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CAUTIONARY STATEMENT

This communication contains statements relating to future business developments and economic performance that could constitute 'forward looking statements'. While these forward looking statements represent the company's judgements and future expectations, a number of factors could cause actual developments and results to differ materially from expectations. The Company undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances. Further, investors are requested to exercise their own judgement in assessing various risks associated with the Company and also the effectiveness of the measures being taken by the Company in tackling them, as those enumerated in this report are only as perceived by the management.

CORPORATE INFORMATION

Board of Directors	
<p>Mr. M.M. Venkatachalam - Chairman</p> <p>Mr. M.A.M. Arunachalam</p> <p>Mr. S.S. Rajsekar</p> <p>Mr. N.V. Ravi</p> <p>Mr. P. Nagarajan</p> <p>Ms. G. Jalaja</p>	
Bankers	Company Secretary & Compliance Officer
<p>City Union Bank Ltd</p> <p>Development Credit Bank Ltd</p> <p>HDFC Bank Ltd</p> <p>IDBI Bank Ltd</p> <p>Indian Bank</p> <p>Indusind Bank Ltd</p>	Mr. R. Narayanan
	Auditors
	<p>M/s. Sundaram & Srinivasan</p> <p>Chartered Accountants</p>
Registered Office	Registrars and Share Transfer Agents
<p>“Parry House”, 3rd Floor</p> <p>No. 43, Moore Street</p> <p>Chennai – 600 001</p> <p>Tel : 25301700</p> <p>Fax : 25342822</p> <p>Email: investorservices@cec.murugappa.com</p> <p>Website : www.coromandelengg.com</p> <p>CIN:L74910TN1947PLC000343</p>	<p>Karvy Computershare Private Limited</p> <p>Karvy Selenium Tower B,</p> <p>Plot 31-32, Gachibowli, Financial District</p> <p>Nanakramguda , Hyderabad – 500 032</p> <p>Tel : 91-40-23420815 to 23420824</p> <p>Toll Free No.1-800-3454001</p> <p>Fax : +91-40 23420814</p> <p>Email : einward.ris@karvy.com</p> <p>Website: www.karvy.com</p>
67th Annual General Meeting	Date: : 24th day of July, 2015
	<p>Day : Friday</p> <p>Time : 10.00 am</p> <p>Venue : Narada Gana Sabha Trust</p> <p style="padding-left: 40px;">Mini Hall, No. 314, TTK Road</p> <p style="padding-left: 40px;">Chennai - 600 018</p>

TEN YEARS FINANCIAL TRACK RECORD

(₹ In lakhs)

YEAR ENDED 31st March										
OPERATING RESULTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sales	2392.49	4502.40	6800.84	10024.63	8,920.85	11,275.24	17,046.09	21,639.22	19,924.92	23,039.38
Other Income	93.16	19.02	22.87	37.85	40.00	185.34	78.79	90.30	109.01	89.70
Profit/(Loss) before depreciation	153.46	276.97	570.37	799.55	434.49	523.16	(3,088.12)	(453.31)	(1,020.17)	542.85
Profit/(Loss) before Tax	139.12	251.82	527.49	714.22	330.27	405.12	(3,249.32)	(668.37)	(1,243.48)	53.95
Profit/(Loss) after Tax	115.71	202.96	412.87	467.01	218.94	288.54	(2,145.22)	(544.05)	(888.17)	112.41
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	329.48	329.48	329.48	2,829.48	2,829.48	4,023.36	4,023.36
Reserves	278.20	463.15	766.54	1250.75	1,392.85	1,585.66	(559.56)	(1,103.61)	313.14	383.88
Loan Funds	576.36	1945.45	2997.71	4005.87	5,533.07	7,264.90	6,770.40	8,505.80	10,028.82	7,074.47
Deferred Tax Liability/ (Asset) Net	(2.33)	(0.37)	12.56	47.28	78.80	114.61	(989.49)	(1,113.81)	(1,469.12)	(1,546.42)
Total	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65	8,050.83	9,117.86	12,896.20	9,935.29
APPLICATION OF FUNDS										
Fixed Assets	79.39	249.02	713.49	1354.24	1,383.68	1,822.54	2,423.15	3,037.54	3,539.01	2,931.43
Investments	31.12	1.13	1.20	1.25	6.25	5.20	5.20	5.44	5.44	5.20
Net Current Assets	906.46	2322.82	3226.86	4277.89	5,944.27	7,466.91	5,622.48	6,074.88	9,351.75	6,998.66
Total	1016.97	2572.97	3941.55	5633.38	7,334.20	9,294.65	8,050.83	9,117.86	12,896.20	9,935.29

DIRECTORS – A BRIEF PROFILE

Mr. M M Venkatachalam Chairman

Mr. M.M.Venkatachalam is a graduate in Agriculture and has done his Masters in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Agro Industries Limited, Ambadi Enterprises Limited, Polutech Limited, Parry Murray & Co. Limited, U.K 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 27 years in the field of varied industrial activities. He has been on the Board of CECL, since September 1995.

Mr. S S Rajsekar Non-Executive Independent Director

Mr. S.S. Rajsekar is a Chemical Engineer (B. Tech) from Anna University. He has more than 35 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 is a Committee member of Andhra Chamber of Commerce and Madras Management Association. He has been on the Board of CECL, since October 2005.

Mr. N V Ravi Non-Executive Independent Director

Mr. N.V. Ravi is an architect and has his own private practice since 1985. He has done his Masters in Architecture at the University of Michigan Ann Arbor. He has designed and executed several residential, industrial and commercial projects in

Chennai, Delhi, Bangalore, Hyderabad etc. He also has vast experience in the field of construction and has his own property development firm, which has been doing projects since 1996. He has been on the Board of CECL, since February 2012.

Mr. P Nagarajan Non-Executive Independent Director

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

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

Currently, he is a member of FICCI's Banking & Financial Institutions (F&I) Committee. He has been on the Board of CECL, since July 2014.

Ms. G Jalaja Non-Executive Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 30 years of rich experience in areas of Secretarial, Corporate Finance, Legal and Treasury.

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 67th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2015.

The performance highlights of the Company for the year are summarized below:

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
Gross Income	23129.08	20033.93
Profit before interest and depreciation	2212.22	266.22
Finance charges	1669.37	1286.39
Gross Profit	542.85	(1020.17)
Depreciation and Amortisation expenses	488.90	223.31
Net Profit before tax	53.95	(1243.48)
Provision for tax	(58.46)	(355.31)
Net Profit after tax	112.41	(888.17)
Balance of Profit brought forward	(2764.33)	(1876.16)
Surplus carried to Balance Sheet	(2693.59)*	(2764.33)

* - after adjustment of ₹41.67 Lakhs due to change in revised useful life of fixed assets.

OPERATIONS AND PERFORMANCE

For the year under review, Your Company achieved a gross income of ₹ 23129.08 lakhs and profit before tax of ₹ 53.95 lakhs, as against the gross income of ₹20033.93 lakhs and loss of ₹1243.48 lakhs before tax, for the previous year.

Your Company's operations were impacted during the year due to a general slow down in investment/expansions in the industry segments where the Company is present. There were also issues like delayed payments by certain customers, which affected the cash flow and hence, the speed of execution by the Company. The Company continued its initiative on process improvements to increase productivity and project margins.

Your Company participated in several tenders during the year in industrial, commercial and residential segments across select geographies. Your company quoted for tenders worth ₹ 122019 lakhs during the year and bagged orders to the tune of ₹ 4074 lakhs, in the industrial and commercial construction segment.

On the Property Development business, Your Company focused on completion and sale of the existing projects. Your Company has completed the execution of all the projects on hand and also the sale of apartments in the major project at Coimbatore during the last quarter. Your Company also undertook certain property development projects and related services in Chennai, revenue from which were received in the last quarter. The turnover from property development business was at ₹11448 lakhs for the year as against ₹ 2975 lakhs in the previous year.

The depreciation for the year increased to ₹ 488.90 lakhs as compared to ₹ 223.31 lakhs for the previous year, on adoption of the revised useful life of assets as per Schedule II of the Companies Act, 2013. In line with transitional provisions, where the remaining revised useful life was 'Nil' for assets held as on 01st April 2014, an amount of ₹ 41.67 Lakhs has been recognised in the opening balance of retained earnings (net of deferred tax of ₹ 18.66 lakhs).

