

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	"Parry House", 3rd Floor, No.43, Moore Street, Chennai - 600 001

TEN YEARS FINANCIAL HIGHLIGHTS

Rs. in Lacs

OPERATING RESULTS	Year Ended 31st March									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales	1027.41	627.69	1521.83	2054.75	2392.49	4502.40	6800.84	10024.63	8,920.85	11,269.75
Other Income	26.05	30.26	13.62	27.28	93.16	19.02	22.87	37.85	40.00	190.84
Profit before depreciation	22.49	(36.20)	(2.23)	36.76	153.46	276.97	570.37	799.55	434.49	523.16
Profit Before Tax	14.25	(44.53)	(10.20)	29.38	139.12	251.82	527.49	714.22	330.27	405.12
Profit After Tax	7.25	(65.22)	(43.91)	17.99	115.71	202.96	412.87	467.01	218.94	288.54
Dividend - Equity	-	-	-	-	18.78	48.18	77.07	115.64	76.84	95.73
SOURCES OF FUNDS										
Paid up share capital	164.74	164.74	164.74	164.74	164.74	164.74	164.74	329.48	329.48	329.48
Reserves	274.47	209.25	165.34	181.27	278.20	463.15	766.54	1250.75	1,392.85	1,585.66
Loan Funds	73.17	184.07	230.88	511.14	576.36	1945.45	2997.71	4005.87	5,533.07	7,264.90
Net Deferred Tax Liability	10.46	(4.12)	(18.82)	(10.91)	(2.33)	(0.37)	12.56	47.28	78.80	114.61
Total	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65
APPLICATION OF FUNDS										
Fixed Assets	38.24	34.78	29.35	32.43	79.39	249.02	713.49	1354.24	1,383.68	1,822.54
Investments	35.88	35.88	35.88	31.12	31.12	1.13	1.20	1.25	6.25	5.20
Net Current Assets	448.72	483.28	476.91	782.69	906.46	2322.82	3226.86	4277.89	5,944.27	7,466.91
Total	522.84	553.94	542.14	846.24	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65

DIRECTORS – A BRIEF PROFILE

Mr. M M Venkatachalam

Non-Executive Chairman

Mr. M.M.Venkatachalam is a graduate in Agriculture and Master in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman 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 U.K., Parry Agro Industries Limited, Ambadi Enterprises Limited, Parry Enterprises India Limited, Polutech Ltd etc.

Mr M A M Arunachalam

Non-Executive Director

Mr. M A M Arunachalam has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 23 years in the field of varied industrial activities. He is the Managing Director of Parry Enterprises India Limited. He has been on the board of CECL, since September 1995.

Mr. S S Rajsekar

Non-Executive Director

Mr. S.S. Rajsekar is a Chemical Engineer (B. Tech) from Anna University. He has more than 31 years of experience in the field of real estate and property related advisory services. He has extensive senior-level contacts in the business community, through holding key positions in business organisations, Boards of Corporate Companies, Chambers of Commerce, advisory committees of Banks/Financial Institutions. He was the past president of Andhra Chamber of Commerce and currently he is a Managing Committee member of Madras Management Association. He has been on the board of CECL, since October 2005.

Mr. J Srinivasan

Non-Executive Director

Mr. J. Srinivasan holds a Bachelor's Degree in Economics – Political Science – Commerce combination of the University of Delhi. He is also a Fellow of the Institute of Company Secretaries of India. He has been in Industry for over 53 years in different capacities. Till October 2006, he was the CEO of both TTK-LIG Limited and SSL-TTK Limited. Presently, he is the Mentor Director of the TTK Group. He was responsible for taking over Dr. Scholl, domestic business in SSL-TTK and for shifting UK operations to India. In recognition of his contribution, the JV partners have named Sriperumbudur plant after him. He is also associated with a few NGOs in Chennai, like VHS, TTK-VHS-Rotary Blood Bank, TTK Hospital of TT Ranganathan Foundation, Spastics Society of Tamil Nadu, etc. He has been on the board of CECL, since July 2008

Mr. V Venkiteswaran

Non-Executive Director

Mr V Venkiteswaran has business experience of over 40 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 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 Private Limited 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. He was appointed as a Director of CECL in July 2009.

Mr. Sridhar Ganesh
Non-Executive Director

Mr. Sridhar Ganesh is a graduate in Physics and an alumnus of IIM Calcutta. He has extensive experience in the areas of developing people strategy, building organization culture, leadership development and coaching for performance and has worked across the HR function in organisations like Cadbury Schweppes, Berger Paints etc. He took up the current role as Director HR with the Murugappa

Group in February 2007. He is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on Skills & Human Resources. He is also the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. He was appointed as a Director of CECL in October 2009.

Mr. Jitendra Virwani
Non-Executive Director

Mr. Jitendra Virwani 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 the age of 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 26 years and possesses wide and rich experience in the 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 ID curriculum in all grades. He was appointed as a Director of CECL in January 2010.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SIXTY THIRD Annual General Meeting of the shareholders of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Monday, the 25th July 2011 at 9.30. a.m. at the Registered Office of the Company at 3rd 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 year ended 31st March, 2011 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. S S Rajsekar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri. V Venkiteswaran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Shri. J Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 traveling and out of pocket expenses actually incurred by them.

SPECIAL BUSINESS

7. To consider and if deemed fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be required, the Articles of Association of the Company, be amended by substituting the following new Article 96 in the place of the existing Article 96.

The new Article 96 will read as follows:

96. Every Director including the Ex-officio Director shall be paid, out of the funds of the company, a sitting fee of such sum subject to the ceiling prescribed by the Act or Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Board of Directors or of any Committee thereof or otherwise incurred in the execution of his duties as Directors. The Board of Directors may revise the sitting fee payable to the Directors from time to time, not exceeding such sum as may be prescribed under the Act or any statutory modification or re-enactment thereof or by the Central Government.

On behalf of the Board

Place : Chennai
Date : 20th April, 2011

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 Monday, 11th July, 2011 to Monday, 25th July, 2011 (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 (or to their nominees / mandates) whose names appear in the Register of Members of the Company as on 25th July, 2011 and in case of shares in dematerialized form as per the details furnished by the Depositories.
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. 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 & 2009-10 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 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. S S Rajsekar

Mr. S S Rajsekar is a Chemical Engineer (B.Tech). He has more than 31 years of experience in the field of real estate and property related advisory services. He has been on the Board of CECL, since October 2005.

Mr S S Rajsekar does not hold any equity shares in the Company.

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

Director: Chennai Consultancy Services Private Limited, Chidbhava Constructions and Properties Private Limited, Oil and Natural Gas Corporation Limited, Tamilnadu Corporation for Development of Women Limited, ONGC TERI Biotech Limited.

Committee Membership: Oil and Natural Gas Corporation Limited - Human Resource Management Committee & Health Safety & Environment Committee, Audit & Ethics Committee, Project Appraisal Committee, Shareholders' Investors Grievance Committee and Code for Redressal of Grievance of the Parties.

Mr. V Venkiteswaran

Mr V Venkiteswaran is a Mechanical Engineer and has business experience of over 40 years in diverse areas of operation. He has been on the board of CECL, since July 2008.

Mr. V Venkiteswaran does not hold any equity shares in the Company.

