



*BUILDING TRUST*  
*SINCE 1947*

COROMANDEL ENGINEERING COMPANY LIMITED  
ANNUAL REPORT 2009 - 2010



## Building Trust

Six decades is considered a full circle and a business that completes this circle is said to be built on a strong foundation. At Coromandel Engineering, for sixty two years, the business itself is of buildings and foundations. Foundations for landmark buildings and edifices. Foundations for residential complexes and imposing corporate offices. The same engineering that gave Chennai its first high rise structure, is still inherent in every brick that is laid, every building that is built. A standing testimony to quality, dependability and trust.

Quality and trust- that is the cornerstone of business at Coromandel Engineering. The Company is certified for ISO 9001:2008 Standards for Quality Management and BS OHSAS 18001:2007 for Safety Management Systems. A reputed name in construction of factory buildings for industries as wide and varied as Sugar, Tyre, Distillery, Cement, Power, etc., Coromandel has also earned the trust of customers through its well known “Coral” brand in the property development (housing) segment.

The India growth story presents a huge opportunity in the construction sector. Coromandel Engineering with its strong focus on quality, innovation and delivery commitment is well poised to grow aggressively in the years ahead.

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## Corporate Information

Board of Directors	Mr. M.M. Venkatachalam - Chairman
	Mr. M.A.M. Arunachalam
	Mr. S.S. Rajsekar
	Mr. J. Srinivasan
	Mr. V. Venkiteswaran
	Mr. K. E. Ranganathan
	Mr. Sridhar Ganesh
	Mr. Jitendra Virwani
Bankers	Indian Bank
	IndusInd Bank Ltd.
	City Union Bank Ltd.
	IDBI Bank Ltd.
	HDFC Bank Ltd.
	Development Credit Bank Ltd.
	New India Co-op Bank Ltd
Auditors	M/s Sundaram & Srinivasan
	Chartered Accountants
Compliance Officer	P.R. Sundar
Registered Office	<p>“Parry House”, 3rd Floor, No.43, Moore Street, Chennai - 600 001</p>

## TEN YEARS FINANCIAL HIGHLIGHTS

(Rs in Lacs)

OPERATING RESULTS	Year Ended 31st March									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales	1138.46	1027.41	627.69	1521.83	2054.75	2392.49	4502.40	6800.84	10024.63	8,920.85
Other Income	67.64	26.05	30.26	13.62	27.28	93.16	19.02	22.87	37.85	40.00
Profit before depreciation	89.47	22.49	(36.20)	(2.23)	36.76	153.46	276.97	570.37	799.55	434.49
Profit Before Tax	82.66	14.25	(44.53)	(10.20)	29.38	139.12	251.82	527.49	714.22	330.27
Profit After Tax	17.66	7.25	(65.22)	(43.91)	17.99	115.71	202.96	412.87	467.01	218.94
Dividend - Equity	-	-	-	-	-	18.78	48.18	77.07	115.64	76.84
SOURCES OF FUNDS										
Paid up share capital	164.74	164.74	164.74	164.74	164.74	164.74	164.74	164.74	329.48	329.48
Reserves	279.60	274.47	209.25	165.34	181.27	278.20	463.15	766.54	1250.75	1,392.85
Loan Funds	45.46	73.17	184.07	230.88	511.14	576.36	1945.45	2997.71	4005.87	5,533.07
Net Deferred Tax Liability	-	10.46	(4.12)	(18.82)	(10.91)	(2.33)	(0.37)	12.56	47.28	78.80
Total	489.80	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20
APPLICATION OF FUNDS										
Fixed Assets	42.82	38.24	34.78	29.35	32.43	79.39	249.02	713.49	1354.24	1,383.68
Investments	35.89	35.88	35.88	35.88	31.12	31.12	1.13	1.20	1.25	6.25
Net Current Assets	411.09	448.72	483.28	476.91	782.69	906.46	2322.82	3226.86	4277.89	5,944.27
Total	489.80	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20

## DIRECTORS – A BRIEF PROFILE

Mr. M.M. Venkatachalam  
Non Executive Chairman

Mr. M. M Venkatachalam, aged 51 years, is a graduate in Agriculture and Master in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Board of Directors of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Murray & Co. Limited, Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Enterprises India Limited and Polutech Ltd.

Mr. M.A.M. Arunachalam  
Non Executive Director

Mr. M.A.M. Arunachalam, aged 43 years, has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 22 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, aged 55 years, is a Chemical Engineer (B. Tech) from Anna University. He has more than 30 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, aged 70 years, 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 52 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, aged 63, has business experience of over 39 years in diverse areas of operations. He is a Mechanical Engineer from the University of Madras and worked over 36 years with Tata Tea Limited, initially overseeing the technical aspects of large tea plantations before attaining the position of GM. He held several key management positions in diverse operations like heading a subsidiary Company in the US, the Tata Tetley JV at Cochin and was responsible for a number of green field projects in India and abroad. All this culminated in his position as Executive Director of TTL between 2002 and 2006, after which he was a consultant for specific overseas projects till August, 2007. He has been on the board of CECL, since July 2008.

Mr. K.E.Ranganathan  
Non Executive Director

Mr.K.E.Ranganathan, aged 48 years, is a Graduate in Commerce from Madras University and an Associate member of Institute of Chartered Accountants of India (ICAI) and an Associate member of Institute of Company Secretaries of India (ICSI).He has been with Murugappa Group since 1994 and has held various positions in accounts, finance, sales, marketing, distribution and operations. He was awarded the prestigious 'Fulbright Scholarship' in USA during the year 2000. He was the Managing director of Parryware Roca P.Ltd. till 2008. He was appointed as Managing Director of Parry Infrastructure Company Private Limited, a wholly owned subsidiary of EID Parry (India) Limited. and also in the board of Parry Agro Industries Limited and Parry Enterprises India Limited. He was appointed as a Director in July 2009.

Mr. Sridhar Ganesh  
Non Executive Director

Mr. Sridhar Ganesh, aged 59 years, 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 took up the current role as Director HR with the Murugappa Group in February 2007. He is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on Skills & Human Resources. He is also the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. He was appointed as a Director in October 2009.

Mr. Jitendra Virwani  
Non Executive Director

Mr. Jitendra Virwani, aged 44 years, is the Chairman of Embassy Group, one of India's largest and arguably among the finest property developers in the world. Mr.Virwani joined the property development business in 1985 at age 19. From 1993 he has been at the helm of affairs of the Group and seen his vision for a world class property development organisation, both in terms of size and excellence, transform into reality. He has been in the field of property development for around last 25 years and possesses wide and rich experience in this field. He is also an active participant in various social welfare activities for making contributions towards the social causes. He is also the founder of Stonehill International School, the first school in South India to offer IB curriculum in all grades. He was appointed as a Director in January 2010.

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SIXTY SECOND Annual General Meeting of the shareholders of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Thursday, the 29<sup>th</sup> July 2010 at 10.00 a.m. at the Registered Office of the Company at 3<sup>rd</sup>Floor, "PARRY HOUSE", No.43, Moore Street, Chennai - 600 001 to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the financial year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Shri. M. A. M. Arunachalam, 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.2,00,000/- (Rupees Two lakhs 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 appoint Mr. M. M. Venkatachalam as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of

Rs.500/- signifying his intention to move the following resolution as an Ordinary Resolution:  
RESOLVED THAT Mr.M.M. Venkatachalam be and is hereby appointed as a Director of the Company.

6. To consider and if deemed fit, to appoint Mr. K. E. Ranganathan as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/- signifying his intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. K. E. Ranganathan be and is hereby appointed as a Director of the Company.

7. To consider and if deemed fit, to appoint Mr. Sridhar Ganesh as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/- signifying his intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Sridhar Ganesh be and is hereby appointed as a Director of the Company.

8. To consider and if deemed fit, to appoint Mr. Jitendra Virwani as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/- signifying his intention to move the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Jitendra Virwani be and is hereby appointed as a Director of the Company.

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. (Proxy form is annexed herewith). The proxy form duly completed must be sent so as to reach the Company, not less than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 15<sup>th</sup> July, 2010 to Thursday, the 29<sup>th</sup> July, 2010 (both days inclusive).
4. Dividend as recommended by the Board, if declared at the meeting, the payment will be made within 30 days to those members whose names appear in the Register of Members of the Company as on 29<sup>th</sup> July, 2010 or in the Register of Beneficial owners maintained by the Depositories as at the close of working hours as on 14<sup>th</sup> July, 2010 or to their nominees / mandates
5. As per Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF). It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie with the Company in respect of such amount.
6. Members who have not encashed their dividend warrants for the years 2005-2006, 2006-2007, 2007-2008 & 2008-2009 are requested to lodge their claims with the Company.
7. Members are requested to notify the change in their address, if any, immediately so that the dividend can be sent to the latest address. In case of Shareholders holding shares in physical

form, all intimations regarding change of address and change of bank account details etc are to be sent to M/s. Karvy Computer Shares Private Limited, Unit: Coromandel Engineering Company Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 and in cases of Shareholders holding shares in demat form, the same is to be sent directly to their Depository Participants.

8. As per clause 49 of the Listing Agreement, a brief resume and functional expertise of the Directors proposed for appointment / re-appointment are furnished below along with the details of Companies in which they are Directors and the Board Committees of which they are members.

Mr. M. A. M. Arunachalam

Mr. M.A.M. Arunachalam, aged 43 years has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 22 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. M. A. M. Arunachalam holds 201610 equity shares of Rs. 10/- each in the Company.

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

Managing Director: Parry Enterprises India Limited

Director: New Ambadi Estates Private Limited, Placon (India) Private Limited and A. M.M.Arunachalam & Sons Private Limited

Committee Membership: Nil



### Mr. M. M. Venkatachalam

Mr.M.M.Venkatachalam, aged 51 years, is a graduate in Agriculture and Master in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Board of Directors of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Murray & Co. Limited, Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Enterprises India Limited and Polutech Ltd.

Mr. M. M. Venkatachalam holds 201610 equity shares of Rs. 10 each in the Company.

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

Chairman: Parry Agro Industries Limited, Parry Enterprises India Limited and Ambadi Enterprises Limited

Director: Coromandel International Limited, Ramco Systems Limited, USV Limited, New Ambadi Estates Private Limited, New Ambadi Investments & Enterprises P.Ltd., Cholamandalam Factoring Limited, Laserwords Private Limited, Parry Murray & Co. Limited, UK, Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited, Polutech Limited, M M Muthiah Sons Private Limited

Committee Membership : Parry Agro Industries Limited- Member- Shareholders & Investors' Grievance Committee

Ramco Systems Limited – Chairman – Audit Committee

### Mr. K. E. Ranganathan

Mr. K E Ranganathan, aged 48 years, is a Graduate in Commerce from Madras University and an Associate Member of Institute of Chartered Accountants of India (ICAI) and an Associate Member of Institute of Company Secretaries of India (ICSI). He has been with Murugappa Group since 1994 and has held various positions in accounts,

finance, sales, marketing, distribution and operations.. He was awarded the prestigious 'Fulbright Scholarship' in USA during the year 2000. He was the Managing director of Parryware Roca P.Ltd. till 2008. He was appointed as Managing Director of Parry Infrastructure Company Private Limited, a wholly owned subsidiary of E.I.D Parry (India) Limited. and also in the board of Parry Agro Industries Limited and Parry Enterprises India Limited. He was appointed as a Director in July 2009

Mr. K. E. Ranganathan does not hold any equity shares in the Company.

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

Managing Director: Parry Infrastructure Company Private Limited

Director: Parry Agro Industries Limited and Parry Enterprises India Limited

Committee Membership : Nil

### Mr. Sridhar Ganesh

Mr. Sridhar Ganesh, aged 59 years, 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 took up the current role as Director HR with the Murugappa Group in February 2007. He is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on Skills & Human Resources. He is also the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. He was appointed as a Director 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:

Director: Carborundum Universal Limited, Laserwords Private Limited, Parry Enterprises India Limited, Parry Agro Industries Limited and Ambadi Enterprises Limited.

Committee Membership :Carborundum Universal Limited - Member- Share Transfer, Finance & Investor Grievance Committee

Mr. Jitendra Virwani

Mr. Jitendra Virwani, aged 44 years, is the Chairman of Embassy Group, one of India's largest and arguably among the finest property developers in the world. Mr. Virwani joined the property development business in 1985 at age 19. From 1993 he has been at the helm of affairs of the Group and seen his vision for a world class property development organisation, both in terms of size and excellence, transform into reality. He has been in the field of property development for around last 25 years and possesses wide and rich experience in this field. He is also an active participant in various social welfare activities for making contributions towards the social causes. He is also the founder of Stonehill International School, the first school in South India to offer IB curriculum in all grades. He was appointed as a Director in January 2010.

Mr. Jitendra Virwani does not hold any equity shares in the Company.