Thanks to the improvement in revenue and various other measures taken by the Company, the PBIT of the Company during the year has improved to ₹ 1723.32 lakhs as compared to ₹ 42.91 lakhs during the previous year. The finance cost for the year was at ₹ 1669.37 lakhs as compared to ₹1286.39 lakhs for the previous year. The increase in finance cost was due to higher borrowings during most part of the year. During the last quarter, the Company realised significant cash flows through sale of apartments, refund of deposits and overdue collections. This helped the Company in reducing the long term borrowings.

During the year, Your Company had focused on utilization of existing plant and machinery and the capital expenditure during the year was restricted to ₹ 58.78 lakhs. The Company reviewed the requirement of existing plant and machinery based on the completion of certain projects and took efforts to dispose off surplus and used assets.

DIVIDEND

Taking into account overall financial performances of the Company, your Directors have not recommended any dividend for the financial year 2014-2015. The Company has not transferred any amount to general reserve.

During the year, the unclaimed dividend amounting to ₹61,423/- pertaining to dividend for the year ended 31st March, 2007 was transferred to the Investor Education & Protection Fund. The company has uploaded the details relating to unclaimed dividend on its website for the benefit of its shareholders.

SHARE CAPITAL

The paid up Equity share capital of the Company as on 31.03.2015 was ₹332,335,980/-. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity shares. As on 31st March, 2015, Mr. M M Venkatachalam, Chairman, holds 4,51,610 equity shares and Mr. M A M Arunachalam, Director, holds 3,61,610 equity shares of the Company.

The paid up Preference Share capital of the Company as on 31.03.2015 was ₹7,00,00,000/-.

DETAILS OF DEPOSITS

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

PARTICULARS OF LOANS/GUARANTEES/ INVESTMENTS

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

RISK MANAGEMENT

The Board of Directors have established a review and monitoring process with the management to ensure that the risks pertaining to the business are identified, steps are taken to manage and mitigate the same and periodical updates are discussed. Pursuant to Clause 49 of the Listing Agreement, the Board had constituted a Risk Management Committee during the year. The details of the said Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In addition to the Internal Controls on Operations, the Board has laid emphasis on adequate internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. Apart from Internal Audit function which scrutinizes all the financial transactions, there are also processes laid down, leading to CFO/CEO certification to Board on the adequacy of Internal Financial Controls.

DIRECTORS

At the 66th Annual General Meeting held on 30th July, 2014, Mr. J Srinivasan (DIN:00063660) was appointed as an Independent Director for a period of 1 year with effect from

30th July, 2014. Mr. S.S.Rajsekar (DIN:00125641), Mr. V. Venkiteswaran (DIN:00062246) and Mr. N V Ravi (DIN : 00277255) were appointed as Independent Directors for a period of 5 years with effect from 30th July, 2014 for a term upto the conclusion of the 71st Annual General Meeting to be held in the calendar year 2019. They are not liable to retire by rotation.

REAPPOINTMENT OF RETIRING DIRECTORS

Mr. M M Venkatachalam, Chairman (DIN:00152619) retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 93 of the Articles of Association at the forth coming Annual General Meeting and being eligible, offers himself for re-appointment.

APPOINTMENT OF DIRECTORS

During the year, Mr. P. Nagarajan (DIN: 00110344) and Ms. G. Jalaja (DIN: 00149278) were appointed as Additional Directors of the Company on 30.07.2014 and 20.03.2015 respectively.

RESIGNATION OF DIRECTORS

During the year, Mr. J Srinivasan, Independent Director (DIN: 00063660) had resigned from the Board of Directors and the same was accepted by the Board with effect from the close of business hours on 31st October, 2014. Mr. V Venkiteswaran, Independent Director (DIN: 00062246) had resigned from the Board of Directors and the same was accepted by the Board with effect from the close of business hours on 11th March, 2015.

Your Directors place on record their grateful appreciation of the valuable services rendered and contributions made by Mr. J. Srinivasan and Mr. V. Venkiteswaran, during their tenure of office as Directors of the Company.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

During the year, Mr. A. Suryanarayan was appointed by the Board as Manager of the Company and a Key Managerial Person under Section 203 of the Companies Act, 2013, which was approved by the members at the 66th Annual General Meeting of the Company held on 30th July, 2014.

Mr. K Ramakrishnan was appointed as the Chief Financial Officer of the Company and a Key Managerial Person with effect from 1st August, 2014.

RESIGNATION OF KEY MANAGERIAL PERSONNEL

Mr. A Suryanarayan, Manager had resigned from the services of the Company with effect from the close of business hours on 30th November, 2014.

The Board based on the recommendations of the Nomination & Remuneration Committee has appointed Mr. N. Velappan as Manager of the Company and a Key Managerial Person under Section 203 of the Companies Act, 2013 with effect from 01st May 2015, which is subject to the approval of the members at the ensuing Annual general Meeting for the remuneration to be paid.

EVALUATION OF BOARD'S PERFORMANCE

As per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

REMUNERATION POLICY

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

NUMBER OF THE MEETINGS OF THE BOARD

The Board had met five (5) times during the financial year ended 31st March 2015, on 29th April 2014, 30th July 2014, 31st October 2014, 29th January 2015 and 6th March 2015. Except on 6th March, 2015, the Audit Committee had also met

on the same dates. The details of the said meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period as prescribed under the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that the directors had selected such accounting policies as mentioned in Note No. 27 of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit of the company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts for the year ended 31st March, 2015 have been prepared on a 'going concern' basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149(6) of the Act.

RELATED PARTY TRANSACTIONS

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company other than reimbursement of expenses incurred, if any, for attending the Board meeting.

The Related Party Transactions are placed before the Audit Committee for review and approval as per the terms of the Policy for dealing with Related Parties. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for transactions which are foreseen and of repetitive nature. The statement containing the nature and value of the transactions entered into during the quarter is presented at every subsequent Audit Committee meeting by the CFO for the review and approval of the Committee. Further, transactions proposed in subsequent quarter are also presented. Besides, the Related Party Transactions are also reviewed by the Board on an annual basis. The details of the Related Party Transactions are provided in the accompanying financial statements. There are no contracts or arrangements entered into with Related Parties during the year ended 31st March 2015 to be reported under section 188(1). The policy on dealing with Related Parties as approved by the Board is uploaded and is available on the Company's website at the following link:
http://www.coromandelengg.com/Inv_policies.html.

EXPLANATION AND COMMENTS

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

MATERIAL CHANGE

There is no material change or commitments after the closure of the financial year.

COMPOSITION OF AUDIT COMMITTEE

Pursuant to Section 177 of the Companies Act, 2013, the Audit Committee was reconstituted by the Board of Directors and consists of the following members:

1. Mr. P Nagarajan - Chairman
2. Mr. M A M Arunachalam - Member
3. Mr. S S Rajsekar - Member
4. Mr. N V Ravi - Member

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

VIGIL MECHANISM

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

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, the Board has constituted a Nomination and Remuneration Committee consisting of the following members:

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

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

Policy on Criteria for Board Nomination and Remuneration policy is available in the website of the Company http://www.coromandelengg.com/Inv_policies.html.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company through its Corporate Social Responsibility Committee had formulated a CSR policy as required under Section 135 of the Companies Act, 2013.

The following is the composition of the Corporate Social Responsibility Committee.

- a) Mr. S.S. Rajsekar - Chairman
- b) Mr. M.A.M Arunachalam - Member
- c) Ms G. Jalaja - Member

SCOPE OF CSR POLICY

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed there under.

CSR POLICY IMPLEMENTATION

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The CSR Policy of the Company is uploaded in the website of the Company, http://www.coromandelengg.com/Inv_policies.html.

REASON FOR NOT SPENDING ON CSR ACTIVITIES

Since the Company had incurred losses in the preceding financial years, the Company had decided not to spend on the CSR activities.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

AUDITORS

STATUTORY AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai bearing Firm Registration No. 004207S were appointed as Statutory Auditors of the Company to hold office from the conclusion of 66th Annual General Meeting until the conclusion of 68th Annual General Meeting subject to ratification of the appointment by the members at every Annual General Meeting held after 66th Annual General Meeting of the Company. The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for their re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Mr. N V Thanigaimani, Cost Accountant (Membership No.15557) was appointed as Cost Auditor of the Company for the financial year 2014-15. The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking ratification for the remuneration payable to Mr. N V Thanigaimani is included at item No 6 of the Notice convening the Annual General Meeting.