Mr. J Srinivasan

Mr J Srinivasan holds a Bachelor's Degree in Economics – Political Science – Commerce. He is also a fellow of the Institute of Company

Secretaries of India. He has been in Industry for over 53 years in different capacities. He has been on the board of CECL, since July 2008.

Mr J Srinivasan does not hold any equity shares in the Company.

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

Director: SSL – TTK Limited and TTK Healthcare Limited

Committee Membership: Nil

On behalf of the Board

Place : Chennai
Date : 20th April, 2011

M.M. VENKATACHALAM
CHAIRMAN

ANNEXURE TO THE NOTICE

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

Item no. 7

At present Article 96 of the Articles of Association of the Company provides for the payment of Directors Sitting Fees not exceeding Rs.3,000/- (Rupees Three Thousand only) per Director for each Meeting attended.

The first proviso to Section 310 of the Companies Act, 1956 read with Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 as amended from time to time provides the following limits for payment of fee for attending each meeting of the Board of Directors or a Committee thereof:

(a)	Companies with a paid up share capital and free reserves of Rs.10 crores and above or turnover of Rs.50 crores and above	Sitting fee not to exceed the sum of Rs.20,000/-
(b)	Other Companies	Sitting fee not to exceed the sum of Rs.10,000/-

Considering the increase in activities of the Company and the time devoted by the Non-Executive Directors for the meetings, it is proposed to authorise the Board of Directors to fix the sitting fee payable to each Director for attending each meeting of the Board of Directors or a Committee thereof of an amount not exceeding the limits prescribed by the Act or Central Government from time to time.

Accordingly, the Board commends the special resolution set out under Item no.7 of the notice for approval of the members.

Interest of Directors

All the non-executive Directors of the Company for the time being may be considered interested in this resolution to the extent of the sitting fee payable to them. Save as aforesaid, none of the Directors is, in any way concerned or interested in the said resolution except to the extent of their respective shareholding in the Company.

On behalf of the Board

Place : Chennai
Date : 20th April, 2011

M.M. VENKATACHALAM
CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the audited accounts for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

Rs. in Lacs

Description	2010 - 11	2009 - 10
Profit/(Loss) Before Interest & Depreciation	675.37	549.53
Less: Depreciation	118.04	104.22
Interest	152.21	115.04
Profit Before Tax	405.12	330.27
Less: Provision for Taxation	116.58	111.33
Profit After Tax	288.54	218.94
Less: Transfer to General Reserve	29.00	22.00
Proposed Dividend	82.37	65.90
Tax on Dividend	13.36	10.94
Add: Earlier years' profit brought forward	649.30	529.20
Profit carried to Balance Sheet	813.11	649.30

OPERATIONS AND PERFORMANCE

During the year under review, your Company recorded a turnover of Rs.11,269.75 Lacs and PBT of Rs.405.12 Lacs as against the last year turnover of Rs. 8,920.85 Lacs and PBT of Rs. 330.27 Lacs.

Your Company, during the year, has undertaken construction of factory buildings for entities across India, in Sectors like Chemicals, Fertiliser, Automobile, Power, Distillery, Cement etc and Residential Apartments and Warehouse. The tender enquiries are increasing and the Company is quoting for tenders in the range of Rs 50 to 100 Crores.

Turnover reported in Property Development is Rs. 1,161.57 Lacs during the year as against Nil sales last year.

Your Company during the year has acquired operational Plant and Machinery and other Fixed Assets amounting to Rs.557.13 Lacs.

LISTING OF SECURITIES IN STOCK EXCHANGES

The Company's Shares are listed in Madras Stock Exchange Limited and Bombay Stock Exchange Limited. Your Directors are pleased to inform that in terms of the agreement entered into by MSE with National Stock Exchange (NSE), the equity shares of your Company are allowed to dealings on the NSE (Capital Market Segment) with effect from 17.02.2011.

ACCREDITATION/RECOGNITION

Your Company has successfully undergone the Surveillance Audit under 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 288.54 Lacs. Your Directors are pleased to recommend a dividend of Rs. 2.50 (25%) per equity share of Rs.10/- each for the financial year ended March 31, 2011. The total outgo on account of the dividend to be paid to the shareholders will be Rs. 95.73 Lacs (inclusive of dividend distribution tax).

DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company Messrs. S S Rajsekar, V. Venkiteswaran and J Srinivasan, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

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, subject to 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 Exchanges, Management Discussion & Analysis Report, Corporate Governance Report and 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 31st March, 2011 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.

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

There were no employees covered by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification No. GSR 289 (E) dated 31st March 2011.

Place : Chennai
Date : 20th April, 2011

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 earnings and outgo. Hence, there are no particulars required to be furnished under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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 and Staff of the Company.

On behalf of the Board

M.M. VENKATACHALAM
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY UPDATES

Construction Industry in India has shown signs of revival & growth since the year 2010. This is due to several factors like growing economy, investment in infrastructure, increasing flow of funds from abroad, growth in real estate sector etc.

Infrastructure segments like Roads, Bridges, Ports, Airports, Irrigation, Power etc have attracted increasing investments from both public & private sector players. The modernization of airports at New Delhi, Mumbai, Hyderabad & Bangalore saw huge investments. This apart, the newer airports being built in small towns across India has fueled the construction sector.

The shortage of Power for industrial growth & residential sector has led to investments in new power plants across India. An estimated investment of Rs. 250,000 Crore is being spent on building over 50,000 MW power plants. This has resulted in giving a major thrust to the construction sector.

The average GDP growth of over 8% has resulted in companies across several product categories going for expansion of their manufacturing facilities to meet the increasing consumer demand. This again has resulted in enormous scope for construction sector growth.

On the residential front, the estimated shortage of over 40 million homes is driving investment, especially in the 'affordable' housing segment.

REVIEW OF BUSINESS OF COROMANDEL ENGINEERING COMPANY LTD

As regards Residential Projects, the Company has sufficient land banks, both owned and on Joint

Venture. With the price corrections happening in the market and improving economic conditions overall, it is expected that the demand for residential units in key metros & tier II cities will see increasing trend in the coming years.

On the Civil Constructions side the Company could achieve a reasonable growth in sales and is well poised to achieve a robust growth in turnover during the financial year 2011-12 considering the opening order book as on 1st April, 2011. The Company achieved few orders in the range of Rs. 15 to Rs. 40 Crores and many Tenders are being quoted in the range Rs.30 Crores to 100 Crores. Also tenders are quoted with Turn-key Contractors in Power Sector. The company's strategic foray into building residential complexes for reputed developers had yielded good results. The Company continues to be looking for opportunities 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.

BIDDING RISK

Impacts the 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.

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.

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.
3. Ensure insurance cover protects against damages due to natural calamities in seismic fault areas due to design.

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 and efficient 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 up-gradation
3. Devising a career growth chart to motivate staff.

RISK OF CLIENT-CENTRIC

Excessive dependence on a few clients could impact profitability in the event of slowdown or customer attrition.

Mitigation Measures

1. Diversify into different Geographical Locations.
2. Add more new clients every year

DISTURBANCE AT PROJECT LOCATIONS

Project delay resulting in project overrun and cost overrun

Mitigation Measures

1. Study local conditions
2. Take help from the client to have emergency plan.
3. Develop rapport with local Union.

RISK OF VARIANCE IN LOCAL MATERIAL PRICE

Increase in input cost resulting in cost overrun.