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

Managing Director: Golf Link-Embassy Business Park Management Services Private Limited and Golfinks Software Park Private Limited

Director: Concord India Private Limited, D. M. Estates Private Limited, D. S. R. K. Holdings Private Limited, Ditrita Developers Private Limited,

Embassy Construction Development Private Limited, Embassy Leasing Private Limited, Embassy Finvest Private Limited, Embassy Home Inv. Private Limited, Embassy Hs. Fin & Dev. Private Limited, Embassy Realtors Private Limited, Embassy Shelters Private Limited, M. D. Properties Private Limited, Magarath Properties Private Limited, Nam Estates Private Limited, Nam Investments Private Limited, Narpat Holdings Private Limited, Oakwood Developers Private Limited, Oasis Home Holdings Private Limited, Pet Properties & Consts. Private Limited, Raffle Square Dev. Corpn. Private Limited, Infantry holdings Private Limited, Sapphire Realtors Private Limited, Solomon David Holdings Private Limited, Swire Holdings Private Limited, Udhyaman Investments Private Limited, Umbel Properties Private Limited, Embassy Projects Private Limited, Embassy Management Consultants Private Limited, Swire Investments Private Limited, More-Finanshare Investments Private Limited, Dynasty Properties Private Limited, Saltire Developers Private Limited, Pune- Dynasty Projects Private Limited, Pune - Embassy Projects Private limited, Guruprasad Hotels Private Limited, DSRK Holdings (Chennai) Private Limited, Embassy Knowledge Infrastructure Projects Private Limited, Udhay-JVG Realty Private Limited, Udhay-VJ Realty Private Limited, JV Holdings Private Limited, Swire Tech – Park Private Limited, RGE Constructions and Development Private Limited, Starwood Properties Private Limited, LJ-Victoria Properties Private Limited, Polywood Properties Private Limited, VIC Steels Private Limited, GEM Cements Private Limited, Traffalgar Real Estates Properties Private Limited, Neptune Real Estates Private Limited, Blue Lagoon Real Estates Private Limited.

Committee Membership : Nil

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## ANNEXURE TO THE NOTICE

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

### Item Nos. 5 & 6

The Board of directors at their meeting held on 31<sup>st</sup> July 2009 appointed Mr. M. M. Venkatachalam and Mr. K. E. Ranganathan as Additional directors of the Company. As additional directors, they hold office only up to the date of this Annual General Meeting. The Company has received notices along with a deposit of Rs.500/- from two of the members of the Company under Section 257 of the Companies Act, 1956 proposing their appointment as a Director of the Company.

Accordingly an Ordinary resolution as set out under Item Nos. 5 & 6 of the Notice is submitted for the approval of the members.

None of the Directors other than Mr.M.M.Venkatachalam and Mr. K. E. Ranganathan are deemed to be interested or concerned in the resolution relating to their appointment.

### Item No. 7 & 8

The Board of directors at their meetings held on 30<sup>th</sup> October 2009 and 25<sup>th</sup> January 2010 appointed Mr. Sridhar Ganesh and Mr. Jitendra Virwani respectively as Additional directors of the Company. As Additional directors, they hold office only up to the date of this Annual General Meeting. The Company has received notice along with a deposit of Rs.500/- from two of the members of the Company under Section 257 of the Companies Act, 1956 proposing their appointment as a Director of the Company.

Accordingly an Ordinary resolution as set out under item nos. 7 & 8 of the Notice is submitted for the approval of the members.

None of the Directors other than Mr. Sridhar Ganesh and Mr. Jitendra Virwani are deemed to be interested or concerned in the Resolution relating to their appointment.

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the audited accounts for the year ended 31<sup>st</sup> March 2010.

### FINANCIAL HIGHLIGHTS

Description	2009 - 10	2008 - 09
Profit/(Loss ) Before Interest & Depreciation	549.53	907.09
Less: Depreciation	104.22	85.33
Interest	115.04	107.54
Profit Before Tax	330.27	714.22
Less: Provision for Taxation	111.33	247.21
Profit After Tax	218.94	467.01
Less: Taxation relating to earlier years	-	3.04
Transfer to General Reserve	22.00	185.00
Proposed Dividend	65.90	98.84
Tax on Dividend	10.94	16.80
Add: Earlier years' profit brought forward	529.20	365.87
Profit carried to Balance Sheet	649.30	529.20

### OPERATIONS AND PERFORMANCE

The economic meltdown has had its impact on operation and performance of your Company too and the results could not be on budgeted lines. During the year under review, your Company recorded a turnover of Rs.8,920.85 Lacs and PBT of Rs.330.27 Lacs as against the last year turnover of Rs. 10,024.64 Lacs and PBT of Rs. 714.22 Lacs.

Your Company, during the year, has undertaken construction of factory buildings for entities in Sugar, Tyre , Distillery, Cement etc and School Building. The Company has also received orders for civil construction in Power Sector. In property development the projects are at various stages of statutory approval and there has not been any turnover during the year from this sector.

Your Company during the year has acquired operational Plant and Machinery and other Fixed Assets amounting to Rs. 140.72 Lacs.

### LISTING OF SECURITIES IN STOCK EXCHANGES

The Company's shares are listed in Madras Stock Exchange Ltd. (MSE) since January, 1976 and your Directors are pleased to inform that the equity shares of your Company are now listed with the Bombay Stock Exchange Limited in the list of 'B' group and are available for trading on the exchange from 15<sup>th</sup> March, 2010. Further MSE has signed an agreement with the National Stock Exchange (NSE) to facilitate MSE listed Companies for trading at NSE on a national level. The Company has submitted necessary documents and is awaiting approval from MSE.

### ACCREDITATION/RECOGNITION

Your Company has been certified as ISO 9001:2008 for Quality Management System and BS OHSAS 18001:2007 for Safety Management System in design and establishment of property development, construction of residential, commercial and industrial projects, supporting services like electrical, mechanical and plumbing works.

## DIVIDEND

The Company has earned a net profit after tax of Rs. 218.94 Lacs. Your Directors are pleased to recommend a dividend of Rs. 2/- (20 %) per equity share of Rs.10/- each for the financial year ended March 31, 2010. The total outgo on account of the dividend (inclusive of dividend distribution tax) to be paid to the shareholders will be 35 % of the current year distributable profit.

## DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company Shri. M. A. M. Arunachalam, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. K. T. Kumar, Director resigned from the Board with effect from 30<sup>th</sup> October 2009. The Board places on record its appreciation for the valuable services rendered and contributions made by Mr. K. T. Kumar during his tenure as a Director and also as Chairman of the Audit Committee and member of the Shareholders / Investors Grievance Committee.

Mr. M. M. Venkatachalam and Mr. K. E. Ranganathan were appointed as Additional Directors at the Board meeting held on 31.07.2009. They shall hold office up to the ensuing Annual General Meeting.

Mr. Sridhar Ganesh and Mr. Jitendra Virwani were co-opted as Additional Directors on 30<sup>th</sup> October 2009 and 25<sup>th</sup> January 2010 respectively. Both Mr. Sridhar Ganesh and Mr. Jitendra Virwani will vacate office as Additional Directors at the ensuing Annual General Meeting.

The Company has received notices from members along with deposits of Rs.500/- each, pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose Messrs.

M. M. Venkatachalam, K. E. Ranganathan, Sridhar Ganesh and Jitendra Virwani as Directors of the Company. The Board of Directors commend the resolutions for their appointment as set out in Item Nos. 5 to 8 of the Notice accompanying the Annual Report.

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

## AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

## DEPOSITS

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

## CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report and a Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- ❖ In the preparation of the Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date ("Financial Statements") applicable Accounting Standards have been followed.
- ❖ Appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period
- ❖ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such systems of internal controls its inherent limitations should be recognised. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal control system.
- ❖ The Financial Statements have been prepared on a going concern basis.

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

## SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001 the Compliance Certificate issued by Messrs. R. Sridharan & Associates, Company Secretaries, is attached hereto.

## PARTICULARS OF EMPLOYEES

The details required to be covered under sub-section 2A of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is appended herewith.

## PARTICULARS REQUIRED TO BE FURNISHED U/S 217(1)(e)

The Company has no activity relating to consumption of energy and technology absorption and foreign exchange income and outgo. Hence, there are no particulars required to be furnished under Section 217(1)(e) of the Companies Act, 1956.

## GENERAL

Your Directors place on record their appreciation for the continued co-operation, support and assistance extended to the Company by its Bankers, Shareholders, Government of India and Government of Tamilnadu.

Your Directors also place on record their appreciation for the continued and dedicated performance and commitment by Officers, Staff of the Company.

On behalf of the Board

M.M. VENKATACHALAM  
CHAIRMAN

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report - Details of Remuneration paid for the year ended 31st March 2010

Employed throughout the year and in receipt of remuneration of not less than Rs. 2,400,000/- p.a.

S.No.	Name & Age	Designation	Gross Remuneration (Rs)	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
1.	G.Viswanthkumar (54)	Senior Vice-President	3,934,707	B.Tech, MBA (30)	05.12.2005	Larsen & Toubro Ltd

Employed for part of the year and in receipt of remuneration of not less than Rs. 2,00,000/- p.m.

S.No.	Name & Age	Designation	Gross Remuneration (Rs)	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
1.	M.Thanumamoorthy (58)	Vice-President (Operations)	3,318,071	B.E. Civil (30)	01.08.1988	Subramani Aiyar & Co

1. Remuneration has been calculated in accordance with the clarification given by the Department of Company Affairs Circular No. 23/76/(8)/(217)/75-CL-V dated August 6, 1976. Accordingly perquisites have been valued in terms of actual expenditure incurred by the Company in providing the benefits to the employees except in case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, and in such cases, notional amount as per Income- Tax Rules has been added. Actuarial valuation based provision with respect to leave encashment has not been included as these are for the Company as a whole.
2. The above mentioned employees are whole time employees of the Company and their nature of employment is contractual.
3. The above mentioned employees are not related to any of the Directors of the Company.

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May 2010

M.M. VENKATACHALAM  
CHAIRMAN

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY UPDATES

Construction is one of the most vital parts of a country's infrastructure and industrial development. It includes houses, offices, hospitals, schools, townships and other buildings; urban infrastructure, highways, roads, railways, ports, airports; power systems; irrigation and agriculture systems; telecommunications etc. Construction industry is one of the basic drivers of socio-economic development of country. This sector generates huge employment opportunities, and also helps other related industries grow with rapid pace. The employment in this sector not only attracts semi skilled and skilled people but also absorb unskilled workers from rural areas.

Due to fiscal constraints, Government is increasing emphasis on participation of private sector in this field and projects are being carried out in public-private partnership as well as BOT (Build – Operate – Transfer) mechanism.

Development of the real estate sector has not been uniform across the country. While cities such as Mumbai, Delhi, Gurgaon and Bangalore have been a realtor's paradise, others such as Chennai, Hyderabad, Kolkata and Pune have lagged. However, these cities are now fast catching up, especially Chennai and Pune, as land becomes scarce in Mumbai and prices going up quite high in Bangalore.

## OPPORTUNITIES & CHALLENGES

- ❖ Several factors are expected to contribute to the rapid growth in Real Estate.
  - Large demand-supply gap in affordable housing, with demand being fuelled by tax incentives and a growing middle class with higher savings.
  - Increasing demand for commercial and office space especially from the rapidly growing Retail, IT/ ITeS and Hospitality sectors.

- The recently announced JNNURM expected to provide further impetus.

- ❖ Investment opportunities exist in almost every segment of the business.
  - Housing: About 20 million new units expected to be built in five years.
  - Office space for IT/ITES: Five-fold increase in office space requirement over the next 3 years.
  - Commercial space for organised retailing: 200 million sq. ft. by 2010.
  - Hotels & Hospitality: Over 40,000 new rooms in the next 5 years.
- ❖ Investment opportunity of over US\$75 billion in the next five years.

The boom in the construction industry in the past few years has also led to the growth of lot of competitors. This is a real challenge which needs to be over come in the coming years.

## REVIEW OF BUSINESS OF COROMANDEL ENGINEERING COMPANY LTD

As regards Residential Projects, the Company has sufficient land banks, both owned and on Joint Venture ,which are at various stages of approval. With the price corrections happening in the market and improving economic conditions overall, it is expected that the real estate sector will pick up the demand levels in the FY 2010-11.

On the Civil Constructions side, Company has a healthy order book to achieve the budgeted turnover during the financial year 2010-11. Tenders are being quoted jointly with Turn-key Contractors and Infra Structure providers to step into Infrastructure contracts which has huge potentials. The Company plans to diversify civil construction activity in areas of Equipment Erection and Electrical works (M&E). With the impetus being given by the Government for overall infrastructure development, there will be a level playing field for all categories of civil engineering companies to improve the overall performance.



## RISK MANAGEMENT

Given below are some of the major risks that impact the company in the construction business and the broad mitigation measures.

### RISK IN PROCESS ACTIVITY

Resulting in incorrect quoting of cost, delay in planning & execution of contract and mobilisation.

#### Mitigation Measures

1. Planning for the work orders to be executed
2. Ensuring design correctness
3. Improve project performance levels by effective project management techniques

### QUALITY RISK

In a precise engineering business, any quality variation could lead to customer complaint, attrition and revenue loss.

#### Mitigation Measures

1. Suitable in house checks to ensure compliance with all quality standards.
2. Sourcing of quality raw materials.
3. Continued investment in meeting quality standards without any let up.