INTERNAL AUDITORS

The Company has appointed M/s RGN Price & Co, Chartered Accountants, Chennai as internal Auditors of the Company for the financial year 2015-16.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.R.Sridharan of Messrs. R Sridharan and Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

A report on corporate governance, giving the status of implementation of mandatory and non-mandatory norms, as per clause 49 of the listing agreement is attached and forms part of the Directors' Report.

The Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement.

A Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.

No. of complaints received – Nil
No. of complaints disposed off – Not Applicable

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

The Company does not have any commercial activity that calls for conservation of energy and/ or technology absorption, attracting disclosure in pursuance of Rule 8(3) of the Companies (Account) Rules, 2014. During the year, the Company did not have any foreign exchange earnings or outgo.

EXTRACTS OF ANNUAL RETURN

The details forming part of the extract of the annual return in the prescribed form MGT.9 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information relating to employees to be disclosed under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is annexed to and forms part of this report.

LISTING OF SECURITIES IN STOCK EXCHANGES

In terms of the Board Resolution dated 29th January, 2015, the Company had made an application to Madras Stock Exchange Ltd. (MSE) for voluntary delisting of the Equity Shares of the Company from MSE in accordance with the provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2009.

The Company has received letter dated 26th March, 2015 from MSE informing that MSE had withdrawn the admission granted to dealings on the exchange for the equity shares of the Company in terms of SEBI (Delisting of Equity Shares) Regulations 2009 with effect from 27th March, 2015. The Company's shares are presently listed only on BSE Ltd.

ACCREDITATION/ RECOGNITION

Your Company has been certified 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.

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 Tamil Nadu.

Place: Chennai
Date: April 28, 2015

On behalf of the Board

M.M. VENKATACHALAM
(DIN: 00152619)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Analysis

The infrastructure and construction sector had yet another year of subdued growth. Expectations raised on revival of the sector due to anticipated speeding up of project clearances, sorting of regulatory issues on licensing, fuel linkages etc. were only partially met. Overall sentiments on investment in infrastructure creation and capacity expansion continued to remain subdued.

On the realty sector, across various regions, the unsold inventories of residential apartments, continued at high level. This slowed down launch of fresh projects except for niche projects, in select areas. The cut in interest rate for housing did not happen till end of the year. Price correction by developers was also held back resulting in a wait and watch attitude by prospective buyers. Delays in handing over of apartments beyond committed delivery dates, was another major factor, slowing down the growth in the sector.

The investment climate in the year 2015-16 is expected to improve in view of the various initiatives taken by the Central Government to promote "Make in India" and also "Serve from India". Various State Governments have also been aggressively promoting their respective States with assurances of single window clearances, improved power supply and other infrastructural facilities and fiscal incentives in select cases. The Company expects improvement in power generation, cement, auto OEM/ancillary sectors in terms of capacity expansion/balancing requirements resulting in improved order generation. On the property development front, the Company will be looking for opportunities in mid range properties and re-development.

Review of Business of Coromandel Engineering Company Ltd

The Company had participated in tenders worth ₹ 1220 Crs across industrial, commercial and residential segments, during the year. The competition was very stiff due to limited projects on offer. Clients were looking at project cost

reduction by restricting the scope to labour contract to execute as per their specifications, with supply of major materials in their scope. Orders to the tune of ₹ 41 Crs were booked during the second half of the year.

During the year, the major constraint faced in execution of the projects was the delay in payment by certain clients, which impacted the cash flow and thereby work progress. The Company through rigorous follow up was able to reduce overdue receivables significantly, by end of the year. The Company is continuing to work on various process efficiency and cost reduction measures and also improve the pace of execution.

On the residential front, the Company has completed all the pending property development projects. The Company has also completed the sale of all apartments in the project at Coimbatore, during the last quarter of the year. During the second half of the year, the Company took up property development project and related services in Chennai, which has been partially completed by year end.

Risk Management

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

Bidding Risk

Quoting with very thin margins to win orders, leading to risk of financial loss while executing the project.

Mitigation Measures

1. Site visits and thorough study of project scope before quoting for tenders. Structured process and formats to cover all possible activities and related costs before quoting for tenders.
2. Fixing minimum margins to be targeted and approval process for additional discounts, based on commercial justification.

3. Negotiating for higher scope of pass-through of input cost escalations and ensuring actual statutory duties and taxes paid are claimed from the client.

Risk in Process Activity

Linkage of processes from quoting and getting orders, deployment of cost and timelines, mobilisation and work execution to be ensured. In the absence of this linkage, cost and timelines as planned may get adversely affected.

Mitigation Measures

1. Ensuring elaborate detailed study of the site conditions and scope of the project.
2. Involving cross functional teams at tendering stage to capture all variables across different processes.
3. Plan for Project execution done elaborately with process linkages.

Quality Risk

The risk of construction quality not being as per order specifications, resulting in delays and rejection of claims, additional rework costs affecting profitability and loss of reputation.

Mitigation Measures

1. Evaluating vendor quality standards as per requirements before ordering.
2. Monitoring the quality of incoming materials and also the daily work execution.
3. Ensuring then and there certification by the client of the work done and quality of execution.

Risk of Timely Completion

Not completing the work as per agreed timelines, resulting in possibilities of liquidated damages, fixed cost escalation beyond budget and loss of future business.

Mitigation Measures

1. Timely mobilisation of site team and other requirements, on getting the order.
2. Ensuring timely availability of material/labour/ equipment in a co-ordinated manner.

3. Monitoring the requirement of drawings/front clearances needed from client and ensure these are communicated in advance and also documented.

Risk of non-availability of sub-contractors

Non availability of skilled labour resulting in execution getting affected.

Mitigation Measures

1. Having pool of qualified sub-contractors with adequate labour strength.
2. Ensuring retention of sub-contract labour by offering adequate work front for productive deployment and timely payment.

Cost Escalation Risk

Increase in cost of inputs due to extended tenure of the project or due to seasonal factors.

Mitigation Measures

1. Project Cost estimates to be based on site conditions, expected duration of the project and seasonal cost /availability factors while quoting.
2. Transparent escalation reimbursement clause to be included in the contract.
3. Negotiating better rates from suppliers/service providers, leveraging volumes across sites.

Client Concentration Risk

Dependence on limited sectors / fewer clients impacting order inflow in the event of slowdown in sector or customer attrition.

Mitigation Measures

1. Work on getting orders from wider geographical locations/industry segments after proper risk evaluation.
2. Work on technical approval/prequalification by project consultants/architects to widen client base.

Compliance Risk

Contractual and Legal - non compliance of specific contractual obligation and general obligations in practice and statutory non compliance will result in penalty and loss of reputation.

Mitigation Measures

1. Monitoring industry specific statutory requirements and continuous education and training to employees to ensure compliance.
2. Checklist to capture applicable contractual obligations on a case to case basis from quotation stage and ensure onerous clauses are not accepted.
3. Establishing documentation to safeguard contractual non compliances due to client issues.

Human Resources Risk

Inability to attract and retain right talent , affecting the performance of the business in terms of productivity, quality and cost.

Mitigation Measures

1. Identifying good performers and ensuring opportunities for career growth through challenging roles and performance related compensation.
2. Attracting readily available talent from industry through market related compensation.

Liquidity Risk

Not generating adequate cash vis a vis requirements, resulting in delayed payments affecting operations and increase in borrowings, leading to higher interest cost.

Mitigation Measures

1. Ensuring timely certification of the work done by client to ensure quicker invoice turnaround.
2. Monitoring collections from clients based on certified invoices as per contractual terms and put in escalation mechanism for follow-up when delays occur.
3. Ensuring better credit terms from suppliers.

Discussion on financial performance with respect to operations**Income from operations:**

During the year, the Company achieved a growth of 16% in terms of revenue from operations mainly resulting from strong growth in property development. The volume in Contracts was affected due to delay in execution attributable to delay in client clearances/work front availability and lower order inflow.

