchange Board of India (LODR) Regulations, a report on Corporate Governance along with a Certificate from a Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance is attached to this report.

**COMPLIANCE WITH THE PROVISIONS OF 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 workplace (Prevention, Prohibition & Redressal) Act, 2013. An 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. During the year ended 31<sup>st</sup> March, 2023, the Company has not received any complaints pertaining to Sexual Harassment.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, & FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company's core activity is civil construction which is not power intensive. Hence, the Company does not have any commercial activity that calls for conservation of energy and/ or technology absorption, attracting disclosure in pursuance of Rule 8(3) of the Companies (Accounts) Rules, 2014. During the year, the Company did not have any foreign exchange earnings and outgo.

**SUBSIDIARIES/ASSOCIATES/JOINT VENTURES**

The Company does not have any Subsidiaries/ Associates/Joint Ventures.

**ANNUAL RETURN**

The details forming part of the annual return in the prescribed Form MGT-7 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available at the website of Company: [http://coromandelengg.com/Inv\\_AnnualGeneralMeeting.html](http://coromandelengg.com/Inv_AnnualGeneralMeeting.html)

**SECRETARIAL STANDARDS**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

**PARTICULARS OF EMPLOYEES**

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013 and information relating to employees to be disclosed under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this report.

**GENERAL**

The Company has not issued equity shares with differential voting rights or sweat equity shares, there is no reportable event with respect to one time settlement with any Bank or Financial Institution and no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal.

**CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business during the financial year under review.

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

Due to its financial position, the Company was not able to meet its liabilities in respect of Preference shareholders. Hence the Board of Directors of the Company resolved that the Company's paid up Preference Share Capital be wholly reduced by extinguishing all rights to payments to be made to Preference Shareholders subject to the consent of the Preference Shareholders, Equity Shareholders and other statutory authorities.

As stated in the notes to the accounts in the previous year, the company had, based on the consent provided by the preference shareholders and Equity Shareholders during FY 2021-22 for complete extinguishment of the rights of preference shareholders and entitlements with respect to the preference shares of the value of Rs.2835.63 lakhs allotted to them had approached the NCLT, Chennai, with a Scheme of Reduction of Preference Share capital. The NCLT vide its order dated 9<sup>th</sup> of May 2023, has approved the said extinguishment of