### COMPLIANCE RISK

Contractual and Legal - Non compliance of contractual obligation general and specific and also statutory non compliance result in penalty affecting margin and profit.

#### Mitigation Measures

1. Ensure system correctness to comply with all applicable laws
2. Make compliance as a Continuous process without any lag
3. Update with the legal and statutory laws through professional contacts, chamber of commerce etc
4. Review all contracts by the in-house legal team.

## RISK OF TIMELY COMPLETION

Delay in timely completion of projects affects margin and at times leading to irrecoverable overrun cost and also affects the reputation of the Organisation.

#### Mitigation Measures

1. Obtain necessary time extension for completion for all owner interferences
2. Better vendor management and pre mobilisation study of the project area to identify resources
3. Increase labour productivity by effective monitoring and guidance.

### RISK OF NON-AVAILABILITY OF SUB-CONTRACTORS

Impacts timely execution and completion.

#### Mitigation Measures

1. Entering into long term contract with subcontractor
2. Providing better facilities at site for retention of subcontract labours.

### BIDDING RISK

Compete with contracts which are quoted a lower rates to take up job resulting in tight cost estimates to be met

#### Mitigation Measures

1. Effective cost control system to reduce cost
2. Reduction of waste to maximize the profits
3. Taking up large value contracts where competition will be less.

### PRICE ESCALATION RISK

Results in increase in cost of inputs due to project tenure being spread over a large period affecting the margin.

#### Mitigation Measures

1. Put in sufficient escalation reimbursement clause in the contract
2. In the absence of escalation clause, a reasonable estimate of the price escalation to be factored in the cost of the contract itself while quoting for the work.
3. Advanced planning and sourcing of the material with contracts with vendors on long term basis for price benefit.

#### RISK OF NATURE AND CALAMITIES

Impact Profits & increase costs

#### Mitigation Measures

1. Suitable safety measures in place to avoid / reduce losses.
2. Adequate insurance cover to cover any financial loss arising out of such risk.

#### LIQUIDITY RISK

Requirement of cash more than that is generated creates liquidity trap forcing high cost borrowing affecting the margin

Timely collection of Receivables and quality of receivable - Long Debtors' cycle affects company cash flow, bank funding restricted and increased risk of bad debts.

#### Mitigation Measures

1. Ensure adequate working capital management.
2. Raise bills on stage of completion basis to minimize the work in progress level.
3. Ensure correctness of bill for timely certification and collection of payment

#### HUMAN RESOURCES RISK

People impact all aspects of business

#### Mitigation Measures

1. Retention and attraction of the talent by corporate brand building.
2. Periodical training involving domain and soft skills upgradation
3. Devising a career growth chart for individuals to motivate staff.

#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

##### Income from Operations

The company during the year has received repeat orders from existing clientele who have reposed confidence in our deliverance and also new orders including civil construction in Power Sector. The Company during the year established relationship with two large Turn-key Contractors for executing their contract involving civil construction.

The Company received sizeable orders considering its present volume of business. The same could not be fully converted into turnover on account of delay in handing over site, delay in drawings and mobilisation time. Also there was nil turnover from property development as the projects on hand are under various stages of statutory approvals. These have resulted in a drop in turnover from Rs. 10,024.64 Lacs for the year ending 31<sup>st</sup> March, 2009 to Rs. 8,920.85 Lacs for the year ending 31<sup>st</sup> March, 2010.

##### Other Income

Other Income on account of the interest income and also on account of scarp sales has been at Rs 40.00 Lacs during the year as against Rs.37.85 Lacs in the FY 2008-2009.

## Expenditure

The total expenditure with respect to the yearly revenue is as under:

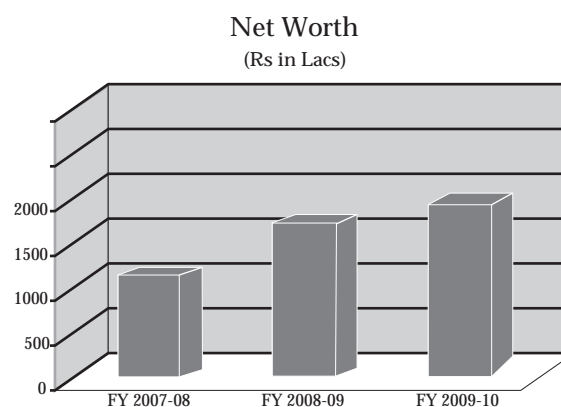
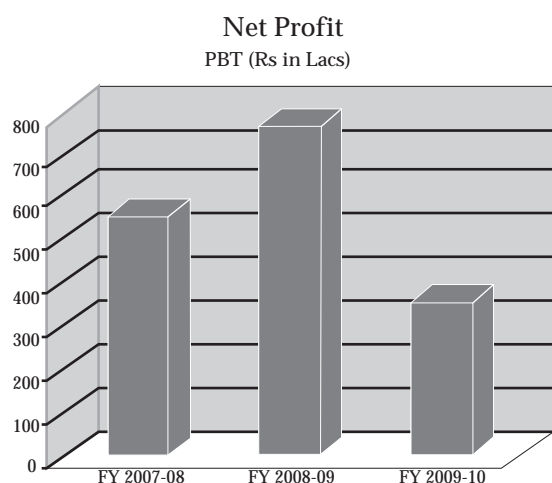
Description	Rs in Crores			
	FY 2009-10	In Percentage	FY 2008-09	In Percentage
Revenue from Operations	89.21	100.00	100.25	100.00
Cost of Sales	79.91	89.58	87.47	87.26
Salaries & Other Benefits	1.75	1.96	1.81	1.81
Other Expenses	2.46	2.75	2.27	2.26
Interest on Borrowings	1.15	1.29	1.08	1.07
Depreciation	1.04	1.17	0.85	0.85
	86.31	96.75	93.48	93.25

## Net Profit

	Rs in Crores	
	2009-2010	2008-2009
Total Revenue	89.61	100.62
Profit Before Tax (PBT)	3.30	7.14
PBT as % of Revenue	3.68	7.10

## Net Worth

The net worth of the Company as at March 31, 2010 is at 1722.33 Lacs as compared to Rs 1580.23 Lacs as at March 31, 2009.



## LISTING OF SHARES IN BOMBAY STOCK EXCHANGE

The Company's shares are listed in Bombay Stock Exchange (BSE) and Trading in Shares commenced

on 15<sup>th</sup> March, 2010. After 13 years with the last trading in May 1996 in Madras Stock Exchange (MSE), wherein the Company's shares were initially listed, the shares were traded in BSE on 15<sup>th</sup> March, 2010 at the opening rate of Rs.90/-

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control System is an essential element of the Corporate Governance and plays a key role in identifying, minimizing and managing risks that are significant for the Company, contributing to the safeguarding of stockholders' investments and the Company's assets.

Internal guidance and control systems provide management with the information necessary for decision making and evaluation of activities. Internal control covers both economic and other forms of control. Actual accomplishment of control is undertaken not just by the management but by the entire organisation.

Your company has established and is maintaining adequate controls within the system to ensure the completeness, accuracy, and authority of all financial information and of all other information which are used for management control. The adequacy and effectiveness of internal controls are monitored regularly by the Internal Auditors and remedial measures are adopted, wherever necessary. Also as part of the internal control systems, it is being ensured that all applicable laws are complied to without any lapse. Periodic updates are being sought from the relevant sources to keep abreast with the latest changes in any applicable law and their compliance thereof.

The Audit Committee of the company meets periodically to review and recommend quarterly, half yearly and annual financial statements of the company. The Audit Committee reviews the important findings of the Internal Auditors during

their audits. The committee also holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and results of the audit.

## HUMAN RESOURCES

Human resources continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year. The work and jobs at all levels in your company are designed, organized and managed effectively by interaction between the management & employees.

## CAUTIONARY STATEMENT

In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, Shareholders and Readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations, but it is not exhaustive as they contain forward-looking statements which are extremely dynamic and increasingly fraught with risk and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein.

On behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## REPORT ON CORPORATE GOVERNANCE

The Directors have great pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2010.

Corporate governance is a set of processes, customs, policies, laws, and institutions affecting the way an organisation is directed, administered or controlled. Corporate governance also includes the relationships among the stakeholders involved and the goals by which the organisation is governed. The principal stakeholders are the Shareholders, Management and the Board of Directors. Other stakeholders include employees, customers, creditors, suppliers, regulators, and the community at large.

It is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity.

### 1. Corporate Governance in Coromandel Engineering Company Limited

Coromandel Engineering Company Limited (CEC) as a constituent of the Murugappa Group headquartered in Chennai, India, is committed to high standards of Corporate Governance in all its

activities and processes. CEC looks at Corporate governance as the corner stone for all sustained superior financial performance and for serving all the stakeholders. The Board of Directors, comprising of eminent industrialists from various disciplines, ensure fairness in dealings with all stakeholders of the Company.

CEC's Corporate Governance Policy includes

- ❖ An independent and effective Board of Directors.
- ❖ Good audit process and reporting.
- ❖ Transparency.
- ❖ Maximising shareholder value.
- ❖ Meeting social obligations.

### 2. Board of Directors - Composition

The Board has eight members. The Board of Directors of the Company consists of professionals drawn from the diverse fields. The majority of the Board members are Independent Directors. This has been done to preserve the independence of the Board and to separate the Board functions of governance and management.

(a) The composition and category of the Board of Directors as on 31st March, 2010 and the number of other directorships/ committee memberships held by them are as under:-

S.No	Name of Director	Category	Number of other Directorships*	Number of memberships on other Board Committees **
1	Mr. M.A.M Arunachalam	Non Executive, Promoter	2	Nil
2	Mr. S.S.Rajsekar	Non Executive, Independent	2	1
3	Mr. J Srinivasan	Non Executive, Independent	2	Nil
4	Mr. V. Venkiteswaran	Non Executive, Independent	Nil	Nil
5	Mr. M.M.Venkatachalam #	Non Executive, Promoter	10	2
6	Mr. K E Ranganathan #	Non Executive, Independent	3	Nil
7	Mr. Sridhar Ganesh ##	Non Executive, Independent	4	1
8	Mr. Jitendra Virwani ###	Non Executive, Independent	Nil	Nil

- \* Excludes Alternate Directorships and Directorships in Private Companies, (which are not subsidiary or holding company of a public company), Foreign Companies and Section 25 Companies.
- \*\* Denotes memberships in Audit Committee and Shareholders/ Investors Grievance Committee
- # Co-opted as an Additional Director of the Company w.e.f 31<sup>st</sup> July, 2009.
- ## Co-opted as an Additional Director of the Company w.e.f 30<sup>th</sup> October, 2009.
- ### Co-opted as an Additional Director of the Company w.e.f 25<sup>th</sup> January 2010.

None of the Directors on the Board is a member in more than ten committees and Chairman of more than five committees (as specified in Clause 49(I)(C) of the Listing Agreement), across all companies in which he is a Director.

The Independent Directors have confirmed that they satisfy the "criteria of independence" as stipulated in the amended Clause 49(I)(A) of the Listing Agreement.

The Board has formal schedule of matters reserved for its consideration and decision. These includes setting performance targets, reviewing performance, approving investments, ensuring adequate availability of financial resources and reporting to the shareholders.

The Board has laid down a 'Code of Conduct' for all Board Members and the Senior Management of the Company. Annual Declaration is obtained from every person covered by the Code of Conduct. A declaration to this effect given by Mr. G. Viswanath Kumar, Sr. Vice President is attached to this report.

Changes in the composition of the Board during the year 2009 – 2010:

- ❖ Mr. M. M. Venkatachalam and Mr. K.E.Ranganathan were appointed as Additional Directors at the Board Meeting held on 31<sup>st</sup> July 2009. Further,

Mr. M. M. Venkatachalam was appointed as the Chairman of the Board of Directors of the Company at their meeting held on 30<sup>th</sup> October 2009.

- ❖ Mr. K. T. Kumar, Director resigned from the Directorship of the Company with effect from 30<sup>th</sup> October 2009.
- ❖ Mr. Sridhar Ganesh and Mr. Jitendra Virwani, joined the Board as Additional Directors on 30<sup>th</sup> October 2009 and 25<sup>th</sup> January, 2010 respectively.

Details of Director seeking appointment / re-appointment

Mr. M.M.Venkatachalam & Mr. K. E. Ranganathan, appointed as Additional Directors w.e.f 31<sup>st</sup> July 2009, and Mr. Sridhar Ganesh and Mr. Jitendra Virwani, appointed as Additional Directors of the Company w.e.f 30<sup>th</sup> October 2009 and 25<sup>th</sup> January 2010 respectively will hold office up to the date of the ensuing Annual General Meeting. The Company has received notices pursuant to Section 257 of the Companies Act, 1956 from the members along with a deposit of Rs. 500/- each, signifying their intention to move a resolution at the ensuing Annual General Meeting of the Company for the appointment of Messrs. M.M.Venkatachalam, K.E.Ranganathan, Sridhar Ganesh and Jitendra Virwani as Directors of the Company.

Mr.M.A.M.Arunachalam, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Relevant details relating to the above Directors are furnished in the Notice convening the Annual General Meeting to be held on Thursday the 29<sup>th</sup> July, 2010 which forms part of the Annual Report.