Summary of Financial Results :

The revenue and breakup of expenditure for the year are as follows:

	₹ In lakhs			
	FY 2014-15	%	FY 2013-14	%
Revenue from Operations	23039	100.0	19925	100.0
Materials consumed and Sub contract expenses	17720	76.8	16307	81.8
Salaries & Other Benefits	1467	6.4	1771	8.9
Other Expenses	1730	7.5	1690	8.5
Finance Cost	1669	7.2	1286	6.5
Depreciation	489	2.1	223	1.1
Total Costs	23075	100.2	21277	106.8

Various steps were taken during the year to improve execution efficiencies and also reduce operating cost. Due to higher revenue from property development, the Company was able to improve the EBITDA significantly. Depreciation for the year doubled from previous year's level, due to changes in estimated life of assets, as per the Companies Act, 2013. Interest cost increased due to higher borrowings during most part of the year.

Net Profit

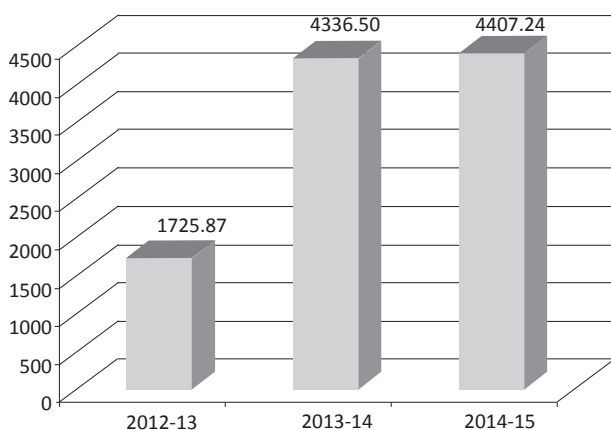
₹ in Lakhs

	2014-15	2013-14
Total revenue	23129	20034
Profit/(Loss) before interest and tax (PBIT)	1723	43
Profit/ (loss) before tax (PBT)	54	(1243)
PBT as % of revenue	0.2	(6.2)

Net Worth

The net worth of the Company as at March 31, 2015 was ₹4407.24 lakhs as compared to Rs 4336.50 lakhs as at March 31, 2014

Net Worth (₹L)



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 have an impact on the operations of the Company and contributing to the safeguarding of stakeholders’ investments and the Company’s assets.

Your company has established and is maintaining adequate controls within the system to ensure completeness and accuracy of financial and other information, which are used by management for supervision and control. The adequacy and

effectiveness of internal controls are monitored regularly by the internal auditors and measures for improvement are adopted from time to time. Also as part of the internal control systems, it is being ensured that all applicable laws are complied without any lapse. Periodic updates are being sought from the relevant sources to keep abreast with the latest changes in any applicable law and the 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 and corrective measures from internal audit reports. The Committee 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 of their audit and findings.

Human Resources

The company believes that the human capital is the key contributor for the business growth and competitiveness. This includes not only the employees of the Company, but the skilled labour engaged at project sites through sub-contracting. During the year, the availability of adequate skilled labour was ensured through proactive measures. The cost of the labour force however continues to show increasing trend.

Your Company took steps to increase the productivity and engagement of employees as well as the labour engaged through sub-contractors. With few projects coming to end and also in finishing stages, Your company took steps to rationalize the employee strength. The total permanent employee strength of the Company as at the end of the year was at 211.

On behalf of the Board

Place: Chennai
Date : April 28, 2015

M. M. VENKATACHALAM
(DIN: 00152619)
Chairman

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L74910TN1947PLC000343
Registration Date	3rd September, 1947
Name of the Company	Coromandel Engineering Company Limited
Category/Sub-Category of the Company	Company limited by shares / Indian – non-Government Company
Address of the Registered office and contact details	Parry House, 3rd floor, No.43 Moore Street, Chennai -600001 narayanar@cec.murugappa.com Ph:044-2534 1700 : Fax : 2534 2822
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda , Hyderabad – 500 032 Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001 Fax : +91-40 23420814 Email : einward.ris@karvy.com Website: www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the company
1	Construction of Buildings	410	80%
2	Construction of other civil engineering projects	429	20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	%of shares held	Applicable Section
	NA	NA	NA	NA	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
(i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(A)	PROMOTER									
(1)	INDIAN									
(a)	Individual /HUF & Bodies Corporate	10579261	0	10579261	31.83	10579261	0	10579261	31.83	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	PROMOTER GROUP									
	Individuals / HUF & bodies Corporate	14196676	0	14196676	42.72	14196676	0	14196676	42.72	0.00
	Sub-Total A(1) :	24775937	0	24775937	74.55	24775937	0	24775937	74.55	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	24775937	0	24775937	74.55	24775937	0	24775937	74.55	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT (iii)	PHYSICAL (iv)	TOTAL (v)	% OF TOTAL SHARES (vi)	DEMAT (vii)	PHYSICAL (viii)	TOTAL (ix)	% OF TOTAL SHARES (x)	
(ii)	(ii)									
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	3422686	5112	3427798	10.31	1242316	5112	1247428	3.75	6.56
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	1204213	101006	1305219	3.93	1926638	84626	2011264	6.05	-2.12
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3679719	15001	3694720	11.12	5133442	0	5133442	15.45	-4.33
(c)	Others									
	CLEARING MEMBERS	24286	0	24286	0.07	11077	0	11077	0.03	0.04
	NON RESIDENT INDIANS	838	0	838	0.00	49650	0	49650	0.15	-0.15
	TRUSTS	4800	0	4800	0.01	4800	0	4800	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	8336542	121119	8457661	25.45	8367923	89738	8457661	25.45	0.00
	Total B=B(1)+B(2) :	8336542	121119	8457661	25.45	8367923	89738	8457661	25.45	0.00
	Total (A+B) :	33112479	121119	33233598	100.00	33143860	89738	33233598	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	33112479	121119	33233598	100.00	33143860	89738	33233598	100.00	

(ii) Shareholding of Promoters

Sl. No	Name of the Share Holder	Category	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in Shareholding during the year
			No of Shares held as on 01.04.2014	% of total shares of the Company	% of shares pledged / encumbered to total shares (includes GDR)	No of Shares Held As on 31/03/2015	% of total shares of the Company	% of shares pledged / encumbered to total shares (includes GDR)	
1	CARBORUNDUM UNIVERSAL LIMITED	PROMOTER COMPANIES	3042900	9.16	0.00	3042900	9.16	0.00	0
2	MURUGAPPA HOLDINGS LIMITED	PROMOTER COMPANIES	2500100	7.52	0.00	2500100	7.52	0.00	0
3	AMBADI ENTERPRISES LTD	PROMOTER COMPANIES	1000100	3.01	0.00	1000100	3.01	0.00	0
4	AMBADI INVESTMENTS PRIVATE LIMITED	PROMOTER COMPANIES	632280	1.90	0.00	632280	1.90	0.00	0
5	M M MURUGAPPAN	DIRECTORS AND RELATIVES	451610	1.36	0.00	451610	1.36	0.00	0
6	M M VENKATACHALAM	DIRECTORS	451610	1.36	0.00	451610	1.36	0.00	0
7	TUBE INVESTMENTS OF INDIA LTD	PROMOTER COMPANIES	433481	1.30	0.00	433481	1.30	0.00	0
8	M A M ARUNACHALAM	DIRECTORS	361610	1.09	0.00	361610	1.09	0.00	0
9	ARUN ALAGAPPAN	PROMOTERS	326610	0.98	0.00	326610	0.98	0.00	0
10	A VENKATACHALAM	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0
11	S VELLAYAN	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0
12	A VELLAYAN	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0
13	M V MURUGAPPAN	PROMOTERS	218630	0.66	0.00	218630	0.66	0.00	0
14	M.A.ALAGAPPAN	PROMOTERS	41210	0.12	0.00	41210	0.12	0.00	0
15	M V SUBBIAH	PROMOTERS	18090	0.05	0.00	18090	0.05	0.00	0
16	M.A.ALAGAPPAN	PROMOTERS	10000	0.03	0.00	10000	0.03	0.00	0
17	M V MUTHIAH	DIRECTORS AND RELATIVES	6000	0.02	0.00	6000	0.02	0.00	0
18	M M MURUGAPPAN	DIRECTORS AND RELATIVES	5120	0.02	0.00	5120	0.02	0.00	0
19	M V SUBBIAH	PROMOTERS	4160	0.01	0.00	4160	0.01	0.00	0
20	V NARAYANAN	PROMOTERS	3456	0.01	0.00	3456	0.01	0.00	0
21	M.M.VEERAPPAN	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0
22	M M MUTHIAH	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0
23	A.VELLAYAN	PROMOTERS	960	0.00	0.00	960	0.00	0.00	0
24	V ARUNACHALAM	PROMOTERS	816	0.00	0.00	816	0.00	0.00	0
25	E.I.D.PARRY (INDIA) LTD.	PROMOTER COMPANIES	42938	0.13	0.00	42938	0.13	0.00	0
26	M V MURUGAPPAN	PROMOTERS	68910	0.21	0.00	68910	0.21	0.00	0
27	M V SUBBIAH	PROMOTERS	85165	0.26	0.00	85165	0.26	0.00	0
28	M M MURUGAPPAN	DIRECTORS AND RELATIVES	13500	0.04	0.00	13500	0.04	0.00	0
29	M A ALAGAPPAN	PROMOTERS	1600	0.00	0.00	1600	0.00	0.00	0
			10579261	31.83	0.00	10579261	31.83	0.00	0