Mitigation Measures

1. Thorough study on Price movement.
2. Procure Material, which have seasonal fluctuation, in advance

RISK OF FLUCTUATION IN ORDER BOOKING

Recruitment of qualified staff and cost of Recruitment.

Mitigation Measures

1. Organisational structure must be flexible
2. Cost of Recruitment should be periodically checked to understand the market.

RISK OF CLIENTS DELAY IN DRAWING

Possible time overrun and cost overrun at the cost of quality.

Mitigation Measures

1. Follow up with the clients to obtain drawings timely.
2. Record the delays by the client to safeguard against possible Liquidated Damages.

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 Cement, Automobile, Residential, Warehousing, Chemical and Vegetable oil. Some of the new clientele are expected to yield repeat orders for their planned expansions all across India.

The Company received sizeable orders in the second half of FY 2010-11. The new orders could not be fully converted into turnover on account of delay in handing over site, delay in drawings and mobilisation time. Property development has yielded a turnover of Rs. 1,161.57 Lacs. There is a 26% increase in turnover from Rs. 8,920.85 Lacs for the year ended 31st March,2010 to Rs. 11,269.75 Lacs for the year ended 31st March,2011

Expenditure

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

Rs. in Crores				
Description	FY 2010-11	In Percentage	FY 2009-10	In Percentage
Revenue from Operations	112.70	100.00	89.21	100.00
Cost of Sales	102.26	90.74	79.91	89.58
Salaries & Other Benefits	2.52	2.24	1.75	1.96
Other Expenses	3.07	2.72	2.46	2.75
Interest on Borrowings	1.52	1.35	1.15	1.29
Depreciation	1.18	1.05	1.04	1.17
	110.55	98.09	86.31	96.75

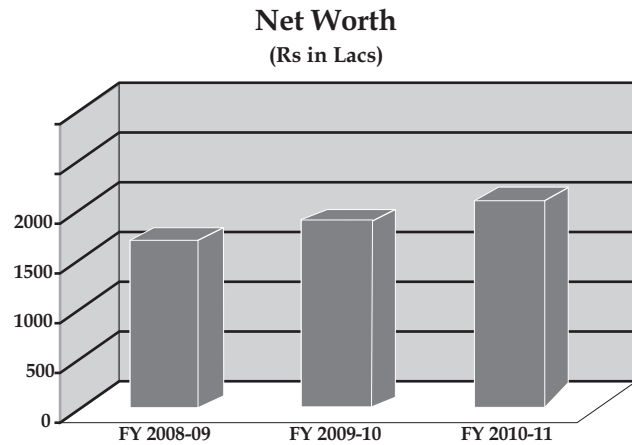
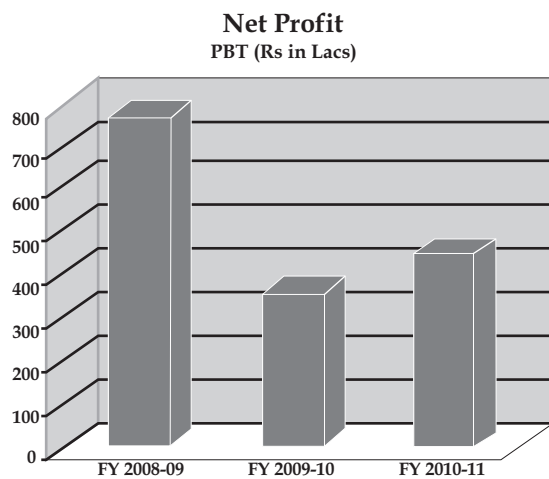
Net Profit

Rs. in Crores

	2010-2011	2009-2010
Total Revenue	114.61	89.61
Profit Before Tax (PBT)	4.05	3.30
PBT as % of Revenue	3.53	3.68

Net Worth

The net worth of the Company as at March 31, 2011 is at Rs.1,915.14 Lacs as compared to Rs 1722.33 Lakhs as at March 31, 2010.



TRADING OF SHARES IN NSE

The Company's Shares are listed in Madras Stock Exchange Limited and Bombay Stock Exchange Limited. In terms of the agreement entered into by MSE with National Stock Exchange (NSE), the equity shares of the Company are allowed to dealings on the NSE (Capital Market Segment) with effect from 17.02.2011.

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

Talent Management – both acquisition and retention is a challenge in Construction Industry. Towards achieving this we implemented some of the measures like enhanced remuneration, result

oriented incentive package, focused learning and development and regular communications. As many new Projects are spread in Orissa, Campus recruitment from Orissa Region was taken up. Introduction of MY CECL - CECL's intranet - for two way communication between staff at various locations added up to the employee performance levels. Continuous interaction with all employees by various orientation programs, Cross functional meets and by the frequent visits of Sr. Executives to the Projects went a long way in bringing the employees closer to each other.

The Management continues to pay 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.

Place : Chennai
Date : 20th April, 2011

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

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, 2011.

Corporate Governance is essentially the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. The principal stakeholders are the Shareholders, Management and the Board of Directors. Other stakeholders include labour (employees), customers, creditors, suppliers, regulators, and the community at large. Corporate governance ensures fairness, transparency and integrity of the management.

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.

The corporate governance philosophy of the Company has been further strengthened with the adoption of the CEC's Code of Conduct. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

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, 2011 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	3	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	11	2
6	Mr. K E Ranganathan	Non Executive, Independent	4	Nil
7	Mr. Sridhar Ganesh	Non Executive, Independent	4	Nil
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

None of the Directors on the Board is a member in more than 10 committees and Chairman of more than 5 committees (as per Clause 49(I)(C)(ii) of the Listing Agreement), across all companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

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.

Board Procedure

The Board has formal schedule of matters reserved for its consideration and decision. The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to

Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary.

Details of Director seeking re-appointment

Messrs. S S Rajsekar, V Venkiteswaran and J Srinivasan, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Relevant details relating to the above Directors are furnished in the Notice convening the Annual General Meeting to be held on Monday the 25th July, 2011 which forms part of the Annual Report.

Board Meetings and Attendance at Board Meetings & Annual General Meeting

The Board of Directors met Six (6) times during the financial year ended 31st March 2011 on 3rd May 2010, 4th June 2010, 29th July 2010, 28th October 2010, 31st January 2011 and 29th March 2011. 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.M. Venkatachalam	6	Yes
2	Mr. M.A.M Arunachalam	4	-
3	Mr. S. S. Rajsekar	3	-
4	Mr. J. Srinivasan	6	Yes
5	Mr. V .Venkiteswaran	4	Yes
6	Mr. K. E. Ranganathan	6	Yes
7	Mr. Sridhar Ganesh	6	-
8	Mr. Jitendra Virwani	1	-

Board Committees

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 an Audit Committee in the year 2008, in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee broadly are as under:

- a. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- 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 and 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 28.10.2010 and presently the Committee comprises of four (4) non executive directors, of which three (3) 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 five (5) times during the financial year ended 31st March 2011 on 3rd May 2010, 26th July 2010, 28th October 2010, 31st January 2011 and 29th March 2011 and the time gap between the two meetings did not exceed four months.