Board Meetings and Attendance at Board Meetings & Annual General Meeting

The Board of Directors met five (5) times during the financial year ended 31<sup>st</sup> March 2010 on 17<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 30<sup>th</sup> October 2009, 25<sup>th</sup> January 2010 and 31<sup>st</sup> March 2010. The maximum gap

between any two meetings was less than four months as stipulated under Clause 49(I)(c) of the Listing Agreement.

The attendance of each Director at these meetings and at the Last Annual General Meeting was as follows:-

Sl.No	Name	No. of Board Meetings attended	Attendance at Last AGM
1	Mr. M.A.M Arunachalam	3	Yes
2	Mr. K. T. Kumar	3*	Yes
3	Mr. S. S. Rajsekar	4	Yes
4	Mr. J. Srinivasan	5	Yes
5	Mr. V .Venkiteswaran	4	Yes
6	Mr. M.M. Venkatachalam	3**	N.A.
7	Mr. K. E. Ranganathan	4**	N.A.
8	Mr. Sridhar Ganesh	3#	N.A.
9	Mr. Jitendra Virwani	1##	N.A.

\* Resigned w.e.f. 30<sup>th</sup> October 2009

\*\* Appointed w.e.f. 31<sup>st</sup> July 2009

# Appointed w.e.f. 30<sup>th</sup> October 2009

## Appointed w.e.f. 25<sup>th</sup> January 2010

## Board Committees

Statutory Auditors and the fixation of audit fees.

### 3. Audit Committee

#### Overall purpose/objective

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls which management and the Board have established, appointing, retaining and reviewing the performance of independent accountants/ internal auditors and overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements.

#### Terms of Reference

The Company had constituted the Audit Committee in the year 2008. The terms of reference of the Audit Committee broadly are as follows :

- a. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the

- b. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- e. Reviewing, with the Management, performance of Statutory and Internal Auditors adequacy of the internal control systems.
- f. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

## Composition & Meetings

The Committee was reconstituted on 30<sup>th</sup> October 2009 consequent to the resignation of Mr. K T Kumar as Director of the Company. At present the Committee comprises of three (3) non executive directors, of which two are Independent Directors including the Chairman of the Committee. All the members have good financial knowledge.

Audit Committee meetings are attended by Head of Finance and Senior Management Members. The Statutory Auditors are also invited to attend the meetings.

The Committee met 5 times during the year ended 31<sup>st</sup> March 2010 on 17<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 30<sup>th</sup> October 2009, 25<sup>th</sup> January 2010 and 31<sup>st</sup> March 2010 and the time gap between the two meetings did not exceed four months.

Name of the Member	Chairman / Member	No. of Meetings Attended
Mr. K T Kumar*	Chairman	3
Mr. J Srinivasan**	Chairman	3
Mr. S S Rajsekar	Member	4
Mr. M A M Arunachalam	Member	3

\* Resigned w.e.f. 30<sup>th</sup> October 2009

\*\* Appointed as the Chairman of the Committee w.e.f. 30<sup>th</sup> October 2009 consequent to the resignation of Mr. K. T. Kumar.

## 4. Remuneration Policy

The Company while deciding the remuneration package of the senior management takes into consideration the following items:

- Job profile and special skill requirements.
- Prevailing compensation structure in companies of similar size and in the industry.
- Remuneration package of comparable managerial talent in other industries.

The Non Executive Directors (NEDs) are paid remuneration by way of commission besides sitting fees. In terms of the Shareholder's approval obtained at the 60<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July 2008, the commission is paid not exceeding 1% per annum of the net profits of the Company

(computed in accordance with Sections 349 and 350 of the Companies Act, 1956). The distribution of commission amongst the NEDs is placed before the Board for its decision.

The Non Executive Directors are also paid sitting fees as per the Articles of Association of the Company for every Board/ Committee meetings attended by them.

The actual commission paid to Directors is restricted to a fixed sum. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors.



## Remuneration for the year

Non-executive directors are paid sitting fees of Rs. 3,000/- for every meeting of the Board and other committee.

Name of the Non- Executive Directors	Sitting Fees paid for Board and Committee meetings (Rs.)	Commission Payable (Rs.)
Mr. M A M Arunachalam	18,000	50,000
Mr. K. T. Kumar	18,000	29,167
Mr. S S Rajsekar	24,000	50,000
Mr. J Srinivasan	24,000	50,000
Mr. V Venkiteswaran	12,000	50,000
Mr. M M Venkatachalam*	9,000	33,333
Mr. K E Ranganathan#	Nil	Nil
Mr. Sridhar Ganesh**	9,000	20,833
Mr. Jitendra Virwani***	3,000	8,333

\* Appointed w.e.f.31.07.2009, accordingly Sitting Fees paid for meetings attended from thereon and Commission arrived on pro rata basis for the FY 2009-10.

\*\* Appointed w.e.f. 30.10.2009, accordingly Sitting Fees paid for meetings attended from thereon and Commission arrived on pro rata basis for the FY 2009-10.

\*\*\* Appointed w.e.f. 25.01.2010, accordingly Sitting Fees paid for meetings attended from thereon and Commission arrived on pro rata basis for the FY 2009-10.

# Mr. K.E.Ranganathan has renounced his right to receive the payment of Sitting Fees and Commission.

## 5. Shareholders and Investors Grievance Committee

The Shareholders and Investors Grievances Committee, approves transfers/transmission/transposition etc and sub-division and consolidation. The Board has also delegated to certain Executives of the Company with the above powers. As per the directions of SEBI, the company immediately on transfer of shares sends letters to the investors, in the prescribed format, informing them about the simultaneous transfer and dematerialisation option available for the shares transferred in their names. The Committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges.

There are no Pending Complaints as on 31.03.2010.

## Composition & Meetings

The Committee was constituted in the year 2008. The Committee consists of three (3) non executive directors and is chaired by Mr. M A M Arunachalam, Non Executive Director. Mr. P R Sundar is the Compliance Officer of the Company.

The Committee meets as and when required, to deal with matters relating to transfers/transmissions of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance sheet, non-receipt of dividend declared, etc.

During the year under review, the Committee passed a circular resolution, without actually meeting, for approving the transfer of shares, the power in respect of which was not delegated to other Company officials.

The Company has received Nil complaints during the financial year 2009-2010.

The Committee was reconstituted on 30<sup>th</sup> October 2009 consequent to the resignation of Mr. K T Kumar as Director of the Company. Details of the members of the committee after reconstitution are given below –

Name	Chairman/ Members
Mr. M A M Arunachalam	Chairman
Mr. S S Rajsekar	Member
Mr. J Srinivasan	Member

## 6. General Body Meetings

The location and time where the last three Annual General Meetings were held are given below:

For the year ended 31st March	Venue	Day and Date	Time
2009	Conference Room, 3rd Floor, Parry House, No. 43, Moore Street, Chennai - 600 001	Friday, 31.07.2009	10.15 a.m.
2008	Same as above	Thursday, 31.07.2008	11.00 a.m.
2007	Same as above	Monday, 06.08.2007	03.00 p.m.

Details of Special Resolutions passed during the last 3 Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
31.07.2009	No	Nil
31.07.2008	Yes	Approval of Payment of Commission to Non Executive Directors
06.08.2007	No	Nil

### Postal Ballot

No special resolutions were passed by postal ballot during the financial year ended 31<sup>st</sup> March 2010.

### 7. Code of Conduct

The Board has laid down a 'Code of Conduct', for all the Board members and the Senior Management of the Company, and the code is posted on the website of the Company [www.coromandelengg.com](http://www.coromandelengg.com).

Annual Declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect is signed by Mr. G. Viswanath Kumar, Senior Vice President and is forming part of this report.

### 8. Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures.

## 9. Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors/officers/ designated employees. The Code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

## 10. Whistle Blower Policy

The Company has adopted the Whistle Blower Policy, a non-mandatory requirement of the Listing Agreement, at the meeting of the Board of Directors held on 25<sup>th</sup> January 2010, providing a mechanism to raise concerns about actual or suspected frauds, unethical behavior, violation of ethics, policy, etc. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee.

## 11. Disclosures

There were no materially significant related party transactions, with Directors/ promoters/ management which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interests, that might had a potential conflict with the interest of the Company at large were placed before the Board.

Transactions with the related parties are disclosed in Note No 19 of Schedule 20 to the Accounts in the Annual Report.

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of

Chartered Accountants of India (ICAI) in the preparation of its financial statements.

During the last three years, there were no strictures or penalties imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority for non-compliance on any matter related to capital markets.

## 12. Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31<sup>st</sup> March 2010. The certificate of compliance with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement forms part of the Annual Report.

## 13. Means of Communication

The quarterly unaudited financial results, annual audited financial results and details of the book closure etc are normally published in daily newspapers viz., News Today (English) and Maalai Sudar (Tamil).

## 14. Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the Annual Report.

## 15. General Shareholder Information

A separate section has been annexed to the Annual Report furnishing various details viz., AGM venue, distribution of shareholding, means of communication etc., for the general information of the shareholders.

On Behalf of the Board

Place : Chennai  
Date : 3<sup>rd</sup> May, 2010

M.M. VENKATACHALAM  
CHAIRMAN

## CERTIFICATE OF COMPLIANCE FROM PRACTISING COMPANY SECRETARY UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The Members  
Coromandel Engineering Company Limited

We have examined all relevant records of M/s. Coromandel Engineering Company Limited, having its Registered Office at 3<sup>rd</sup> Floor, Parry House, No. 43, Moore Street, Parrys, Chennai – 600 001, for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and the Madras Stock Exchange Limited for the financial year ended March 31, 2010. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of the Clause 49 of the listing Agreement.

For R. Sridharan & Associates  
Company Secretaries

Place : Chennai  
Date : 21<sup>st</sup> April 2010

CS. R.Sridharan  
FCS No. 4775  
CP No. 3239

## DECLARATION OF CODE OF CONDUCT

The Board of Directors  
Coromandel Engineering Company Limited  
3<sup>rd</sup> Floor, "Parry House",  
No.43, Moore Street,  
Chennai – 600 001

This is to confirm that the Board has laid down a code of conduct for all Board members and Senior Management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March 2010, as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

G.VISWANATH KUMAR  
Senior Vice President

## SHAREHOLDERS' INFORMATION

### Registered Office

"Parry House", 3<sup>rd</sup> Floor, No.43, Moore Street, Chennai –600 001

### Annual General Meeting

Day : Thursday  
Date & Time : 29<sup>th</sup> July, 2010 at 10.00 a.m.  
Venue : 3<sup>rd</sup> Floor, "PARRY HOUSE",  
No.43, Moore Street, Chennai 600 001  
Financial year : 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010

### Date of Book Closure

Thursday, the 15<sup>th</sup> day of July 2010 to Thursday, the 29<sup>th</sup> day of July 2010 (Both days inclusive).

Dividend Payment Date: Within 30 days of AGM

### Listing on Stock Exchanges

❖ Madras Stock Exchange Limited,  
Exchange Building, Post Box – 183,  
11 Second Line Beach  
Chennai – 600 001.

❖ Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001

Listing fees for the year 2009-2010 has been paid to the Madras Stock Exchange Limited and Bombay Stock Exchange Limited.

### Stock Code

Name of the Stock Exchange / Depository	Code / ISIN
Bombay Stock Exchange Ltd. (BSE) NSDL & CDSL	COROENGG INE312J01012

### Market Price Data

The shares are listed with the Bombay Stock Exchange Limited in the list of 'B' group and are available for trading on the exchange from 15<sup>th</sup> March, 2010. The months high, low and trading volume for the period ending 31.03.2010 is: High – Rs.250.85, Low – Rs. 90, and Traded Volume (No. of Shares) – 166,653

### Registrar and Share Transfer Agents:

In due compliance with SEBI norms, the Company has entrusted the share transfer work both physical as well as electronic transfers to the transfer agents mentioned below:

M/s. Karvy Computershare Private Limited,  
(Unit: Coromandel Engineering Company Limited),  
Plot No. 17- 24, Vittalrao Nagar  
Madhapur, Hyderabad 500 081  
Tel: 040-23420815-820,  
Fax: 040-23420814  
Email: einward.ris@karvy.com

### Share Transfer And Investors Service System

The Shareholders and Investors Grievances Committee, approves transfers/ transmission/ transposition etc and sub-division and consolidation.

Executives of the Company have been delegated by the Board to approve transfers, transmission, sub- division, consolidation and issue of new shares consequent to dematerialization up to a maximum of 5,000 equity shares per transaction.