(ii) Change in Promoters' Shareholding (please specify, if there is no change)-

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year
	No change	

**(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Name of the Share Holder	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	PRESCIENT SECURITIES PRIVATE LIMITED	31/03/2014			2500002	7.52
		06/06/2014	-139184	Transfer	2360818	7.10
		13/06/2014	-32816	Transfer	2328002	7.00
		20/06/2014	-1180	Transfer	2326822	7.00
		30/06/2014	-24314	Transfer	2302508	6.93
		04/07/2014	-402506	Transfer	1900002	5.72
		11/07/2014	-19709	Transfer	1880293	5.66
		25/07/2014	-19647	Transfer	1860646	5.60
		19/12/2014	-1250000	Transfer	610646	1.84
		16/01/2015	-250000	Transfer	360646	1.09
		13/03/2015	-7606	Transfer	353040	1.06
		20/03/2015	-9297	Transfer	343743	1.03
		31/03/2015			343743	1.03
2	SMITA N NAVARE	31/03/2014			250010	0.75
		31/03/2015			250010	0.75
3	NEHA JASWANI	31/03/2014			203000	0.61
		04/04/2014	600	Transfer	203600	0.61
		25/04/2014	-600	Transfer	203000	0.61
		02/05/2014	50	Transfer	203050	0.61
		16/05/2014	1100	Transfer	204150	0.61
		23/05/2014	200	Transfer	204350	0.61
		06/06/2014	-10350	Transfer	194000	0.58
		13/06/2014	900	Transfer	194900	0.59
		30/06/2014	1800	Transfer	196700	0.59
		04/07/2014	500	Transfer	197200	0.59
		11/07/2014	-17200	Transfer	180000	0.54
		05/09/2014	290	Transfer	180290	0.54
		12/09/2014	-290	Transfer	180000	0.54
		03/10/2014	1934	Transfer	181934	0.55
		10/10/2014	3566	Transfer	185500	0.56

Sl. No	Name of the Share Holder	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
		17/10/2014	760	Transfer	186260	0.56
		24/10/2014	-1260	Transfer	185000	0.56
		31/12/2014	11700	Transfer	196700	0.59
		23/01/2015	-26405	Transfer	170295	0.51
		30/01/2015	5705	Transfer	176000	0.53
		27/02/2015	-9000	Transfer	167000	0.50
		27/03/2015	2700	Transfer	169700	0.51
		31/03/2015			169700	0.51
4	DHARMESH R. SHAH HUF	31/03/2014			198799	0.60
		11/04/2014	7000	Transfer	205799	0.62
		31/03/2015			205799	0.62
5	MAS CHEMICAL INDUSTRIES PVT LTD	31/03/2014			174100	0.52
		31/03/2015			174100	0.52
6	KRISHNARAJ DWARKADAS	31/03/2014			166057	0.50
		06/03/2015	166057	Transfer	332114	1.00
		06/03/2015	-166057	Transfer	166057	0.50
		31/03/2015			166057	0.50
7	R.MUTHATHA	31/03/2014			145477	0.44
		31/03/2015			145477	0.44
8	AKANKSHA ADVISOR LLP	31/03/2014			137153	0.41
		11/04/2014	-26924	Transfer	110229	0.33
		18/04/2014	-25000	Transfer	85229	0.26
		13/06/2014	-99	Transfer	85130	0.26
		20/06/2014	-707	Transfer	84423	0.25
		04/07/2014	-5000	Transfer	79423	0.24
		12/09/2014	-4781	Transfer	74642	0.22
		05/12/2014	-2181	Transfer	72461	0.22
		19/12/2014	-5594	Transfer	66867	0.20
		31/12/2014	-3793	Transfer	63074	0.19
		16/01/2015	-8074	Transfer	55000	0.17
		31/03/2015			55000	0.17
9	B N NAGAMANI	31/03/2014			130000	0.39
		13/02/2015	3832	Transfer	133832	0.40
		20/02/2015	1475	Transfer	135307	0.41
		27/03/2015	78693	Transfer	214000	0.64
		31/03/2015			214000	0.64
10	ATHIRASALA SURYA NARAYAN	31/03/2014	100000		100000	0.30
		31/03/2015			100000	0.30
11	HARDIK DHANESH SHAH	31/03/2014			0	0.00

Sl. No	Name of the Share Holder	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
		19/12/2014	250000	Transfer	250000	0.75
		31/03/2015			250000	0.75
12	VISHESH NIMESH SHAH	31/03/2014			0	0.00
		23/05/2014	8451	Transfer	8451	0.03
		30/05/2014	4883	Transfer	13334	0.04
		19/12/2014	236666	Transfer	250000	0.75
		31/03/2015			250000	0.75
13	SIDDHANT DURGESH SHAH	31/03/2014			0	0.00
		23/05/2014	3800	Transfer	3800	0.01
		19/12/2014	242337	Transfer	246137	0.74
		20/03/2015	3863	Transfer	250000	0.75
		31/03/2015			250000	0.75
14	DHANESH SUMATILAL SHAH	31/03/2014			0	0.00
		19/12/2014	250000	Transfer	250000	0.75
		31/03/2015			250000	0.75
15	SHAH NIMESH SUMATILAL	31/03/2014			0	0.00
		19/12/2014	126777	Transfer	126777	0.38
		16/01/2015	123223	Transfer	250000	0.75
		31/03/2015			250000	0.75
16	SHAH DURGESH SUMATILAL	31/03/2014			0	0.00
		19/12/2014	125000	Transfer	125000	0.38
		16/01/2015	125000	Transfer	250000	0.75
		31/03/2015			250000	0.75

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	%of total shares of the company	No. of shares	% of total shares of the company
A	Directors				
1.	Mr M M Venkatachalam - Director				
	At the beginning of the year	451610	1.36	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	451610	1.36	---	---
2.	Mr M A M Arunachalam - Director				
	At the beginning of the year	361610	1.09	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	361610	1.09	---	---

Sl. No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
B	Key Managerial Personnel [(KMP)]				
1.	Mr A Suryanarayan – Manager *				
	At the beginning of the year	100000	0.30	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	100000	0.30	---	---
2.	Mr R Narayanan – Company Secretary				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---
3.	Mr K Ramakrishnan – Chief Financial Officer **				
	At the beginning of the year	2000	0.00	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	2000	0.00	---	---

* Mr A Suryanarayan, Manager had resigned from the Company with effect from 30.11.2014

** Mr K Ramakrishnan was appointed as Chief Financial Officer with effect from 01.08.2014

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,029	---	---	10,029
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	10,029	---	---	10,029
Change in Indebtedness during the financial year				
• Addition	15,250	---	---	15,250
• Reduction	18,205	---	---	18,205
Net Change	(2,955)	--	--	(2,955)
Indebtedness at the end of the financial year				
i) Principal Amount	7,074	--	--	7,074
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i + ii + iii)	7,074	--	--	7,074

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Mr A Suryanarayan – Manager (From 30th April 2014 to 30th November 2014)				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b)Value of perquisites/s 17(2) Income-tax Act, 1961					
	(c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--	--
5.	Others, (Retainer Fees)	--	--	--	--	29,32,900
	Total(A)	--	--	--	--	29,32,900
	Ceiling as per the Act	--	--	--	--	49,23,333

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total
1.	1. Independent Directors •Fee for attending board committee meetings •Commission •Others, please specify	NA	NA	NA	NA	NA
	Total(1)					
	2.Other Non-Executive Directors •Fee for attending board committee meetings •Commission •Others, please specify	NA	NA	NA	NA	NA
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Over all Ceiling as per the Act					