Name of the Member	Chairman / Member	No. of Meetings Attended
Mr. J Srinivasan	Chairman	5
Mr. M A M Arunachalam	Member	3
Mr. S S Rajsekar	Member	3
Mr. V Venkiteswaran	Member	2 *

* Appointed w.e.f 28th October 2010

4. Remuneration Policy

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

- a. Job profile and special skill requirements.
- b. Prevailing compensation structure in companies of similar size and in the industry.
- c. 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 60th Annual General Meeting held on 31st July 2008, the commission is paid not exceeding 1% per annum of the net profits of the Company (computed in accordance with the provisions of 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 for F/Y 2010 - 2011 (Rs.)
Mr. M M Venkatachalam	18,000	50,000
Mr. M A M Arunachalam	21,000	50,000
Mr. S S Rajsekar	18,000	50,000
Mr. J Srinivasan	33,000	50,000
Mr. V Venkiteswaran	18,000	50,000
Mr. K E Ranganathan	Nil	Nil
Mr. Sridhar Ganesh	18,000	50,000
Mr. Jitendra Virwani	3,000	50,000

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the members at the Annual General Meeting.

5. Shareholders and Investors Grievance Committee

The Shareholders and Investors Grievances Committee of the Board looks into the redressal of the investors' complaints like non receipt of annual reports, dividend payments, change or deletion of name, issue of duplicate share certificates, dematerialisation, rematerialisation, transfer, transmission, transposition sub-division, consolidation and other allied transactions. The

Board has also delegated to certain Executives of the Company with powers to accomplish aforesaid objectives. 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.

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.

Details of the members of the Committee are given below -

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

During the year under review, the necessity for the Committee to meet to deal with the matters relating to transfers / transmissions of shares etc. did not arise since the said matters were approved by the Company Officials under the delegated powers given by the Board.

There are no Pending Complaints as on March 31, 2011.

6. General Body Meetings

The location, date 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
2010	3rd Floor, Parry House, No. 43, Moore Street, Chennai - 600 001	Thursday, 29.07.2010	10.00 a.m.
2009	Same as above	Friday, 31.07.2009	10.15 a.m.
2008	Same as above	Thursday, 31.07.2008	11.00 a.m.

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

Date of AGM	Whether any Special Resolution was passed	Particulars
29.07.2010	No	Nil
31.07.2009	No	Nil
31.07.2008	Yes	Approval of Payment of Commission to Non Executive Directors

Postal Ballot

No special resolutions were passed by postal ballot during the financial year ended 31st March 2011.

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. 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, which is reviewed by the Board periodically.

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 mechanism, a non-mandatory requirement of the Listing Agreement, at the meeting of the Board of Directors held on 25th January 2010, to provide an avenue to raise concerns about 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

Related Party Transactions

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 have 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 19 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.

Statutory Compliances, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority.

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 31st March 2011. 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 and details of the book closure etc are normally published in daily newspapers viz., News Today (English) and Maalai Sudar (Tamil). The annual audited financial results for the financial year 2009-10 was published in Business Standard (English) and Dinamani (Tamil).

Place : Chennai
Date : 20th April, 2011

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

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 3rd 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, 2011. 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 : 14th April 2011

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

DECLARATION OF CODE OF CONDUCT

**The Board of Directors
Coromandel Engineering Company Limited
3rd 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 31st March 2011, 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", 3rd Floor, No.43, Moore Street, Chennai -600 001

Annual General Meeting

Day : Monday
Date : 25th July, 2011.
Venue : 3rd Floor, "PARRY HOUSE",
No.43, Moore Street, Chennai 600 001
Financial year : 1st April 2010 to 31st March 2011

Date of Book Closure

Monday, the 11th day of July 2011 to Monday, the 25th day of July 2011 (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
- ❖ National Stock Exchange of India Ltd.*
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E) Mumbai 400 051

* With effect from 17th February 2011, the Company's shares are included on NSE Trading Platform under MSE-NSE Agreement.

Listing fees for the year 2010-2011 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)	533167
NSDL & CDSL	INE312J01012
National Stock Exchange Ltd. (NSE)	COROENGG

Market Price Data:

The monthly high and low quotations and volume of shares traded on BSE from 1st April, 2010 and NSE from 17th Feb, 2011 up to 31st March, 2011 is as follows:

Month	Bombay Stock Exchange (in Rs)			National Stock Exchange (in Rs)		
	High Price	Low Price	No.of Shares	High Price	Low Price	No.of Shares
Apr 2010	332.85	194.75	192588	-	-	-
May 2010	297.95	221.00	50446	-	-	-
June 2010	288.00	220.00	8323	-	-	-
July 2010	314.00	250.00	21018	-	-	-
Aug 2010	337.45	283.50	14579	-	-	-
Sept 2010	517.00	275.10	117963	-	-	-
Oct 2010	461.80	332.00	9007	-	-	-
Nov 2010	429.00	321.00	3544	-	-	-
Dec 2010	375.00	307.15	1131	-	-	-
Jan 2011	349.50	262.00	1654	-	-	-
Feb 2011	298.95	261.60	2258	307.50	271.40	125
Mar 2011	274.95	208.10	2665	285.00	220.00	1207

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, to the transfer agents mentioned below:

M/s. Karvy Computershare Private Limited,
(Unit: Coromandel Engineering Company Limited),
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad 500 081
Tel: 91-40-4465 5000/ 2342 0818
Fax: 91-40-2342 0814
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

Share Transfer and Investors Service System

The Shareholders and Investors Grievances Committee, approves transfers / transmission / transposition, subdivision and consolidation etc.

The Board has delegated powers to approve transfers, transmission, transpositions, dematerialisation / rematerialisation of shares upto a maximum of 10,000 equity shares per transaction to the directors of the Company and upto 5,000 equity shares per transaction to the executives

Shareholding pattern/Distribution of shareholding Shareholding pattern as on 31.03.2011

Category	No of Shares	% of Shareholding
Promoters	2087983	63.37
Resident Individuals	789322	23.96
Promoter Companies	365937	11.11
Bodies Corporate	39047	1.19
H U F	9882	0.30
Banks	2400	0.07
Clearing Members	150	0.00
Non Resident Indians	59	0.00
TOTAL	3294780	100.00

Distribution of Shareholding as on 31.03.2011

Category	Number of Shareholders	% on total	No. of Shares	% on total
1 - 5000	889	83.87	99271	3.01
5001 - 10000	69	6.51	52219	1.59
10001 - 20000	29	2.73	41541	1.26
20001 - 30000	9	0.85	22187	0.67
30001 - 40000	8	0.75	28360	0.86
40001 - 50000	4	0.38	17915	0.55
50001 - 100000	9	0.85	68688	2.08
Greater than 100000	43	4.06	2964599	89.98
Total	1060	100.00	3294780	100.00

Shareholders in	No. of Shareholders	in %	No. of Shares	in %
Physical Mode	456	43.02	434830	13.19
Electronic Mode :				
NSDL	452	42.64	2733208	82.96
CDSL	152	14.34	126742	3.85
TOTAL	1060	100.00	3294780	100.00

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 31.03.2011:

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 Computershare 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, 3rd Floor,
No.43, Moore Street,
Parrys, Chennai – 600 001.
E-Mail: 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 to 24, Vittalrao Nagar
Madhapur, Hyderabad 500 081
Tel: 91-40-4465 5000/ 2342 0818
Fax: 91-40-2342 0814
Email: einward.ris@karvy.com
Website: www.karvycomputershare.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.	Ambadi Enterprises Limited and Subsidiaries
4.	AMM Foundation
5.	Murugappa Educational and Medical Foundation
6.	AR Lakshmi Achi Trust
7.	Carborundum Universal Limited and Subsidiaries
8.	Cholamandalam Investment and Finance Co.Limited and Subsidiaries
9.	E.I.D.Parry (India) Ltd and Subsidiaries
10.	Kadamane Estates Company
11.	Laserwords Private Ltd. & Subsidiaries
12.	M.M.Muthiah Research Foundation
13.	M.M.Muthiah Sons Private Ltd
14.	Murugappa & Sons
15.	Parry Estates Ltd.
16.	Murugappa Management Services Limited
17.	New Ambadi Estates Private Limited and subsidiaries
18.	Tube Investments Of India Ltd and Subsidiaries
19.	Yelnoorkhan Group Estates
20.	M V Murugappan & Family
21.	M V Subbiah & family
22.	M A Alagappan & family
23.	A Vellayan & family
24.	A Venkatachalam & family
25.	M M Murugappan & family
26.	M M Venkatachalam & family
27.	M A M Arunachalam & family
28.	S Vellayan & family
29.	Arun Alagappan & family
30.	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 **31st March 2011**. 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 **SIX (6)** times on 3rd May 2010, 4th June 2010, 29th July 2010, 28th October 2010, 31st January 2011 and 29th March 2011 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 15th July, 2010 to 29th July 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Sixty Second Annual General Meeting for the financial year ended 31st March 2010 was held on 29th July 2010 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 duly complied with the provisions of Section 297 of the Act in respect of Contracts specified in that Section.
10. The company has entered into contracts falling within the purview of Section 297 and 299 of the Act with the companies listed in the register

maintained under Section 301(3) of the Act and necessary entries 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 not 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 Second Annual General Meeting held on 29th July 2010 in a separate bank account on 31st July 2010 which is within five days from the date of declaration of such dividend.

(iv) has posted cheques / warrants 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 and 31st March 2009 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 2010 declared at the 62nd Annual General Meeting held on 29th July 2010 to Unpaid Dividend Account of the

Company maintained with HDFC Bank on 30th August 2010 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. Messrs. M M Venkatachalam, K.E.Ranganathan, Sridhar Ganesh and Jitendra Virwani were appointed as Directors at the 62nd Annual General Meeting held on 29th July 2010. There was no appointment of additional or alternate directors or directors to fill 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 during the financial year had filed an application with the Regional Director for contract under Section 297 of the Act vide SRN A90747379 dated 06.8.2010 and the approval for the same was received vide letter dated 7th September 2010.

(b) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar and / or such authorities prescribed under various provisions of the Act during the financial year.

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**

Place: Chennai
Date: 14th April 2011

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

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

For R. Sridharan & Associates
Company Secretaries

Place: Chennai
Date: 14th April 2011

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 2011

FOR THE FINANCIAL YEAR 2010-2011 [01.04.2010 TO 31.03.2011]

REGISTRAR OF COMPANIES

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)
1.	8	125	Creation of Charge in favor of HDFC Bank Ltd on 02.03.2010 for a sum of Rs. 10,00,00,000/- by Hypothecation of stocks & book debts.	01.04.2010	YES	NA	A82043050 Rs.500/- (N)
2.	8	125	Creation of Charge in favor of Development Credit Bank Limited on 19.03.2010 for a sum of 15,00,00,000/- by Hypothecation charge on stock and book-debts.	13.04.2010	YES	NA	A82777145 Rs.500/- (N)
3.	24A	297	Application made to Regional Director for approval of Contract between the Company and a Director.	06.08.2010	YES	NA	A90747379 Rs.500/- (N)
4.	32	303	A p p o i n t m e n t o f Messrs. M.M. Venkatachalam, K.E.Ranganathan, Sridhar Ganesh and Jitendra Virwani as Directors of the Company at the Annual General Meeting held on 29.07.2010.	06.08.2010	YES	NA	A90798539 Rs.500/- (N)
5.	66	383A	Compliance Certificate issued by CS.R.Sridharan, M/s. R.Sridharan & Associates, Company Secretaries, Chennai for the financial year ended 31st March 2010.	06.08.2010	YES	NA	P49289986 Rs.500/- (N)
6.	23AC, 23ACA & Sch VI	220	Balance Sheet for the financial year ended 31st March, 2010.	10.08.2010	YES	NA	P49435449 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.	8	135	Modification of charge on 05.08.2010 created in favour of City Union Bank Ltd by enclosing NOC from Indian Bank for pari passu charge over current assets to secure the amount of Rs.15,00,00,000/-.	02.09.2010	YES	NA	A93134278 Rs.500/- (N)
8.	20B & Sch V	159	Annual Return made upto 29th July 2010 (Date of 62nd AGM).	16.09.2010	YES	NA	P52416922 Rs.500/- (N)
9.	8	135	Modification of Charge on 16.11.2010 created in favor of Indian Bank for a sum of Rs.50,00,00,000/- by waiver of paripassu 1st charge on fixed assets of the company and repayment of term loans and bank guarantee to the extent of Rs.10.07 crores.	30.11.2010	YES	NA	A99364721 Rs.500/- (N)

REGIONAL DIRECTOR

The Company had filed an application with the Regional Director for approval of contract between the Company and a Director under Section 297 on 06.08.2010 and the approval for the same was received vide letter dated 7th September 2010.

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

For R. Sridharan & Associates
Company Secretaries

Place: Chennai
Date: 14th April 2011

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 31st March, 2011 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 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of subsection (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 31st March, 2011;
 - 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: 20.04.2011**

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>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>(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>(iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures</p> | <p>(v) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered</p> <p>(b) Where each such transaction is in excess of Rs.5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.</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>(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 31st March, 2011 for a period of more than six months from the date they become payable.</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.