### Shareholding Pattern / Distribution of Shareholding

Shareholding Pattern as on 31.03.2010

Category	No of Shares	% of Shareholding
Indian Promoters	2453920	74.48
Banks/ Financial Institutions/ Insurance Cos	2400	0.07
Private Bodies Corporate	51255	1.56
Indian Public/ Clearing Members	787205	23.89
Total	3294780	100.00

### Distribution of Shareholding as on 31.03.2010

Category	Number of Shareholders	% on total	No. of Shares	% on total
1 - 5000	915	94.23	303638	9.22
5001 - 10000	12	1.24	92826	2.82
10001 - 20000	8	0.82	128298	3.89
20001 - 30000	8	0.82	208286	6.32
30001 - 40000	5	0.52	168870	5.13
40001 - 50000	8	0.82	361479	10.97
50001 - 100000	5	0.52	290434	8.81
100001 and Above	10	1.03	1740949	52.84
Total	971	100.00	3294780	100.00

Shareholders in	No. of Shareholders	in %	No. of Shares	in %
Physical Mode	513	52.83	663838	20.15
Electronic Mode :	458	47.17	2630942	79.85
NSDL	326	33.57	2514522	76.32
CDSL	132	13.60	116420	3.53

## Dematerialization

The code number (ISIN) allotted by the National Securities Depository Limited (NSDL) and Central Depository Services limited (CDSL) to the Company is INE312J01012

Details of Shares held by Non – Executive Directors as on 31.03.2010:

SL No	Name of the Director	No. of Shares Held
1	Mr. M A M Arunachalam	201610
2	Mr. S S Rajsekar	NIL
3	Mr. J Srinivasan	NIL
4	Mr. V Venkiteswaran	NIL
5	Mr. M M Venkatachalam	201610
6	Mr. K E Ranganathan	NIL
7	Mr. Sridhar Ganesh	NIL
8	Mr. Jitendra Virwani	NIL

## Nomination Facility

The shareholders may avail themselves of the nomination facility under section 109A of the Companies Act, 1956. The nomination form (Form 2B) along with instruction will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's Registrars M/s. Karvy Computer shares Private Limited.

The facility of nomination is not available to non-individuals shareholders such as Societies, Trust, Bodies Corporate, Karta of Hindu Undivided Families and holders of Power of Attorney.

Investors are advised to avail this facility, especially investors holding securities in single name, to avoid the process of transmission by law. For investors holding shares held in electronic form, the nomination has to be conveyed to their Depository participants directly, as per the format prescribed by them.

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity  
NIL

Address for Correspondence  
Coromandel Engineering Company Ltd.  
Parry House, 3<sup>rd</sup> Floor,  
No.43, Moore Street,  
Parrys, Chennai – 600 001.  
E-Mail: [coromandelengg@cec.murugappa.com](mailto:coromandelengg@cec.murugappa.com)

For all matters relating to Investor Relations  
M/s. Karvy Computershare Private Limited,  
(Unit: Coromandel Engineering Company Limited),  
Plot No. 17- 24, Vittalrao Nagar  
Madhapur, Hyderabad 500 081  
Tel: 040-23420815-820, Fax:040-23420814  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)



List of promoters of the Company constituting 'Group' pursuant to Regulation 3(e)(I) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

1.	A M M Arunachalam & Sons Private Ltd
2.	A M M Vellayan Sons Private Limited
3.	A M Meyyammai
4.	Ambadi Enterprises Limited and Subsidiaries
5.	AMM Medical Foundation
6.	AMM Foundation
7.	AR Lakshmi Achi Trust
8.	Carborundum Universal Limited and Subsidiaries
9.	Chola Insurance Services Private Limited
10.	Cholamandalam DBS Finance Limited and Subsidiaries
11.	E.I.D.Parry (India) Ltd and Subsidiaries
12.	Kadamane Estates Company
13.	Kartik Investments Trust Limited
14.	Laserwords Private Ltd. & Subsidiaries
15.	M.M.Muthiah Research Foundation
16.	M.M.Muthiah Sons Private Ltd
17.	Murugappa & Sons
18.	Murugappa Educational And Medical Foundation
19.	Murugappa Management Services Limited
20.	New Ambadi Estates Private Limited and subsidiaries
21.	Presmet Private Ltd.
22.	Tube Investments Of India Ltd and Subsidiaries
23.	Yelnoorkhan Group Estates
24.	Meenakshi A R
25.	M V Murugappan & Family
26.	M V Subbiah & family
27.	M A Alagappan & family
28.	A Vellayan & family
29.	A Venkatachalam & family
30.	M M Murugappan & family
31.	M M Venkatachalam & family
32.	M A M Arunachalam & family
33.	S Vellayan & family
34.	Arun Alagappan & family
35.	Any Company / entity promoted or controlled by any of the above.

Family for this purpose includes spouse, dependent children and parents.

## COMPLIANCE CERTIFICATE

Name of the Company : COROMANDEL ENGINEERING COMPANY LIMITED  
Registration No. (CIN) : L74910TN1947PLC000343  
Authorized Capital : Rs.4,00,00,000/-  
Paid-up Capital : Rs.3,29,47,800/-

To,  
The Members  
Messrs. Coromandel Engineering Company Limited  
'Parry House', 3rd Floor,  
43, Moore Street,  
Chennai - 600 001.

We have examined the registers, records, books and papers of MESSRS. COROMANDEL ENGINEERING COMPANY LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in ANNEXURE 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in ANNEXURE 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the act and rules made there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital. The Company is a listed company and the shares are listed with Madras Stock Exchange Limited and Bombay Stock Exchange Limited.
4. The Board of Directors duly met FIVE (5) times on 17th June 2009, 31st July 2009, 30th October 2009, 25th January 2010 and 31st March 2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution dated 3rd September 2009, in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 17th July 2009 to 31st July 2009 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Sixty First Annual General Meeting for the financial year ended 31st March 2009 was held on 31st July 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred under Section 295 of the Act.
9. The Company has not entered into any

contract falling within the purview of Section 297 of the Act.

10. During the financial year, the company has not entered into any contracts falling within the purview of Section 297 and 299 of the Act. However, the transactions entered into with the companies listed in the register maintained under Section 301(3) of the Act have been entered in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued duplicate share certificates during the financial year.
13. The Company:
  - (i) has delivered all the certificates on lodgment thereof for transfer and transmission of securities in accordance with the provisions of the Act during the financial year.
  - (ii) has not effected any allotment of securities during the financial year.
  - (iii) has deposited the amount of dividend declared at the Sixty First Annual General Meeting held on 31st July 2009 in a separate bank account on 5th August 2009 which is within five days from the date of declaration of such dividend.
  - (iv) has posted cheques for dividends to all the members within a period of 30 (Thirty) days from the date of declaration of such dividend.
  - (v) has transferred unclaimed/unpaid dividend pertaining to the financial years ended 31st March 2006, 31st March 2007 and 31st March 2008 to unpaid dividend account of the company and seven years has not expired for transfer of the same to Investor Education and Protection Fund.
  - (vi) has transferred unclaimed/unpaid dividend pertaining to the financial year ended 31st March 2009 declared at the 61st

Annual General Meeting held on 31st July 2009 to Unpaid Dividend Account of the Company maintained with Indian Bank on 30th August 2009 and seven years has not expired for transfer of the same to Investor Education and Protection Fund.

- (vii) has not issued any shares or debentures and has not accepted any deposits and hence the question of transfer of application money due for refund, matured debentures, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund does not arise.
  - (viii) has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of Messrs. M. M. Venkatachalam and K.E. Ranganathan as Additional Directors of the Company was duly made at the Board Meeting held on 31st July 2009 and the appointment of Messrs. Sridhar Ganesh and Jitendra Virwani as Additional Directors of the Company was duly made at the Board Meetings held on 30th October 2009 and 25th January 2010 respectively. Messrs. J. Srinivasan and V. Venkiteswaran were appointed as Directors at the 61st Annual General Meeting held on 31st July 2009. Mr. K.T. Kumar resigned as a director with effect from 30th October 2009. There was no appointment of alternate directors or directors to fill the casual vacancy during the financial year.
  15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
  16. The Company has not appointed any sole selling agents during the financial year.
  17. (a) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities

- prescribed under various provisions of the Act during the financial year.
- (b) The Company during the financial year has filed an application with the Bombay Stock Exchange Limited for direct listing of its equity shares with the said exchange and the listing approval for the same was received vide their letter dated 09.03.2010.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year and hence the question of complying with the buy back provisions does not arise.
  21. The Company has no preference share capital and has not issued debentures and hence the question of redemption of preference shares/ debentures during the financial year does not arise.
  22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. The amount borrowed by the Company from banks and others during the financial year are within the borrowing limits of the company and that necessary resolution as per Section 293(1)(d) of the Act has been passed at the 61st Annual General Meeting of the Company held on 31st July 2009.
  25. The Company has not made any loans, investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the financial year.
  27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the financial year.
  29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial year.
  30. The Company has not altered its Articles of Association during the financial year.
  31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. As per the information and explanations furnished to us, the Company has deposited both the Employer's and Employee's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

For R. Sridharan & Associates  
Company Secretaries  
CS. R. Sridharan  
CP No.: 3239  
FCS No.: 4775

Place: Chennai  
Date: 21<sup>st</sup> April 2010

## ANNEXURE 'A'

Name of the Company : COROMANDEL ENGINEERING COMPANY LIMITED  
Registration No. (CIN) : L74910TN1947PLC000343  
Authorized Capital : Rs.4,00,00,000/-  
Paid-up Capital : Rs.3,29,47,800/-

### REGISTERS AS MAINTAINED BY THE COMPANY

Sl. No.	Section Number	Name of the Register
1.	143	Register of Charges
2.	108	Share Transfer Register
3.	150	Register of Members
4.	151	Index of Members
5.	193	Minutes of the meetings of the Board of Directors'
6.	193	Minutes of the meetings of the Members
7.	193	Minutes of the Committee Meetings
8.	301	Register of Contracts
9.	303	Register of Directors'
10.	307	Register of Directors' Shareholding
11.	372A	Register of Investments / Loans / Guarantees and Securities
12.	-	Board Meeting Attendance Register
13.	-	Committee Meeting Attendance Registers
14.	-	General Meeting Attendance Register

Place: Chennai  
Date: 21<sup>st</sup> April 2010

For R. Sridharan & Associates  
Company Secretaries  
CS. R. Sridharan  
CP No.: 3239  
FCS No.: 4775

## ANNEXURE 'B'

Name of the Company : COROMANDEL ENGINEERING COMPANY LIMITED

Registration No. (CIN) : L74910TN1947PLC000343

Authorized Capital : Rs.4,00,00,000/-

Paid-up Capital : Rs.3,29,47,800/-

Returns/ Documents/ Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2010

FOR THE FINANCIAL YEAR 2009-2010 [01.04.2009 TO 31.03.2010]

### REGISTRAR OF COMPANIES

Sl. No	Form No	Relevant Section	Description	Date of Filing	Whether filed within Prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No	Remarks (SRN / Amount Paid)
1.	17	138	Satisfaction of Charge on 03.04.2009 for Rs.4,75,00,000/- created originally in favour of HDFC Limited	16.04.2009	YES	NA	A60013091 Rs.500/- (N)
2.	8	125	Creation of charge by way of Mortgage of property at Athipalayam Road, Chinnavedampatty, Coimbatore dated 26.03.2009 in favour of HDFC Limited, Mumbai for a sum of Rs.6 Crores.	24.04.2009	YES	NA	A60540689 Rs.500/- (N)
3.	8	125	Creation of charge by way of Mortgage of property at Pallikaranai, Chennai dated 30.06.2009 in favour of M/s. Cholamandalam DBS Finance Limited for a sum of Rs.4.74 Crores.	06.08.2009	NO	YES	A66672775 Rs.500/- (N) Rs.500/- (A)
4.	66	383A	Compliance Certificate issued by CS.R.Sridharan, M/ s.R.Sridharan & Associates, Company Secretaries, Chennai for the financial year ended 31st March 2009.	11.08.2009	YES	NA	P33732694 Rs.500/- (N)
5.	23AC, 23ACA & Sch VI	220	Balance Sheet for the financial year ended 31st March, 2009.	11.08.2009	YES	NA	P33733155 Rs.500/- (N)
6.	32	303	Appointment of Messrs.J Srinivasan and V Venkiteswaran as Directors of the Company at the Annual General Meeting held on 31.07.2009 and Messrs. MM Venkatachalam and K E Ranganathan as Additional Directors of the Company w.e.f. 31.07.2009.	11.08.2009	YES	NA	A66974601 Rs.500/- (N)