Sitting fees and commission

The Board of Directors at their meeting held on 25th January 2012 renounced their right to receive sitting fees for Board as well as Committee meetings being attended by them effective from 25.01.2012 till such time, the Board decides otherwise. Therefore no sitting fees were paid during the year. In view of the financial performance, no commission was provided for the current year to the Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Mr K Ramakrishnan Chief Financial Officer(with effect from 01st August 2014)	Mr R Narayanan Company Secretary	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	15,63,776	29,80,009	45,43,785
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961		21,600	21,600
	(c) Profits in lieu of salary under section 17(3)Income-tax Act,1961			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission as%of profit -others,specify...	--	--	--
5.	Others,please specify	--	--	--
	Total	15,63,776	30,01,609	45,65,385

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed /COURT	Authority RD/NCLT made if any (give details)	Appeal
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A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

STATEMENT OF EMPLOYEES' REMUNERATION

A. No employee was paid remuneration in excess of ₹500,000 per month or ₹60 lakhs per annum during 2014-15 and hence there is no disclosure requirement as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

B. The details of remuneration during the year 2014-15 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are as follows

- (i) Median remuneration 2013-14 – ₹2,78,475
- (ii) Median remuneration 2014-15 – ₹3,25,897
- (iii) Percentage increase in the median remuneration of employees – 17%
- (iv) Number of permanent employees on the rolls of the company – 31 March, 2014 - 289, 31 March, 2015 - 211
- (v) Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year - **Not applicable**. Directors were not paid any remuneration during the year.
- (vi) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, in the financial year

Name	Designation	% increase
R. Narayanan	Company Secretary	12.6

- No remuneration was paid for Directors. Manager and CFO appointed in 2014-15 and for part of the year. Hence % increase cannot be calculated.
- (vii) Explanation on relationship between average increase in remuneration & company performance
 - (a) Average increase in remuneration - 10.8%
 - (b) Company Performance - Revenue increase - 15.6%
 - (c) Explanation on relationship - In line
- (viii) Comparison of remuneration of Key Managerial Personnel and each Key Managerial Personnel against the performance of the Company:

Name	Designation	% increase in Remuneration	% increase in PAT*
Mr. R Narayanan	Company Secretary	12.6	N A

Manager and CFO appointed in 2014-15 and for part of the year. Hence % increase cannot be calculated
*PAT was at ₹ 112 Lakhs for 2014-15 as compared to negative ₹ 888 Lakhs in 2013-14

- (ix) Variations in the market capitalization of the company

	31.03.2014	31.03.2015
Market Capitalization of the Company (in ₹ Lakhs)	13177	13875
Closing Price at the Bombay Stock Exchange Ltd. (in ₹)	39.65	41.75
Price Earnings Ratio as at the closing date	N A	123 times

- (x) Percentage increase / decrease in market quotations of the shares of the Company in comparison with the last public offer - Not applicable as the last public offer was made more than 3 decades back and the data would be incomparable.
- (xi)
- (a) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year - 10.8%
 - (b) Percentile increase in the managerial remuneration - Not applicable as no remuneration was paid to Directors and Manager was appointed only for part of the year and increase cannot be quantified.
 - (c) Comparison of the above and justification thereof - Not comparable
 - (d) Point out if there is any exceptional circumstances for increase in the managerial remuneration – None
 - (e) Key parameters for any variable component of remuneration availed by the Directors
Not applicable as no remuneration was paid to Directors
 - (f) Ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - **Not applicable** as no remuneration was paid to Directors.

REPORT ON CORPORATE GOVERNANCE

Your Directors have great pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2015.

Corporate Governance is the systematic process by which the affairs of the Company are directed and controlled by the Board in the best interest of all the stakeholders. The interest of various stakeholders like the Shareholders, management, employees, customers, suppliers and service providers, regulators and the community at large is sought to be aligned through the process of Corporate Governance. Corporate Governance ensures fairness, transparency and integrity in dealings by the Company.

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 towards business orientation, objectivity, accountability and integrity.

1. Corporate Governance in Coromandel Engineering Company Limited (CEC)

Coromandel Engineering Company Limited, a constituent of the Murugappa Group, adheres to good corporate practices and constantly strives to improve them and adopt the best practices. Adherence to business ethics and commitment to corporate social responsibility are the enablers for the Company to maximise value for all its stakeholders.

CEC is committed to the spirit of Murugappa Group by holding the core values of integrity, passion, responsibility, quality and respect in dealing 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

Key elements in corporate governance are transparency, internal control, risk management, internal and external communications and high standards of safety & health. The Board has empowered responsible officers to implement broad policies and guidelines and has set up adequate review processes.

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 exchange, the details are set out below:

2. Board of Directors

a) Composition

The Board consisted of 6 (Six) members as at 31st March, 2015 with knowledge and experience in different fields viz., Engineering, Manufacturing, Finance and Business Management etc. Entire Board comprises of non-executive directors and one half of the Board members are Independent Directors. As required under Section 149(1) of the Companies Act, 2013 on appointment of Woman director on the Board, Ms.G.Jalaja (DIN: 00149278) has been appointed on the Board.

Non Executive Chairman	1
Non Executive Directors	2
Non Executive and Independent Directors	3

All independent directors possess the requisite qualifications and are very experienced in their own fields. Directors other than Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorships/committee memberships and have been taken on record by the Board.

Appointment of Directors

Mr. P. Nagarajan (DIN: 00110344) was appointed as an Additional Director w.e.f 30.07.2014 and will hold office till the ensuing annual general meeting. Relevant details relating to Mr. P. Nagarajan is furnished in the notice convening the Annual General Meeting to be held on 24th July, 2015 sent along with the annual report. Ms. G. Jalaja (DIN: 00149278) was appointed as an Additional Director w.e.f 20.03.2015 and will hold office till the ensuing annual general meeting. Relevant details relating to Ms. G. Jalaja (DIN: 00149278) is furnished in the notice convening the Annual General Meeting to be held on 24th July, 2015 sent along with the annual report.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March, 2015 are given below:

Name of Director	Category	Number of Directorships in other Companies	Number of Committee Memberships in other Companies
Mr. M M Venkatachalam	Non Executive, Promoter, Chairman	13	5
Mr. M A M Arunachalam	Non Executive, Promoter	5	NIL
Mr. S S Rajsekar	Non Executive, Independent	3	NIL
Mr. N V Ravi	Non Executive, Independent	3	NIL
Mr. P Nagarajan*	Non Executive, Independent	7	NIL
Ms. G Jalaja*	Non Executive	3	NIL

Notes:

- Other directorships exclude directorships in foreign companies.
- Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for committee memberships

* Mr. P Nagarajan (DIN: 00110344) was appointed as an Additional Director of the Company w.e.f 30.07.2014

* Ms. G Jalaja (DIN: 00149278) was appointed as an Additional Director of the Company w.e.f 20.03.2015

b) Board Meetings

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 X to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals are taken wherever necessary for making investments, ensuring adequate availability of financial resources and periodically consider the report on compliance of applicable laws and gives appropriate directions.

The Board also reviews the Board Meeting minutes and financial statements and also takes on record the Committee meeting minutes.

The Board of Directors met five (5) times during the financial year ended 31st March, 2015 on 29th April 2014, 30th July 2014, 31st October 2014, 29th January 2015 and 6th March 2015. The maximum gap between any two meetings was less than one hundred and twenty days as stipulated under Clause 49(II)(D) of the Listing Agreement.

Details of Board members as on 31st March, 2015 and Attendance at Board & General Meetings

Sl. No.	Date	Board Strength	No. of Directors present
1	29.04.2014	6	4
2	30.07.2014	7	5
3	31.10.2014	7	5
4	29.01.2015	6	2
5	06.03.2015	6	5

The company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed well in advance after taking into account

the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The management appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews the performance, approves capital expenditures, sets the strategy that the company should follow and ensures financial stability. The Board reviews and takes on record the actions taken by the company on all its decisions periodically.