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	Sales Tax Appellate Tribunal, Andhra Pradesh	22.83
Income Tax	Commissioner of Appeals	132.38

- (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: 20.04.2011

Financial Statements

2010-2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Rs. in Lacs

	Schedule	As at 31st March, 2011		As at 31st March, 2010	
Sources of Funds					
Shareholders' Fund					
Share Capital	1	329.48		329.48	
Reserves And Surplus	2	1,585.66	1,915.14	1,392.85	1,722.33
Loan Funds					
Secured Loan	3		7,264.90		5,533.07
Deferred Tax Liability			114.61		78.80
Total			9,294.65		7,334.20
Application of Funds					
Fixed Assets					
Gross Block	4	2,262.59		1,705.80	
Less : Depreciation		440.05		322.12	
Net Block			1,822.54		1,383.68
Investments	5		5.20		6.25
Current Assets, loans & Advances					
Current Assets					
Interest Accrued		11.60		9.19	
Inventories	6	2,386.42		2,070.89	
Debtors	7	3,436.34		3,828.38	
Cash And Bank Balances	8	356.45		253.76	
Loans And Advances	9	4,596.40		2,494.66	
			10,787.21		8,656.88
Less:					
Current Liabilities & Provisions					
Current Liabilities	10	2,688.97		2,180.94	
Provisions	11	631.33		531.67	
			3,320.30		2,712.61
Net Current Assets			7,466.91		5,944.27
Total			9,294.65		7,334.20
NOTES ON ACCOUNTS	19				

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants

On Behalf of the Board

M.PADHMANABHAN
Partner

K.E.RANGANATHAN
DIRECTOR

M.M. VENKATACHALAM
CHAIRMAN

Chennai
20th April, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Rs. in Lacs

	Schedule	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Income					
Contract Revenue	12	11,267.95		8,920.85	
Merchant Sales		1.80		-	
Other Income	13	190.84	11,460.59	40.00	8,960.85
Expenditure					
(Increase)/ Decrease In					
Work In Progress	14	(80.72)		(560.41)	
Contract Expenses	15	10,304.60		8,550.93	
Cost of Merchant Sales		1.74		-	
Salaries & other Benefits	16	252.22		175.00	
Other Expenses	17	307.38		245.80	
Interest On Borrowings	18	152.21		115.04	
Depreciation		118.04	11,055.47	104.22	8,630.58
Profit Before Taxation			405.12		330.27
Provision For Taxation					
Current Tax		80.77		79.80	
Deferred Tax		35.81	116.58	31.53	111.33
Profit After Tax			288.54		218.94
Less: Transfer to General Reserve			29.00		22.00
Proposed Dividend			82.37		65.90
Tax On Proposed Dividend			13.36		10.94
Balance Brought Forward			649.30		529.20
Balance Carried To Balance Sheet			813.11		649.30
Earnings Per Share					
Basic			8.76		6.65
Diluted			-		-
(Schedule 19, Note 15)					
NOTES ON ACCOUNTS	19				

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants

On Behalf of the Board

M.PADHMANABHAN
Partner

K.E.RANGANATHAN
DIRECTOR

M.M. VENKATACHALAM
CHAIRMAN

Chennai
20th April, 2011

Rs. in Lacs

SCHEDULES TO ACCOUNTS

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
4,000,000 Equity Shares of Rs 10/- Each	400.00	400.00
ISSUED AND SUBSCRIBED		
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 Pvt.Ltd with Coromandel Engg Co Ltd.	87.63	87.63
	329.48	329.48
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve	7.24	7.24
Investment Allowance Reserve	77.71	77.71
Securities Premium (on Rights Issue)	135.88	135.88
GENERAL RESERVE	522.72	500.72
Add: Transfer From Profit & Loss Account	29.00	22.00
	551.72	522.72
Surplus In Profit And Loss Account	813.11	649.30
	1,585.66	1,392.85
SCHEDULE 3		
SECURED LOANS		
(1) From Banks		
a) Term Loan *(Repayable Within One Year -Rs. 600 Lacs)	1,800.00	2,400.00
b) Working Capital Demand Loan **	4,256.86	1,900.00
c) Cash Credit **	1,208.04	1,233.07
	7,264.90	5,533.07
* Secured By Hypothecation of Fixed Assets		
** Secured By Hypothecation of Stock , WIP, Receivables		

**SCHEDULE 4
FIXED ASSETS**

Rs. in Lacs

Sl. No	Type of Asset	Gross Block				Depreciation				Net Block	
		As at 01.04.10	Additions	Deletions	As at 31.03.11	Upto 31.03.10	Deletions	For the Year	Up to 31.03.11	As at 31.03.11	As at 31.03.10
1	a. Machinery, Plant and Equipments	1,521.87	521.56		2,043.43	225.69	85.88	311.57	1,731.86	1,296.18	
	b. Vehicles - Others	24.41	5.95		30.36	7.31	2.66	9.97	20.39	17.10	
2	Furniture & Fixtures	17.62	1.93		19.55	16.75	1.24	17.99	1.56	0.87	
3	Office Appliances	35.13	4.30	0.34	39.09	15.34	2.12	17.35	21.74	19.79	
4	Computers	72.61	17.43		90.04	39.09	12.77	51.86	38.18	33.52	
5	Software and Licencing	34.16	5.96		40.12	17.94	13.37	31.31	8.81	16.22	
	TOTAL	1,705.80	557.13	0.34	2,262.59	322.12	0.11	440.05	1,822.54	1,383.68	
	Previous Year	1,520.89	194.10	9.19	1,705.80	220.03	2.13	322.12	1,383.68	1,300.86	

Rs. in Lacs

SCHEDULE 5**INVESTMENT AT COST**

	As at 31st March 2011			As at 31st March 2010		
	Face Value	Nos.	Amount	Face Value	Nos.	Amount
LONG TERM INVESTMENTS						
SHARES IN COMPANIES - NON TRADE						
A. QUOTED (FULLY PAID UP)						
SRF Ltd	-	-	-	10	440	0.23
Kama Holdings Limited	-	-	-	10	48	-
Cholamandalam Investments & Finance Co. Ltd.	10	262	0.20	10	262	0.20
Consolidated Foundations India Ltd	10	120	0.04	10	120	0.04
Less : Provision for Diminution in Value of investments			0.04			
			-			
Hindustan Construction Co.Ltd	-	-	-	1	2,000	0.01
Navabharat Ferro Alloys Ltd	-	-	-	2	5,000	0.19
Rock Cabco Ltd	10	100	0.02	10	100	0.02
Less : Provision for Diminution in Value of investments			0.02			
			-			
ITD Cementation India Ltd	-	-	-	10	100	0.05
V M Jog Constructions Ltd	10	400	0.05	10	400	0.05
Less : Provision for Diminution in Value of investments			0.05			
			-			
Vajra Granties Ltd	10	100	0.01	10	100	0.01
Less : Provision for Diminution in Value of investments			0.01			
			-			
Larsen & Toubro Ltd	-	-	-	2	1,740	0.38
Ultra Tech Cement Limited	-	-	-	10	348	-
B. UNQUOTED						
Charmvell Electronics Ltd	100	500	0.50	100	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	10	50,000	5.00
DEBENTURE QUOTED						
Hindustan Dorr Oliver Ltd	-	-	-	20	50	0.07
			5.20			6.25
Market Value - Quoted Investments			0.45			57.16
Addition during the year	-	-	-	10	50,000	5.00
Sold During the Year				-	-	-
S R F Ltd	10	440	0.23			
Kama Holdings limited	10	48	-			
Hindustan Constn.Co.Ltd	1	2,000	0.01			
Navabharat Ferro Alloys Ltd	2	5,000	0.19			
ITD Cementation India Ltd	10	100	0.05			
Larsen & Toubro Ltd	2	1,740	0.38			
Ultra tech Cement Limited	10	348	-			
Hindustan Dorr Oliver Ltd	20	50	0.07			
			0.93			