SI. No	Form No	Relevant Section	Description	Date of Filing	Whether filed within Prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No	Remarks (SRN / Amount Paid)
7.	23	192	Ordinary resolution under Section 293 (I)(d) passed at the Annual General Meeting held on 31.07.2009 enhancing borrowing limits of the company to Rs. 75 Crores	11.08.2009	YES	NA	A66970070 Rs.500/- (N)
8.	20B & Sch V	159	Annual Return made upto 31st July 2009(Date of 61st AGM).	25.09.2009	YES	NA	P34943407 Rs.500/- (N)
9.	17	138	Satisfaction of Charge on 26.10.2009 for 4,74,00,000 created originally in favour of M/s.Cholamandalam DBS Finance Limited.	29.10.2009	YES	NA	A71632491 Rs.500/- (N)
10.	32	303	Appointment of Mr. Sridhar Ganesh as an Additional Director w.e.f. 30.10.2009, Resignation of Mr. K T.Kumar as a Director w.e.f. 30.10.2009 and Re-designation of Mr.M.M.Venkatachalam as the Chairman of the Company w.e.f. 30.10.2009	12.11.2009	YES	NA	A72543663 Rs.500/- (N)
11.	32	303	Appointment of Mr. Jitendra Virwani as an Additional Director of the Company w.e.f. 25.01.2010.	15.02.2010	YES	NA	A78497450 Rs.500/- (N)
12.	8	125	Creation of charge by way of hypothecation of book debts and movable property dated 28.12.2009 in favour of IndusInd Bank Limited, Nungambakkam, Chennai for a sum of Rs.15 Crores.	26.02.2010	NO	YES	A79413266 Rs.500/- (N) Rs.500/- (A)
13.	8	125	Creation of charge by way of hypothecation of book debts and goods dated 30.12.2009 in favour of City Union Bank Limited, George Town, Chennai for a sum of Rs.15 Crores.	27.02.2010	NO	YES	A79466371 Rs.500/- (N) Rs.500/- (A)
14.	8	125	Creation of charge by way of deed of hypothecation dated 10.02.2010 in favour of IDBI Bank Limited, Greams Road, Chennai for a sum of Rs.20 Crores.	10.03.2010	YES	NA	A80220296 Rs.500/- (N)
15.	17	138	Satisfaction of Charge on 23.02.2010 for Rs.17,21,632/- created originally in favour of M/s.Sundaram Finance Limited.	23.03.2010	YES	NA	A81288318 Rs.500/- (N)

SI. No	Form No	Relevant Section	Description	Date of Filing	Whether filed within Prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No	Remarks (SRN / Amount Paid)
16.	8	125	Creation of charge by way of hypothecation of machinery dated 25.02.2010 in favour of New India Co-Operative Bank Limited for a sum of Rs.24 Crores.	26.03.2010	YES	NA	A81560146 Rs.500/- (N)
17.	17	138	Satisfaction of Charge on 23.03.2010 for Rs.1,07,24,000/- created originally in favour of M/ s.Cholamandalam DBS Finance Limited.	29.03.2010	YES	NA	A81666604 Rs.500/- (N)
18.	17	138	Satisfaction of Charge on 30.03.2010 for Rs.6 crores created originally in favour of M/s.HDFC Limited.	30.03.2010	YES	NA	A81848939 Rs.500/- (N)

REGIONAL DIRECTOR, CENTRAL GOVERNMENT  
NIL  
OTHER AUTHORITIES

Application for direct listing of the equity shares of the Company was filed with the Bombay Stock Exchange Limited (BSE) and final listing approval for the aforesaid shares was received vide BSE's letter dated 9th March 2010.

Place: Chennai  
Date: 21<sup>st</sup> April 2010

For R. Sridharan & Associates  
Company Secretaries  
CS. R. Sridharan  
CP No.: 3239  
FCS No.: 4775



## AUDITORS' REPORT TO THE MEMBERS OF COROMANDEL ENGINEERING COMPANY LIMITED

We have audited the attached Balance Sheet of Coromandel Engineering Co Ltd as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2010;
  - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date and
  - iii) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Regn.No.004207S

M.PADHMANABHAN  
Partner  
Membership No.F13291

Place: Chennai  
Date: 03.05.2010

## ANNEXURE REFERRED TO IN PARA 1 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF COROMANDEL ENGINEERING COMPANY LIMITED

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.</p> <p>(b) According to the information given to us, major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) No major part of fixed assets have been disposed off during the year.</p>                                                      | <p>(iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness in internal control has been noticed.</p>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>(ii) (a) The inventory have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.</p> <p>(b) In our opinion and according to the information and explanation given to us, the procedure for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.</p> | <p>(v) In our opinion and according to the information and explanation given to us, there were no transactions during the year that were required to be entered in the register maintained under section 301.</p> <p>(vi) The Company has not accepted any deposits from the public.</p> <p>(vii) The Company has a system of internal audit which, in our opinion, is commensurate with its size and nature of business.</p> <p>(viii) The Central Government has not prescribed maintenance of cost records by the company under Section 209 (1) (d) of the Companies Act 1956.</p>                                                                                                                                                                                               |
| <p>(iii) According to the information and explanations given to us, during the year the Company has not granted or taken any loans to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p>                                                                                                                                                                                                                                                                                                                                                                                                             | <p>(ix) (a) According to the records, information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of provident fund, employees' state insurance dues, Investor Education and Protection fund, income-tax, wealth-tax, sales-tax, service tax, excise duty, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as on 31<sup>st</sup> March, 2010 for a period of more than six months from the date they become payable.</p> <p>(b) According to the information and explanation given to us the following are the details of disputed Excise Duty and Sales Tax dues that have not been deposited with the concerned authorities.</p> |

Name Of The Statutory Dues	Forum Where Dispute Is Pending	Unpaid Amount (Rs.in Lacs)
Excise Duty	Central Excise And Service Tax Appellate Tribunal	22.84
Andhra Pradesh Vat	The Appellate Deputy Commissioner (CT)	22.83

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to Banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit/nidhi/mutual benefit fund/society and hence clause xiii of the Order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and hence clause xiv of the order is not applicable.
- (xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given by the management the term loans were applied for the purpose for which they were obtained.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet, in our opinion, the Company has not used any funds raised on short-term basis towards long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us by the management and based on audit procedures performed no fraud on or by the company has been noticed or reported during the course of our audit.

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Regn.No.004207S

M.PADHMANABHAN  
Partner  
Membership No.F13291

Place: Chennai  
Date: 03.05.2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
<b>Sources of Funds</b>					
<b>Shareholders' Fund</b>					
Share Capital	1	329.48		329.48	
Reserves And Surplus	2	1,392.85	1,722.33	1,250.75	1,580.23
<b>Loan Funds</b>					
Secured Loan	3	5,533.07		3,605.87	
Unsecured Loan	4	-	5,533.07	400.00	4,005.87
Deferred Tax Liability			78.80		47.28
<b>Total</b>			<b>7,334.20</b>		<b>5,633.38</b>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	5	1,705.80		1,520.89	
Less : Depreciation		322.12		220.03	
Net Block		1,383.68		1,300.86	
Capital Work-in-progress		-		53.38	
			1,383.68		1,354.24
<b>Investments</b>	6		6.25		1.25
<b>Current Assets, loans &amp; Advances</b>					
<b>Current Assets</b>					
Interest Accrued		9.19		6.72	
Inventories	7	2,070.89		1,714.65	
Debtors	8	3,828.38		3,053.70	
Cash And Bank Balances	9	253.76		164.55	
Loans And Advances	10	2,494.66		2,175.36	
				8,656.88	7,114.98
<b>Less:</b>					
<b>Current Liabilities &amp; Provisions</b>					
Current Liabilities	11	2,180.94		2,346.42	
Provisions	12	531.67		490.67	
		2,712.61		2,837.09	
Net Current Assets			5,944.27		4,277.89
<b>Total</b>			<b>7,334.20</b>		<b>5,633.38</b>
NOTES ON ACCOUNTS	20				

As per our report of even date  
 For SUNDARAM & SRINIVASAN  
 Chartered Accountants  
 Registration No: 004207 S  
 M.PADHMANABHAN  
 Partner  
 Chennai  
 3rd May, 2010

K.E.RANGANATHAN  
 DIRECTOR

On Behalf of the Board  
 M.M. VENKATACHALAM  
 CHAIRMAN

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST  
MARCH, 2010**

(Rs. in Lacs)

	Schedule	Year Ended 31st March, 2010		Year Ended 31st March, 2009	
<b>Income</b>					
Contract Revenue	13	8,920.85		10,005.36	
Merchant Sales		-		19.28	
Other Income	14	40.00	8,960.85	37.85	10,062.49
<b>Expenditure</b>					
(Increase)/ Decrease In					
Work In Progress	15	(560.41)		(598.57)	
Contract Expenses	16	8,550.93		9,327.17	
Cost of Merchant Sales		-		18.68	
Salaries & other Benefits	17	175.00		181.49	
Other Expenses	18	245.80		226.63	
Interest On Borrowings	19	115.04		107.54	
Depreciation		104.22	8,630.58	85.33	9,348.27
<b>Profit Before Taxation</b>			330.27		714.22
Provision For Taxation					
Current Tax		79.80		206.63	
Deferred Tax		31.53		34.71	
Fringe Benefit Tax		-	111.33	5.87	247.21
<b>Profit After Tax</b>			218.94		467.01
Less: Taxation Relating to Earlier Years			-		3.04
Less: Transfer to General Reserve			22.00		185.00
Proposed Dividend			65.90		98.84
Tax On Proposed Dividend			10.94		16.80
Balance Brought Forward			529.20		365.87
<b>Balance Carried To Balance Sheet</b>			649.30		529.20
<b>Earnings Per Share</b>					
Basic			6.65		14.08
Diluted (Schedule 20, Note 15)			-		19.25
NOTES ON ACCOUNTS	20				

As per our report of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Registration No: 004207 S  
M.PADHMANABHAN  
Partner  
Chennai  
3rd May, 2010

K.E.RANGANATHAN  
DIRECTOR

On Behalf of the Board

M.M. VENKATACHALAM  
CHAIRMAN

(Rs.in Lacs)

## SCHEDULES TO ACCOUNTS

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 1: SHARE CAPITAL: AUTHORISED</b>		
4,000,000 Equity Shares of Rs 10/- Each	400.00	400.00
<b>ISSUED AND SUBSCRIBED</b>		
22,74,485 Equity Shares of Rs 10/- Each	227.45	227.45
1,44,000 Equity Shares of Rs.10/- Each Issued As Bonus Shares By Capitalisation of General Reserve	14.40	14.40
8,76,295 Equity Shares of Rs10/- Each Issued In Pursuance of Scheme of Amalgamation of Pollutech Ltd And Coromandel Prodorite P.ltd With Coromandel Engg Co Ltd.	87.63	87.63
	329.48	329.48
<b>SCHEDULE 2: RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
As Per Last Balance Sheet	7.24	7.24
<b>INVESTMENT ALLOWANCE RESERVE</b>		
As Per Last Balance Sheet	77.71	77.71
<b>SECURITIES PREMIMUM</b>		
On Rights Issue of 16,47,390 Shares @ Rs.10/- Per Share	135.88	164.74
Less: Rights Issue Expenses	-	28.86
	135.88	135.88
<b>GENERAL RESERVE</b>		
Add: Transfer From Profit & Loss Account	500.72	315.72
	22.00	185.00
	522.72	500.72
Surplus In Profit And Loss Account	649.30	529.20
	1,392.85	1,250.75
<b>SCHEDULE 3: SECURED LOANS:</b>		
(1) From Banks		
a) Term Loan *(repayable Within One Year -Rs. 6.0 Crores)	2,400.00	571.59
b) Working Capital Demand Loan **	1,900.00	-
c) Cash Credit **	1,233.07	2,575.71
(2) From Others	-	458.57
	5,533.07	3,605.87
* Secured By Hypothecation of Fixed Assets		
** Secured By Hypothecation of Stock , WIP, Receivables		
<b>SCHEDULE 4 UNSECURED LOANS:</b>		
From Financial Institutions -	-	400.00
	-	400.00

**SCHEDULE 5  
FIXED ASSETS**

(Rs. in Lacs)

Sl. No	Type of Asset	Gross Block				Depreciation				Net Block	
		As at 01.04.09	Additions	Deletions	As at 31.03.10	As at 31.03.09	Deletions	For the Year	As at 31.03.10	As at 31.03.10	As at 31.03.09
1	a.	1,359.54	162.33	-	1,521.87	149.52	-	76.17	225.69	1,296.18	1,210.02
	b.	25.43	6.00	7.02	24.41	6.60	1.76	2.47	7.31	17.10	18.83
2		15.83	1.79	-	17.62	15.52	-	1.23	16.75	0.87	0.31
3		33.30	3.74	1.91	35.13	13.93	0.26	1.67	15.34	19.79	19.37
4		67.12	5.75	0.26	72.61	27.90	0.11	11.30	39.09	33.52	39.22
5		19.67	14.49	-	34.16	6.56	-	11.38	17.94	16.22	13.11
	<b>TOTAL</b>	<b>1,520.89</b>	<b>194.10</b>	<b>9.19</b>	<b>1,705.80</b>	<b>220.03</b>	<b>2.13</b>	<b>104.22</b>	<b>322.12</b>	<b>1,383.68</b>	<b>1,300.86</b>
	Capital item in progress	53.38	-	53.38	-	-	-	-	-	-	53.38
	Previous Year	829.32	697.74	6.17	1,520.89	135.55	0.86	82.71	217.41	1,303.49	693.77
										1,383.68	1,354.24

**SCHEDULE 6**  
**INVESTMENT AT COST**

(Rs. in Lacs)