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Sl. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. M. M. Venkatachalam	5	4	Yes
2.	Mr. M.A.M. Arunachalam	5	4	-
3.	Mr. S.S. Rajsekar	5	1	-
4.	Mr. J. Srinivasan #	3	3	Yes
5.	Mr. V. Venkiteswaran##	5	2	Yes
6.	Mr. N. V. Ravi	5	4	Yes
7.	Mr. P. Nagarajan*	4	4	Not Applicable
8.	Ms. G. Jalaja@	-	-	Not Applicable

Mr. J Srinivasan (DIN 00063660) resigned as a Director w.e.f. 31.10.2014

Mr. V Venkiteswaran (DIN 00062246) resigned as a Director w.e.f 11.03.2015

* Mr. P Nagarajan (DIN: 00110344) appointed as an Additional Director w.e.f 30.07.2014

@ Ms.G.Jalaja (DIN: 00149278) appointed as an Additional Director w.e.f 20.03.2015

Board Procedure

The Directors are elected based on their qualifications and experience in varied fields as well as company's business needs. The Nomination and Remuneration Committee recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, an invitation to join the Board of the Company is sent and a directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentation is also made to the new Director regarding the business and other details of the Company.

Details of Director seeking appointment / re-appointment

Mr. P Nagarajan (DIN:00110344) appointed as an Additional Director of the Company during the year will hold office till the ensuing Annual General Meeting and a member has proposed his appointment as an Independent Director at the ensuing Annual General Meeting.

Ms. G Jalaja (DIN:00149278) appointed as an Additional Director of the Company during the year will hold office till the ensuing Annual General Meeting and a member has proposed her appointment as a non executive director liable to retire by rotation, at the ensuing Annual General Meeting.

Mr. M M Venkatachalam (DIN: 00152619), Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

3. Board Committees

a. Audit Committee

Overall purpose/ objective

The role of Audit Committee in brief is to review the financial statements, internal controls, accounting policies and internal audit reports.

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 statutory auditors / internal auditors and overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements.

Composition

Pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has in place an Audit Committee with Mr. P Nagarajan, Director (DIN: 00110344) as the Chairman. The Committee consists of 3 independent Directors and one non executive Director. All the members of the Committee have excellent financial & accounting knowledge. The Chairman, Senior Vice President and Chief Financial Officer of the Company and Internal Auditors and Statutory Auditors are the invitees to the meetings of the Audit Committee. The company secretary acts as the secretary to the committee.

The erstwhile Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 30th July, 2014.

Terms of Reference

The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in

section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and cost auditor.

As a good corporate governance practice, the Company has put in place a system for a separate discussion of the Audit Committee with the statutory and internal auditors without the presence of the management team.

Meetings

The Committee met Four (4) times during the financial year ended 31st March 2015 on 29th April 2014, 30th July 2014, 31st October 2014 and 29th January 2015 and the time gap between the two meetings did not exceed one hundred and twenty days.

Name of the Member	Chairman / Member	No. of Meetings Attended
Mr. J Srinivasan*	Chairman	3
Mr. P Nagarajan*	Chairman	3
Mr. M A M Arunachalam	Member	3
Mr. N.V. Ravi	Member	3
Mr. S S Rajsekar	Member	-
Mr. V Venkiteswaran*	Member	2

*Mr. J Srinivasan, Chairman of the Audit Committee had resigned from the Board of Directors with effect from 31.10.2014. Mr. P. Nagarajan was appointed as the Chairman of the Audit Committee. Mr. V. Venkiteswaran had resigned from the Board of Directors with effect from 11.03.2015.

b. Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted

a Stakeholders Relationship Committee with Mr. M.A.M.Arunachalam (DIN: 00202958), Director as the Chairman. The Stakeholders Relationship 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, dematerialization, rematerialisation, transfer, transmission, transposition, sub-division, consolidation and other allied transactions. The Board has also delegated to certain executives of the Company, powers to accomplish aforesaid objectives. The Committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges.

Composition & Meetings

- a) Four Committee meetings were held during the financial year 2014-2015. The dates on which the said meetings were held are 29th April, 2014, 30th July, 2014, 31st October 2014 and 6th March 2015.
- b) The composition of Stakeholders Relationship Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended during the year 2014-15
Mr. M.A.M Arunachalam	Chairman	4
Mr. S.S.Rajsekar	Member	1
Mr. N.V. Ravi*	Member	1
Mr. J. Srinivasan*	Member	3

*Mr. J Srinivasan had resigned from the Board of Directors with effect from 31.10.2014

*Mr. N.V. Ravi was inducted into the Committee with effect from 31.10.2014

- ❖ Mr. R. Narayanan, Company Secretary is the Compliance Officer of the Company.
- ❖ Details of number of complaints received during the year and Status of Investor Complaints as on March 31, 2015 and reported under Clause 41 of the Listing agreement are as follows:

Complaints' as on April 1, 2014	Nil
Received during the year	Nil
Resolved during the year	NA
Pending as on March 31, 2015	Nil

C. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted on 29th April, 2014 pursuant to Section 178 of the Companies Act, 2013 and Clause 49 (III) (IV) of the Listing Agreement for identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance

The Nomination and Remuneration Committee has framed the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Terms of reference

- ❖ Formulate the criteria for appointment of directors / Senior Management including determining qualifications, positive attributes and independence of directors
- ❖ Recommend to the Board their appointment including re-appointment and removal
- ❖ Devise a policy on Board diversity
- ❖ Identification of persons who are qualified to become directors
- ❖ Identification of persons who may be appointed in senior management
- ❖ Formulation of criteria for evaluation of independent directors and Board and to carry out evaluation of every director's performance.
- ❖ Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- ❖ Recommend the remuneration package of the executive directors at the time of initial appointment
- ❖ Determine the increments in the remuneration of executive directors
- ❖ Determine the annual incentive of the executive directors

- ❖ Determine the minimum remuneration of executive directors in the event of inadequacy of profits
- ❖ Recommend to the Board, the remuneration including commission payable to non-executive directors subject to the limits laid down in the Act
- ❖ Exercise all powers and authority as is necessary for implementation, administration and superintendence of the Employees Stock Option Schemes , if applicable
- ❖ shall frame suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.
- ❖ any other terms of reference as may be required by the Committee to exercise pursuant to any law or changes thereof.

Composition & Meetings

- a. Four Committee meetings were held during the financial year 2014-2015. The dates on which the said meetings were held are as follows: 29th April, 2014, 30th July, 2014, 27th January, 2015 & 6th March 2015.
- b. The composition of Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meet- ings attended during the year 2014-15
Mr. N V Ravi*	Chairman	2
Mr. M M Venkatachalam	Member	4
Mr.V Venkiteswaran*	Member	1
Mr. J Srinivasan*	Chairman	2

* Mr. J Srinivasan resigned as a Director
w.e.f. 31.10.2014

*Mr. V Venkiteswaran resigned as a Director
w.e.f. 11.03.2015

*Mr. N V Ravi inducted into the Committee
w.e.f. 31.10.2014

Criteria for Performance Evaluation

Section 178 read with Section VII (3 a & b) & Section VIII of Schedule IV of the Companies Act, 2013 lays down specific requirements on performance evaluation of Board/ Chairperson/Independent Directors. As per Clause 49 of listing agreement, the Nomination and Remuneration Committee has to lay down the criteria for the above. The Committee had discussed in detail about the criteria to be adopted and process/format to be followed for evaluation of performance of Board/Committees and Directors. Based on the same, the evaluation process was completed for the year.

Parameters adopted as criteria for evaluation were as follows:

- I) Attendance
- II) Preparedness for the Meeting
- III) Staying updated on developments
- IV) Active participation at the meetings
- v) Constructive contribution
- vi) Engaging with and challenging the management team without being confrontational or obstructionist
- vii) Speaking one's mind and being objective
- viii) Protection of interest of all stakeholders

Performance Evaluation

Pursuant to the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment and safe guarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the

Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

The Board through the Nomination and Remuneration Committee adopted Remuneration policy pursuant to Section 178 of the Companies Act, 2013. This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

The Non-Executive Directors (NEDs) are entitled for 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 payable for a period of five financial years ending on 31st March 2012, 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 erstwhile Companies Act, 1956). The distribution of commission amongst the NEDs is placed before the Board for its consideration and approval. The actual commission payable 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.

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

Remuneration for the year

The Board of Directors at their meeting held on 25th January, 2012 renounced their right to receive sitting fees for Board as well as Committee meetings being attended by them effective from 25.01.2012 till such time, the Board decides otherwise. Therefore no sitting fees were paid during the year.

In view of the losses incurred by the Company during the financial year 2014-15, no commission is payable to the non-executive directors.