Rs. in Lacs

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 6 INVENTORIES		
(At lower of cost or net realisable value as certified by the Management)		
Materials at Sites & Land	967.40	732.59
Work in Progress	1,419.02	1,338.30
	2,386.42	2,070.89
SCHEDULE 7 SUNDRY DEBTORS		
UNSECURED CONSIDERED GOOD		
Debts outstanding for a period exceeding six months	929.25	1,403.88
Other debts	2,507.09	2,424.50
	3,436.34	3,828.38
SCHEDULE 8 CASH AND BANK BALANCES		
Cash on Hand	4.20	3.28
With Scheduled Banks:		
In Current Accounts	61.62	117.69
In Guarantee Margin Deposit	290.63	132.79
	356.45	253.76
SCHEDULE 9 LOANS AND ADVANCES		
Advances-(unsecured-considered good)		
Advances recoverable in cash or kind or for value to be received	1,836.89	1,503.00
Unbilled contract in progress	1,874.38	307.17
Tender & security deposits	30.66	38.13
Tax deducted at Source & Advance tax	854.47	646.36
	4,596.40	2,494.66
SCHEDULE 10 CURRENT LIABILITIES		
Sundry creditors	1,020.71	884.28
Advance for Contracts /Jobs / Customers	1,227.26	650.65
Unclaimed Dividend *	4.02	3.58
Other liabilities	436.98	642.43
	2,688.97	2,180.94
* to be transferred to Investor Education Protection Fund - Nil		

Rs. in Lacs

	As at 31st March 2011	As at 31st March 2010
SCHEDULE 11 PROVISIONS		
Provision for Taxation	535.60	454.83
Proposed Dividend	82.37	65.90
Tax on proposed Dividend	13.36	10.94
	631.33	531.67
	Year Ended 31st March 2011	Year Ended 31st March 2010
SCHEDULE 12 CONTRACT REVENUE		
Proceeds on contract	9,393.57	8,613.68
Unbilled contract revenue	1,874.38	307.17
	11,267.95	8,920.85
SCHEDULE 13 OTHER INCOME		
Interest receipts : on deposits with banks & other interest	19.22	23.33
Dividends - Others	0.66	0.65
Miscellaneous receipts (includes scrap sales Rs 5.49 lacs (PY Rs 4.74 lacs))	12.41	16.02
Profit on Sale of Investments	56.26	-
Profit on Sale of Assets	0.01	-
Marketing Consultancy Charges	102.28	-
	190.84	40.00
SCHEDULE 14 : (INCREASE) / DECREASE IN WORK IN PROGRESS		
Opening work in progress	1,338.30	777.89
Closing work in progress	1,419.02	1,338.30
	(80.72)	(560.41)

Rs. in Lacs

	Year Ended 31st March 2011	Year Ended 31st March 2010
SCHEDULE 15		
CONTRACT EXPENSES		
Land Cost & Material and Stores consumed	3,805.75	3,154.07
Power, Oil, Water & Electricity	170.97	80.57
Salaries, Wages & Allowances	830.84	656.55
Staff welfare expenses	56.40	46.02
Sub-contracts labour and Watch & Ward	3,744.58	3,331.06
Insurance (including workmen's compensation)	41.67	41.84
Plant hire & Testing charges	468.38	191.16
Transport charges & Vehicle running expenses	128.90	95.58
Travelling and Conveyance	101.00	82.01
R&M Plant & Machinery	85.39	56.28
Rent, Rates & Taxes	230.06	161.32
Technical & Professional charges	107.15	67.91
Postage, Telegram & Telephone	6.86	9.76
Printing & Stationary	12.78	7.71
Advertisement	9.18	2.43
Bank charges & Guarantee commission	20.53	34.94
Commitment charges	1.05	5.23
Finance charges for contracts	478.51	524.49
Miscellaneous expenses	4.60	2.00
	10,304.60	8,550.93
SCHEDULE 16		
SALARIES & OTHER BENEFITS		
Staff salaries & allowances	109.81	93.81
Contribution to provident and other funds	90.80	48.96
Staff welfare expenses	51.61	32.23
	252.22	175.00

Rs. in Lacs

SCHEDULE 17 OTHER EXPENSES	Year Ended 31st March 2011	Year Ended 31st March 2010
Rent	61.74	61.76
Rates and Taxes	12.94	12.25
Printing and Stationary	9.58	7.05
Tender forms	1.74	1.32
Postage, Telegrams and Telephones	8.61	7.14
Electricity charges	16.84	14.92
Directors' sitting fees	1.29	1.17
Travelling and Conveyance	22.16	12.14
Directors' commission	3.50	2.92
Advertisement expenses	14.67	6.60
Bank charges	0.75	2.41
Legal expenses and professional charges	74.95	53.70
Auditors Remuneration	3.25	3.15
Insurance	28.96	15.10
Donations/contributions	2.00	4.00
Subscription and Periodicals	0.11	0.28
Staff training expenses	1.98	0.36
Bad debts written off	0.76	13.32
Repairs & Maintenance of office building	9.88	7.84
Repairs & Maintenance of office appliances / others	13.42	9.11
Loss on sale of fixed assets	0.20	4.83
Loss on sale of Investments	0.06	-
Provision for diminution in value of Investments	0.12	-
Commitment and processing fees	17.87	4.43
	307.38	245.80
SCHEDULE 18 INTEREST ON BORROWINGS & FINANCE COSTS		
Interest on:		
Overdraft from Banks	68.47	43.67
Term loan :		
from Banks	81.86	67.20
from others	1.88	4.17
	152.21	115.04

SCHEDULE 19

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.
- 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.

	Rs. in Lacs	
	As at 31st March 2011	As at 31st March 2010
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	70.66	75.17
3.2 Guarantees issued by the Company's bankers for which the company has given counter guarantees. (Net of guarantees for Rs615.05 Lacs (PY-Rs.548.44 Lacs)for which Liability exists in the books of account.)	2,116.12	383.20
3.3 Estimated liability on account of certain taxes and duties not provided		
i) Sales Tax Andhra Pradesh VAT 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 Appeals pending on various matters before CIT (Appeals) AY 2005-06 Rs.1.90 Lacs and AY 2008-2009 Rs.104.27 Lacs	106.17	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 9 include: (*)		
(i) Fixed Deposit with a scheduled bank	-	0.01
(ii) Kissan Vikas Patra	0.19	0.19
(iii) 6 year N S C VIII issue	2.79	1.89
(*) Held by Commercial Tax & Other Authorities as Security Deposit		

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

5.1 Details of Actuarial Valuation of Gratuity

(i) Change in Present Value of Benefit Obligation

Rs. in Lacs

S.No	Particulars	2010-11	2009-10
01	Present value of Benefit Obligation at the beginning of the period	28.95	26.00
02	Current Service Cost	5.05	4.89
03	Interest Cost	2.32	2.08
04	Benefits paid	(1.66)	(3.50)
05	Actuarial (Gain)/Loss	10.37	(0.52)
06	Present value of Benefit Obligation at the end of the period	45.03	28.95

(ii) Changes in Fair Value of Plan assets:

01	Fair value of plan assets at the beginning of the period	24.68	21.87
02	Expected return on plan assets	2.39	2.20
03	Contributions	4.27	4.11
04	Benefits paid	(1.66)	(3.50)
05	Actuarial gain/ (loss) on plan assets	-	-
06	Fair value of plan assets as at the end of the period	29.68	24.68