	As at 31st March 2010			As at 31st March 2009		
	Face Value Rs	Nos.	Amount	Face Value Rs	Nos.	Amount
<b>LONG TERM INVESTMENTS</b>						
<b>SHARES IN COMPANIES - NON TRADE</b>						
<b>A. QUOTED ( FULLY PAID UP )</b>						
SRF Ltd	10	440	0.23	10	440	0.23
Kama Holdings Limited	10	48	-	10	48	-
Cholamandalam DBS Finance Ltd.	10	262	0.20	10	262	0.20
Consolidated Foundations India Ltd	10	120	0.04	10	120	0.04
Hindustan Construction Co.Ltd	1	2,000	0.01	1	2,000	0.01
Navabharat Ferro Alloys Ltd	2	5,000	0.19	10	1,000	0.19
Rock Cabco Ltd	10	100	0.02	10	100	0.02
ITD Cementation India Ltd	10	100	0.05	10	100	0.05
V M Jog Constructions Ltd	10	400	0.05	10	400	0.05
Vajra Granties Ltd	10	100	0.01	10	100	0.01
Larsen & Toubro Ltd	2	1,740	0.38	2	1,740	0.38
Ultra Tech Cement Limited	10	348	-	10	348	-
<b>B. UNQUOTED</b>						
Charmvell Electronics Ltd- Rs.100/- Per Share		500	0.50		500	0.50
Less : Provision For Diminution in value of investments			0.50			0.50
			-			-
New India Co operative Bank Ltd	10	50,000	5.00			-
<b>DEBENTURE QUOTED</b>						
Hindustan Dorr Oliver Ltd	20	50	0.07	20	50	0.07
			6.25			1.25
Market Value - Quoted Investments			57.16			16.47
Addition during the year		50,000	5.00		56	0.05



(Rs. in Lacs)

	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 7 INVENTORIES</b>		
(At lower of cost or net realisable value as certified by the management)		
(i) materials at sites & land	732.59	936.76
(ii) work in progress	1,338.30	777.89
	<b>2,070.89</b>	<b>1,714.65</b>
<b>SCHEDULE 8 SUNDRY DEBTORS:</b>		
<b>UNSECURED CONSIDERED GOOD</b>		
Debts outstanding for a period exceeding six months	1,403.88	664.47
Other debts	2,424.50	2,389.23
	<b>3,828.38</b>	<b>3,053.70</b>
<b>SCHEDULE 9 CASH AND BANK BALANCES</b>		
Cash on hand	3.28	1.39
With scheduled banks:		
1. In current accounts	117.69	33.93
2. In guarantee margin deposit	132.79	129.23
	<b>253.76</b>	<b>164.55</b>
<b>SCHEDULE 10 LOANS AND ADVANCES:</b>		
Advances-(unsecured-considered good)		
Advances recoverable in cash or Kind or for value to be received	1,503.00	1,392.40
Unbilled contract in progress	307.17	268.86
Tender & security deposits	38.13	19.70
Tax deducted at source & advance tax	646.36	494.40
	<b>2,494.66</b>	<b>2,175.36</b>

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009
<b>SCHEDULE 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry creditors	884.28	1,021.37
Adv. for contracts / jobs / customers	650.65	988.94
Unclaimed dividend *	3.58	1.95
Other liabilities * to be transferred to investor education protection fund - nil	642.43	334.16
	2,180.94	2,346.42
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
Provision for taxation	454.83	375.03
Proposed dividend	65.90	98.84
Tax on proposed dividend	10.94	16.80
	531.67	490.67
<b>SCHEDULE 13</b>		
<b>CONTRACT REVENUE</b>		
Proceeds on contract	8,613.68	9,736.50
Unbilled contract revenue	307.17	268.86
	8,920.85	10,005.36
<b>SCHEDULE 14</b>		
<b>OTHER INCOME</b>		
i. Interest receipts : on deposits with banks & other interest	23.33	21.85
ii. Dividends	0.65	0.50
iii. Miscellaneous receipts (includes scrap sales Rs 4.74 lacs (PY Rs 14.60 lacs))	16.02	15.50
	40.00	37.85
<b>SCHEDULE 15 : (INCREASE) / DECREASE IN WORK IN PROGRESS</b>		
Opening work in progress	777.89	179.32
Closing work in progress	1,338.30	777.89
	(560.41)	(598.57)

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009
<b>SCHEDULE 16</b>		
<b>CONTRACT EXPENSES</b>		
Material and Stores consumed	3,154.07	4,393.53
Power, Oil, Water & Electricity	80.57	60.92
Salaries, Wages & Allowances	656.55	577.10
Staff welfare expenses	46.02	42.48
Sub-contracts labour and Watch & Ward	3,331.06	3,169.99
Insurance (including workmen's compensation)	41.84	47.95
Plant hire & Testing charges	191.16	211.77
Transport charges & Vehicle running expenses	95.58	125.32
Travelling and Conveyance	82.01	52.64
R&M Plant & Machinery	56.28	31.02
Rent, Rates & Taxes	161.32	100.90
Technical & Professional charges	67.91	87.90
Postage, Telegram & Telephone	9.76	7.90
Printing & Stationary	7.71	4.60
Advertisement	2.43	11.61
Bank charges & Guarantee commission	34.94	21.36
Commitment charges	5.23	5.51
Finance charges for contracts	524.49	371.34
Miscellaneous expenses	2.00	3.33
	<b>8,550.93</b>	<b>9,327.17</b>
<b>SCHEDULE 17</b>		
<b>SALARIES &amp; OTHER BENEFITS</b>		
Staff salaries & allowances	93.81	102.23
Contribution to provident and other funds	48.96	50.79
Staff welfare expenses	32.23	28.47
	<b>175.00</b>	<b>181.49</b>

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009
<b>SCHEDULE 18</b>		
<b>OTHER EXPENSES</b>		
Rent	61.76	49.81
Rates and Taxes	12.25	7.77
Printing and Stationary	7.05	8.76
Tender forms	1.32	0.64
Postage, Telegrams and Telephones	7.14	7.52
Electricity charges	14.92	13.25
Directors' sitting fees	1.17	1.38
Traveling and Conveyance	12.14	14.12
Directors' commission	2.92	7.33
Advertisement expenses	6.60	2.56
Bank charges	2.41	1.14
Legal expenses and prof. Charges	53.70	45.96
Auditors Remuneration	3.15	2.82
Insurance	15.10	13.42
Donations/contributions	4.00	4.04
Subscription and Periodicals	0.28	0.34
Staff training expenses	0.36	0.27
Bad debts written off	13.32	1.01
Repairs & Maintenance of office building	7.84	6.74
Repairs & Maintenance of office appliances / others	9.11	11.62
Loss on sale of fixed assets	4.83	1.01
Commitment and processing fees	4.43	25.12
	<b>245.80</b>	<b>226.63</b>
<b>SCHEDULE 19</b>		
<b>INTEREST ON BORROWINGS &amp; FINANCE COSTS</b>		
Interest on:		
a) Overdraft from banks	43.67	29.92
b) Term loan :		
from banks	67.20	60.71
from others	4.17	16.91
	<b>115.04</b>	<b>107.54</b>

## SCHEDULE 20

### NOTES ON ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### 1.1. Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India and comply in all material respects with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### 1.2. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the date of Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual amounts could differ from these estimates.

##### 1.3. Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc. attributable to acquisition and installation of assets and borrowing costs incurred up to the date of commencing operations. Impairment loss is recognised, where applicable, when the carrying value of fixed assets exceeds its market value or the value in use whichever is higher.

##### 1.4. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per Schedule XIV of

the Companies Act, 1956. Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life. Intangible Assets are amortised over a period of three years.

##### 1.5. Investments

All investments are valued at cost. Diminution in the value of investments other than temporary in nature is provided for.

##### 1.6. Inventories

Materials at site are valued at cost on FIFO method. Work-in-Progress in respect of contracts till attaining a reasonable progress level and in property development till significant risks and rewards of ownership are transferred is valued at cost.

##### 1.7. Revenue Recognition

- i) Revenue in respect of construction contracts is recognised on percentage of completion method. Percentage of completion is arrived at as the proportion of contract costs incurred (including directly attributable borrowing costs) up to the Balance Sheet date to the estimated total contract costs.
- ii) Dividend from investments is accounted when received.

##### 1.8. Contract Revenue/Sales

- i) Revenue in respect of billed and unbilled contracts/property development in progress includes recognised profits based on percentage of completion, and retention on bills. Provision for expected losses is made irrespective of percentage of completion.
- ii) Revenue from Property Development activity is recognised when significant risks and rewards of ownership in the land and/or building are transferred to the customer.

## NOTES ON ACCOUNTS (Contd..)

- iii) Bill raised for value of work done in respect of completed and ongoing contracts including retention on bill is disclosed as proceeds on contracts.
- iv) Sale of goods and services are recognized when the goods are delivered or services rendered.
- v) Sales are recorded net of trade discounts/rebates exclusive of sales tax.

### 1.9. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of assets that necessarily takes substantial period of time to get ready for intended use are treated as part of the cost of such assets. All other borrowing costs are charged to revenue.

### 1.10 Employee Benefits

#### a. Short Term

Short term employee benefits, including accumulated compensated absences, are recognized as an expense as per the Company's scheme, based on expected obligations on undiscounted basis.

#### b. Long term

- i. Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation using the projected unit credit method.

#### ii. Provident Fund

Contributions are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate is payable by the trust to the beneficiaries every year is being notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

### iii. Superannuation

This is defined contribution plan. Fixed contributions to the Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India are charged to the Profit and Loss Account. The Company has no further obligations for future superannuation benefits other than its annual contributions and recognizes such contributions as an expense in the year incurred.

### iv. Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). Liability for future gratuity benefits is accounted based on actuarial valuation, as at the Balance Sheet date, determined every year by LIC using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in the profit and loss account.

### 1.11. Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable incomes and accounting income calculated at the tax rates enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realised and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

### 1.12 Provisions & Contingent Liabilities:

Provisions are recognized for known liabilities that can be measured where the Company has a present obligation as a result of past event. Contingent Liabilities are disclosed by way of note.

## NOTES ON ACCOUNTS (Contd..)

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009
2. Previous year's figures have been regrouped / reclassified to conform to the Current year.		
3. Contingent Liability		
3.1 Estimated amount of Contracts remaining to be executed on Capital Account not provided for	75.17	5.30
3.2 Guarantees issued by the Company's bankers for which the company has given counter guarantees. (Net of guarantees for Rs.548.44 Lacs (PY-Rs.403.19 Lacs)for which Liability is existing in the books of account.)	383.20	384.52
3.3 Estimated liability on account of certain taxes and duties not provided		
i) Sales Tax Andhra Pradesh VAT tax for the years 2006-07 &2007-08 .(against which Rs.20.49 Lacs deposited with the Commercial Tax Officer, Hyderabad)	43.32	43.32
ii) Income Tax For Assessment year 2005-06 appeal is pending on various matters before CIT (Appeals)	1.90	1.90
iii) Excise Duty Demand under dispute decided in favour of the Company pending before CESTAT based on Departmental appeal (against which Rs.9.54 Lacs deposited with Central Excise Authority included under Loans & Advances)	32.38	32.38
4. Tender & Security Deposit in Schedule 10 include: (*)		
(I) Fixed Deposit with a scheduled bank	0.01	0.01
(ii) Kissan Vikas Patra	0.19	0.19
(iii) 6 year N S C VIII issue	1.89	1.18
(*) Held by Commercial Tax & Other Authorities as Security Deposit		

## NOTES ON ACCOUNTS (Contd.)

### 5. Employee Benefits as per AS -15 (Revised)

#### 5.1 Details of Actuarial Valuation of Gratuity

##### (i) Change in Present Value of Benefit Obligation - Gratuity

(Rs. in Lacs)

S.No	Particulars	2009-10	2008-09
01	Present value of Benefit Obligation at the beginning of the period	26.00	26.77
02	Current Service Cost	4.89	4.86
03	Interest Cost	2.08	1.85
04	Benefits paid	(3.50)	(7.23)
05	Actuarial (Gain)/Loss	(0.52)	(0.25)
06	Present value of Benefit Obligation at the end of the period	28.95	26.00

##### (ii) Changes in Fair Value of Plan assets:

01	Fair value of plan assets at the beginning of the period	21.87	22.79
02	Expected return on plan assets	2.20	1.69
03	Contributions	4.11	3.98
04	Benefits paid	(3.50)	(7.23)
05	Actuarial gain/ (loss) on plan assets	-	0.64
06	Fair value of plan assets as at the end of the period	24.68	21.87

##### (iii) Amounts recognized in the Balance Sheet

01	Projected Benefit Obligation at the end of the period	28.95	26.00
02	Fair Value of Plan assets at the end of the period	24.68	21.87
03	Funded Status of the plans - Liability/ (Asset)	4.27	4.13
04	Liability recognized in the Balance Sheet	4.27	4.13

##### (iv) Amounts recognized in the statement of Profit and Loss

01	Current Service Cost	4.89	4.86
02	Interest Cost	2.08	1.85
03	Expected return on Plan Assets	(2.20)	(1.69)
04	Net Actuarial (Gain)/Loss recognized in the period	(0.52)	(0.89)
05	Past Service Cost	-	-
06	Net Cost	4.27	4.13

##### (v) Principal Actuarial Assumptions

(In Percentage)

01	Discount Rate	8%	8%
02	Estimated Rate of Return on Plan Assets	9.5%	8%
03	Expected rate of Salary Increases	6%	6%
04	Attrition Rate	3%	3%

#### 5.2 Details of Actuarial Assumption for Leave encashment

01	Discount Rate	8%	8%
02	Salary Escalation	6%	8%
03	Attrition Rate	3%	5%



5.3 Note on Provident Fund :- With respect to the Provident Fund administered by the company, the company shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future

		(Rs. in Lacs)	
		As at 31st March 2010	As at 31st March 2009
6.	Deferred Tax Liability/ (Asset)		
	Difference between book and tax written down value of fixed assets	86.96	56.14
	Others	(8.16)	(8.86)
	Net Deferred Tax Liability	78.80	47.28
7.	(i) Salary and allowances include :		
	Retirement benefits paid on account of Leave encashment.	5.01	4.92
	(ii) Sundry Creditors include:		
	Dues to Micro Small and Medium enterprises in respect of suppliers from whom intimation was received regarding their status under the Micro Small and Medium Enterprises Development Act, 2006. No interest was paid or payable to them. The names of the enterprises are given below:		
	1. MSS Engineering      2.RSP Engineering		
	3. Sakthi Industries      4.SriBalaji Industries	3.44	2.13
8.	Income Tax deducted at source on:		
	Interest Receipts	1.42	2.29
9.	Auditor's Remuneration (included in schedule No.18)		
	a. Statutory Audit Fees	1.50	1.50
	b. Tax Audit Fees	0.40	0.40
	c. Out of Pocket Expenses	0.25	0.25
	d. Other Services	0.71	0.40
	e. Service tax	0.29	0.27
10.	Turnover		
	a. Contract Revenue	8,920.85	10,005.36
	(Includes Retention)	813.52	603.92
	b. Scrap & Sundry Sales	4.74	14.60
	c. Merchant Sales	Nil	19.28

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009	
11. Construction activity is covered under para3 ii(C) of part II of Schedule VI of the Companies Act,1956, Gross income of Construction activities(Contract Revenue as per Schedule No:13)			
12. AS-7 disclosure for Contracts in Progress:			
a. Contract revenue recognized	8,070.08	8,852.34	
b. Contract Costs incurred and Recognized profits.	8,629.90	8,574.61	
c. Advances Received	613.63	923.95	
d. Retention	620.89	541.88	
e. Due from Customers	307.17	268.86	
13. Director's Remuneration:			
Director's Sitting Fees	1.17	1.38	
Commission-Previous Year	-	3.00	
Commission-Current Year	2.92	4.33	
	4.09	8.71	
Computation of Director's Commission			
Profit as per Profit & Loss Account	330.27	714.22	
Add: Director's Sitting Fees & Commission	4.09	8.71	
Profit as per Section 349	334.36	722.93	
Maximum Commission at 1% on profit as per Section 349	3.34	7.23	
14. Quantitative Details		Qty	Amount
Trading Items			
Cement	- Purchase (MT)	410	18.68
	- Turnover (MT)	410	19.28

## NOTES ON ACCOUNTS (Contd..)

(Rs. in Lacs)

	As at 31st March 2010	As at 31st March 2009
15. Basic/Diluted Earnings per Share:		
- Profit attributable to the Equity share holders (Rs.)	218.94	463.97
- No. of Equity shares Outstanding during the year	3,294,780	3,294,780
- Weighted Average Equity shares during the year	NA	2,410,154
- Nominal value of equity share (Rs.)	10	10
- Basic Earnings per share (Rs.)	6.65	14.08
- Diluted Earnings per share (Rs.)	NA	19.25
16. Deferred tax asset on account of Unabsorbed Capital Loss on Sale of investments/provision for diminution in value of investments not recognized in the accounts on the basis of prudence in accordance with Accounting Standard 22-Accounting for taxes on income	17.99	17.99
17. The Company is engaged in Construction activity and as there is no other activity, separate segmental reporting as per Accounting Standard 17 is not applicable.		
18. Expenditure in Foreign Currency: Travelling Expenses in Rupees	Nil	1.57
19. Related Party Transactions: Mr.G.Viswanath Kumar Sr.Vice President- Key Management Personnel.		
Remuneration to Key Management Personnel.	36.28	35.50

As per our report of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Registration No: 004207 S

On Behalf of the Board

M.PADHMANABHAN  
Partner  
Chennai  
3rd May, 2010

K E RANGANATHAN  
DIRECTOR

M M VENKATACHALAM  
CHAIRMAN

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS(S) (AS AMENDED)**

(Rs. in Lacs)

	As at 31st March, 2010		As at 31st March, 2009	
<b>Cash Flow From Operating Activities</b>				
Net Profit before tax as per P&L a/c		330.27		714.22
Adjustment for :				
Depreciation	104.22		85.33	
Interest Charges	639.53		478.88	
Interest Income	(23.33)		(21.85)	
Dividend Income	(0.65)		(0.50)	
(Profit) / Loss on sale of Assets (Net)	4.83	724.60	1.01	542.87
<b>Operating Profit before working capital changes</b>		1,054.87		1,257.09
Adjustments for :				
Trade and Other Receivables	(944.48)		971.70	
Inventories	(356.24)		(1,033.92)	
Trade Payables	(165.48)	(1,466.20)	(991.77)	(1,053.99)
<b>Cash Generated from Operations</b>		(411.33)		203.10
Direct Taxes Paid		(151.97)		(223.53)
Dividend paid		(115.64)		(77.07)
<b>Net Cash from Operating Activities</b>		(678.94)		(97.50)
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(140.72)		(731.40)	
Sale of Fixed Assets	2.23		4.30	
Purchase of investments	(5.00)		(0.05)	
Dividend Received	0.65		0.50	
<b>Net Cash used in Investing Activities</b>		(142.84)		(726.65)
<b>Cash flow from Financing Activities</b>				
Right issue proceeds (net)			300.62	
Loans Net of Repayment	1,527.19		1,008.16	
Interest and finance charges	(639.53)		(478.87)	
Interest income	23.33		21.85	
<b>Net Cash used in Financing Activities</b>		910.99		851.76
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>		89.21		27.61
<b>Cash and Cash Equivalents (Opening Balance) as at 01.04.2009</b>		164.55		136.94
<b>Cash and Cash Equivalents as on 31.03.2010</b>		253.76		164.55

As per our report of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Registration No: 004207 S  
M.PADHMANABHAN  
Partner  
Chennai  
3rd May, 2010

K.E.RANGANATHAN  
DIRECTOR

On Behalf of the Board  
M.M. VENKATACHALAM  
CHAIRMAN

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS  
PROFILE AS PER PART IV OF SCHEDULE VI TO THE COMPANIES  
ACT, 1956**

I	Registration details	
	Registration No.	18-000343
	Balance Sheet date	March 31, 2010
	State code	18
II	Capital raised during the period	
	Public issue	NIL
	Rights issue	NIL
	Bonus issue	NIL
	Private placement	NIL
III	Position of mobilisation and deployment of funds	Rupees in Thousands
	Total liabilities	1,004,681
	Total assets	1,004,681
	Sources of funds	
	Paid up capital	32,948
	Reserves and surplus	139,285
	Secured Loans	553,307
	Unsecured Loans	-
	Deferred Tax Liability	7,880
	Application of funds	
	Net fixed assets	138,368
	Investments	625
	Net current assets	594,427
IV	Performance of company	Rupees in Thousands
	Turnover (including other income)	896,085
	Total expenditure	863,058
	Profit / ( Loss ) before tax	33,027
	Profit / ( Loss ) after tax	21,895
	Earning per Share ( Rupees )	6.65
	Dividend rate ( % )	20%
V	Generic names of three principal products of Company ( as per monetary terms )	
	Item code no. ( ITC code )	Nil
	Product Description	Nil

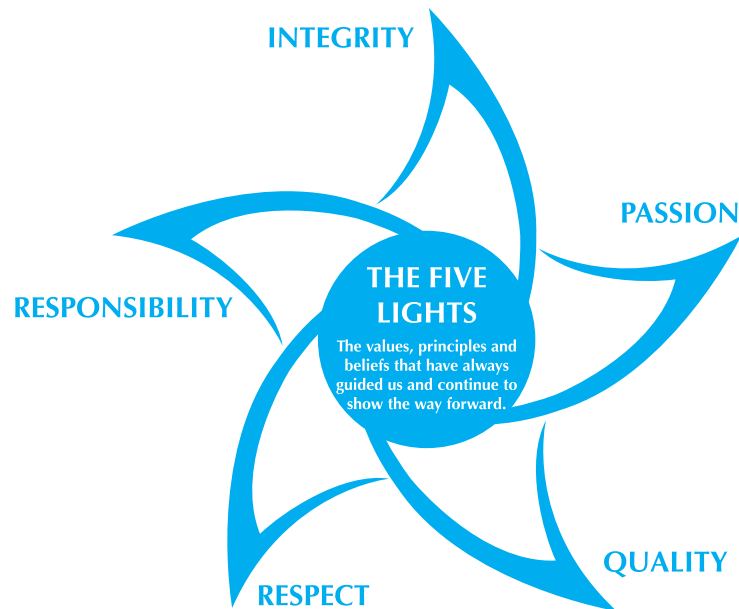
On Behalf of the Board

Place: Chennai  
Date: 03.05.2010

K.E.RANGANATHAN  
DIRECTOR

M.M. VENKATACHALAM  
CHAIRMAN

# The spirit of the Murugappa Group



## INTEGRITY

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

## PASSION

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

## QUALITY

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

## RESPECT

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

## RESPONSIBILITY

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.



## COROMANDEL ENGINEERING COMPANY LIMITED

Registered office : Parry House, III Floor,43, Moore Street, Chennai - 600 001

### Attendance Slip

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters) : \_\_\_\_\_

Member's Folio / Account Number : \_\_\_\_\_  
(To be filled in if the Proxy Attends instead of  
the Member)

Number of Shares held : \_\_\_\_\_



## COROMANDEL ENGINEERING COMPANY LIMITED

Registered office : Parry House, III Floor,43, Moore Street, Chennai - 600 001

### PROXY FORM

Reg. Folio No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

I/We \_\_\_\_\_ residing at \_\_\_\_\_

being a member / members of Coromandel Engineering Company Limited do hereby  
appoint Sri \_\_\_\_\_ S/o \_\_\_\_\_ residing at \_\_\_\_\_

failing him \_\_\_\_\_ S/o \_\_\_\_\_  
residing at \_\_\_\_\_

as my/ our proxy and to vote for me/us, on my/our behalf at the 62nd Annual General  
Meeting of the Company to be held at "Parry House", III Floor, No.43 Moore Street,  
Chennai 600 001 on Thursday, the 29th July,2010 at 10.00 am and at any adjournment thereof.

Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Note : The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the  
time of holding the meeting.



## OUR PRESTIGIOUS CUSTOMERS

### INDUSTRIAL PLANTS

1. Paradeep Phosphates Ltd
2. Ashok Leyland Ltd
3. ATC Tires Pvt Ltd
4. Bharat Heavy Electricals Ltd
5. Carborundum Universal Ltd
6. DCW Ltd
7. Ennore Foundries Ltd
8. Ford India Ltd
9. KCP Ltd
10. Indian Organic Chemicals Ltd
11. Komos Automotive India Pvt Ltd
12. Lakshmi Machine Works Ltd
13. Melss Automation Ltd
14. Subburaj Papers Pvt Ltd
15. SV Sugar Mills Ltd
16. TI Metal Forming
17. Titan Watches Ltd
18. Visteon Automotive Systems India P Ltd
19. United Glass Bottles Mfg. Co. Ltd
20. Allison Transmission India Pvt Ltd
21. Castwel Auto Parts Pvt Ltd
22. Jayshree Chemicals Ltd
23. Silkroad Sugars Pvt Ltd
24. Neyveli Lignite Corporation. Ltd

### CEMENT PLANTS

1. India Cements Ltd
2. Dalmia Cements Ltd
3. Dharani Cements Ltd
4. Madras Cements Ltd
5. Swarna Cements Ltd

### POWER PLANTS

1. TNEB - Ennore Thermal
2. TNEB - Tuticorin Power
3. APSEB - Vijayawada Thermal
4. Siemens Ltd
5. Wartsila India Ltd
6. ThyssenKrupp Industries India Pvt Ltd
  - a. India Cements Ltd., Tirunelveli
7. Thermax Instrumentation Ltd
  - a. Meenakshi Energy Pvt Ltd.
  - b. Indian Metal and Ferro Alloys

### COMMERCIAL BUILDINGS

1. LIC, Chennai
2. Karumuthu Center
3. Standard Chartered Bank
4. SRM School
5. Kovai Medical Centre & Hospitals
6. LIC, Mauritius
7. Vinayaga Mission
8. NSN Educational Committee
9. Arunachalam Hr. Sec. School
10. Chinmaya Vidhyalaya Sec. School
11. Thiagaraja College of Engg., Madurai
12. Alagappa University

### FIVE STAR HOTELS

1. Ashoka Hotel, Bangalore
2. Holiday Inn, Bangalore
3. Windsor Manor, Bangalore
4. Chola Sheraton, Chennai
5. Trident, Chennai





**COROMANDEL ENGINEERING COMPANY LIMITED**

Registered Office : Parry House, III Floor,

43, Moore Street, Chennai - 600 001

Ph: +91-44-25301700

[www.coromandelengg.com](http://www.coromandelengg.com)