(iii) Amounts recognized in the Balance Sheet

01	Projected Benefit Obligation at the end of the period	45.03	28.95
02	Fair Value of Plan assets at the end of the period	29.68	24.68
03	Funded Status of the plans - Liability/ (Asset)	15.35	4.27
04	Liability recognized in the Balance Sheet	15.35	4.27

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

01	Current Service Cost	5.05	4.89
02	Interest Cost	2.32	2.08
03	Expected return on Plan Assets	(2.39)	(2.20)
04	Net Actuarial (Gain)/Loss recognized in the period	10.37	(0.52)
05	Past Service Cost	-	-
06	Net Cost	15.35	4.27

(v) Principal Actuarial Assumptions

(In Percentage)

01	Discount Rate	8%	8%
02	Estimated Rate of Return on Plan Assets	9.15%	9.5%
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%	6%
03	Attrition Rate	3%	3%

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 2011	As at 31st March 2010
6. Deferred Tax Liability/ (Asset)		
Timing Difference		
- Depreciation	123.45	86.96
- Leave Encashment	(8.84)	(8.16)
Net Deferred Tax Liability	114.61	78.80
7. (i) Salary and allowances include :		
Retirement benefits paid on account of Leave encashment.	1.76	5.01
(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.	Nil	3.44
8. Income Tax deducted at source on: Interest Receipts	0.77	1.42
9. Auditor's Remuneration (included in schedule No.17)		
Statutory Audit Fees	2.00	1.50
Tax Audit Fees	0.50	0.40
Out of Pocket Expenses	-	0.25
Other Services	0.45	0.71
Service tax	0.30	0.29
10. Turnover		
Contract Revenue	11,267.95	8,920.85
(Includes Retention)	667.08	813.52
Scrap & Sundry Sales	5.49	4.74
Merchant Sales	1.80	Nil

Rs. in Lacs

	As at 31st March 2011		As at 31st March 2010	
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:12)				
12. AS-7 disclosure for Contracts in Progress:				
Contract revenue recognized	9,487.11		8,070.08	
Contract Costs incurred and Recognized profits.	10,144.47		8,629.90	
Advances Received	1,221.99		613.63	
Retention	401.62		620.89	
Due from Customers	1874.38		307.17	
13. Director's Remuneration:				
Director's Sitting Fees	1.29		1.17	
Commission	3.50		2.92	
	4.79		4.09	
Computation of Director's Commission				
Profit as per Profit & Loss Account	405.12		330.27	
Less: Profit on Sale of Fixed Assets	0.01		-	
Less: Profit on Sale of Investments	56.26		-	
	348.85		330.27	
Add: Director's Sitting Fees & Commission	4.79		4.09	
Profit as per Section 349	353.64		334.36	
Maximum Commission at 1% on profit as per Section 349	3.54		3.34	
14. Quantitative Details	Qty	Amount	Qty	Amount
Trading Items				
Cement - Purchase (Bags)	1000	1.74	Nil	Nil
- Turnover (Bags)	1000	1.80	Nil	Nil

Rs. in Lacs

	As at 31st March 2011	As at 31st March 2010
15. Basic/Diluted Earnings per Share:		
- Profit attributable to the Equity share holders (Rs.)	288.54	218.94
- No. of Equity shares Outstanding during the year	3,294,780	3,294,780
- Nominal value of equity share (Rs.)	10	10
- Basic Earnings per share (Rs.)	8.76	6.65
- Diluted Earnings per share (Rs.)	NA	NA
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:	Nil	Nil
19. Related Party Transactions: Mr.G.Viswanath Kumar Sr.Vice President- Key Management Personnel.		
Remuneration to Key Management Personnel.	43.16	36.28

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants

On Behalf of the Board

M.PADHMANABHAN
Partner

K E RANGANATHAN
DIRECTOR

M M VENKATACHALAM
CHAIRMAN

Chennai
20th April, 2011

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

Rs. in Lacs

	As at 31st March, 2011		As at 31st March, 2010	
Cash Flow From Operating Activities				
Net Profit before tax as per P&L a/c		405.12		330.27
Adjustment for :				
Depreciation	118.04		104.22	
Interest Charges	630.72		639.53	
Interest Income	(19.22)		(23.33)	
Dividend Income	(0.66)		(0.65)	
(Profit)/Loss on sale of Investments (Net)	(56.08)		-	
(Profit)/Loss on sale of Assets (Net)	0.19	672.99	4.83	724.60
Operating Profit before working capital changes		1,078.11		1,054.87
Adjustments for :				
Trade and Other Receivables	(1,504.00)		(944.48)	
Inventories	(315.53)		(356.24)	
Trade Payables	508.03	(1,311.50)	(165.48)	(1,466.20)
Cash Generated from Operations		(233.39)		(411.33)
Direct Taxes Paid		(208.11)		(151.97)
Dividend paid		(76.84)		(115.64)
Net Cash from Operating Activities		(518.34)		(678.94)
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(557.13)		(140.72)	
Sale of Fixed Assets	0.04		2.23	
Purchase of investments	-		(5.00)	
Sale of Investments	57.13		-	
Dividend Received	0.66		0.65	
Net Cash used in Investing Activities		(499.30)		(142.84)
Cash flow from Financing Activities				
Loans Net of Repayment	1,731.83		1,527.19	
Interest and finance charges	(630.72)		(639.53)	
Interest income	19.22		23.33	
Net Cash used in Financing Activities		1,120.33		910.99
Net increase/ (decrease) in Cash and Cash Equivalents		102.69		89.21
Cash and Cash Equivalents (Opening Balance) as at 01.04.2010		253.76		164.55
Cash and Cash Equivalents as at 31.03.2011		356.45		253.76

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants

On Behalf of the Board

M.PADHMANABHAN
Partner
Chennai
20th April, 2011

K.E.RANGANATHAN
DIRECTOR

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, 2011
	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	1,261,495
	Total assets	1,261,495
	Sources of funds	
	Paid up capital	32,947
	Reserves and surplus	158,566
	Secured Loans	726,490
	Unsecured Loans	-
	Deferred Tax Liability	11,460
	Application of funds	
	Net fixed assets	182,253
	Investments	520
	Net current assets	746,690
IV	Performance of company	Rupees in Thousands
	Turnover (including other income)	1,126,974
	Total expenditure	1,113,619
	Other Income	19,084
	Increase in work in progress	8,072
	Profit / (Loss) before tax	40,511
	Profit / (Loss) current tax	8,076
	Profit / (Loss) deferred tax	3,581
	Profit / (Loss) after tax	28,854
	Earning per Share (BASIC)	8.76
	Dividend rate (%)	25%
	Earning per share (Diluted)	-
V	Generic names of three principal products of Company	
	Item code no.	Nil
	Product Description	Nil

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants

On Behalf of the Board

M.PADHMANABHAN
Partner

K.E.RANGANATHAN
DIRECTOR

M.M. VENKATACHALAM
CHAIRMAN

Chennai
20th April, 2011



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 63rd Annual General
Meeting of the Company to be held at "Parry House", III Floor, No.43 Moore Street,
Chennai 600 001 on Monday, the 25th July,2011 at 9.30 am and at any adjournment thereof.

Revenue
Stamp

Signed this _____ day of _____ 2011

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.