The Company's total compensation for Key Managerial Personnel/other employees consists of:

- ❖ fixed compensation
- ❖ variable compensation in the form of annual incentive
- ❖ benefits
- ❖ work related facilities and perquisites

The remuneration policy applicable to the members of the Board and Key Managerial personnel/ Other employees is available in the Company's website http://www.coromandelengg.com/Inv_policies.html.

D. Risk Management Committee

Risk Management Committee was constituted on 29th January, 2015 in pursuance of Clause 49 of the Listing Agreement, comprising of certain members of the Board of Directors and Senior Executives of the Company.

Purpose and Object

The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

Composition & Meetings

- a) One Committee meeting was held on 6th March, 2015.
- b) The composition of Risk Management Committee and particulars of the meeting attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended during the year 2014-15
Mr. P. Nagarajan	Chairman	1
Mr. M.M. Venkatachalam	Member	1
Mr. N.V. Ravi	Member	1
Mr. T.S. Venkatram	Head Operations - Member	1

E. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee was constituted on 29th April, 2014. The Committee formulated a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

Composition & Meetings

- a) One Committee meeting was held on 6th March, 2015.
- a) The composition of Corporate Social Responsibility Committee and particulars of the meeting attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended during the year 2014-15
Mr. S S Rajsekar	Chairman	1
Mr. N V Ravi	Member	1
Mr. M A M Arunachalam	Member	1

In view of the losses incurred by the Company in previous financial years, the requirement on spending under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company.

MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 6th March, 2015 to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also during the year, conducted familiarization programme for Independent Directors of the Company. This was done through regular presentation to the Directors and also discussions with management team. Any fresh induction into the Board of Directors is followed up with detailed briefing on the background of the Company, industry segments where the Company is present and other business details. The details of the familiarisation programme is uploaded in the website of the Company, http://www.coromandelengg.com/Inv_policies.html.

Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015, the company had three non-executive directors and three non-executive Independent directors. Among the non-executive directors Mr. M M Venkatachalam (DIN: 00152619) holds 451610 equity shares and Mr. M A M Arunachalam (DIN: 00202958) holds 361610 equity shares in the company.

4. General body Meetings

The location, date and time of General Meetings held during the last 3 years are given below:

Annual General Meeting (AGM):

For the year ended 31st March	Venue	Day and Date	Time
2014	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600018	Wednesday 30.07.2014	10.00 A.M
2013	Rectangular Hall, "Dare House", 2 NSC Bose Road, Chennai- 600 001	Thursday, 25.07.2013	2.30 P.M
2012	Parry House, 3rd Floor, No. 43, Moore Street, Chennai – 600 001	Saturday, 28.07.2012	2.00 P.M

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

Date of AGM	Whether any Special Resolution was passed	Particulars
30.07.2014	Yes	Appointment of Mr. A Suryanarayan as Manager of the Company
25.07.2013	No	No Special Resolution had been passed
28.07.2012	No	No Special Resolution had been passed

Postal Ballot:

Details of Special Resolutions passed through postal ballot during the financial year

Date of passing the resolution	Whether any Special Resolution was passed	Particulars
18.06.2014	Yes	Enhancement of borrowing limits from ₹75 crs to ₹325 crs
18.06.2014	Yes	Mortgaging/ charging the properties of the Company for securing the borrowings

Details of voting pattern:

Receipt of Postal Ballot Forms and E-Voting	15th May, 2014 to 13th June ,2014		
Total No. of Shareholders	2368		
Total No. of Shares	3,32,33,598		
Particulars	As per Postal Ballot	As per E-Voting	Total
Postal Ballot Forms Received	82	6	88
Less: Invalid Forms*	1	-	1
Net Valid Forms	81	6	87

* Invalid Postal Ballot was not taken into account for the voting.

a) Enhancement of borrowing limits from existing ₹75 Crores to ₹325 Crores

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	81	22378858	6	2501602	87	24880460	100.00
Dissent	0	0	0	0	0	0	0
Total	81	22378858	6	2501602	87	24880460	100.00

b) Mortgaging/charging the properties of the Company for securing the borrowings

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	81	22378858	6	2501602	87	24880460	100.00
Dissent	0	0	0	0	0	0	0
Total	81	22378858	6	2501602	87	24880460	100.00

The postal ballot exercise was conducted by Mr. R. Sridharan of R. Sridharan & Associates, Company Secretaries, Chennai.

There is no immediate proposal for passing any resolution through postal ballot.

5. 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 and a certificate to this effect, signed by Mr. T. S. Venkatram, Head Operations, forms part of this report.

6. CEO and CFO Certification

In terms of clause 49 of the Listing agreement, the Head Operations and Chief Financial Officer have given the annual certification on financial reporting and internal controls to the Board.

The Head Operations and Chief Financial Officer have also given quarterly certification on financial results, while placing the financial results before the Board, in terms of clause 41 of the Listing Agreement. Accordingly, the Head Operations and Chief Financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose, for the year ended March 31, 2015.

7. 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 requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. All the Directors and Senior Management Personnel have confirmed compliance with the code.

8. Vigil Mechanism / Whistle Blower Policy

The Company has adopted the whistle blower mechanism, a mandatory requirement of the Listing Agreement and the Companies Act, 2013 with the objective to provide employees, customers and vendors, an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal conduct of business, its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization of whistle blowing in good faith. The Audit Committee reviews periodically the functioning of whistle blower 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. The details of establishment of such mechanism is disclosed by the Company on its website and in the Board's Report.

It is hereby affirmed that no person has been denied access to the Audit Committee.

Mr. Shyam C Raman, Senior Vice President, Group HR, Murugappa Group, has been appointed as the Ombudsperson, who will deal with the complaints received.

9. Disclosures

Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis. 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 a potential conflict with the interest of the Company at large, are placed before the Board. The Company

has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The details of such policies for dealing with Related Parties and the Related Party Transactions are disseminated in the website of the Company (http://www.coromandelengg.com/Inv_policies.html)

Transactions with the related parties are disclosed in Note No 27 to the financial statements in the Annual Report.

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.

10. 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, 2015. 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.

The other non-mandatory requirements of Clause 49 to certain extent have been adopted by the Company.

11. Means of Communication

The quarterly unaudited financial results and major announcements like notice of Board Meetings, Book Closure etc. are normally published in daily newspapers viz., News Today (English) and Maalai Sudar (Tamil). The annual audited financial results are published in News today (English) and Maalai Sudar (Tamil). Further, the Code of Conduct

of the Company applicable to the Board and senior management is also posted on the website of the Company www.coromandelengg.com.

The company's website address is: www.coromandelengg.com. The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id cecinvestorservices@cec.murugappa.com to enable the shareholders to register their grievances.

Place: Chennai
Date : 28th April 2015

12. Management Discussion and Analysis Report

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

13. 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
(DIN: 00152619)
Chairman

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Corporate Identification No. : L74910TN1947PLC000343

Nominal Capital : ₹ 65,00,00,000/-

To,
The Members
MESSRS. COROMANDEL ENGINEERING COMPANY LIMITED
'Parry House', 3rd Floor,
43, Moore Street,
Chennai – 600 001

We have examined all relevant records of M/s. Coromandel Engineering Company Limited, having its Registered Office at Parry House, 3rd Floor, 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 BSE Limited for the financial year ended March 31, 2015. 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 Clause 49 of the listing Agreement.

For R Sridharan & Associates
Company Secretaries

Place: Chennai
Date : 28.04.2015

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**

Sirs

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 2015, as envisaged in Clause 49 of the Listing Agreement with the Stock Exchange.

Place: Chennai
Date: 28th April 2015

T S VENKATRAM
HEAD OPERATIONS

GENERAL SHAREHOLDER INFORMATION

Registered Office

“Parry House”, 3rd Floor, No.43, Moore Street,
Chennai –600 001

Corporate Identification Number

L74910TN1947PLC000343

Annual General Meeting

Day : Friday

Date : 24th July, 2015

Venue : “Mini Hall” Narada Gana Sabha Trust
No.314, TTK Road, Chennai 600 018

Financial year : 1st April 2014 to 31st March 2015

Date of Book Closure

Friday, the 17th day of July 2015 to Friday, the 24th
day of July 2015 (Both days inclusive)

**Bankers : M/s City Union Bank Ltd., Development
Credit Bank Ltd., HDFC Bank Ltd., IDBI Bank Ltd.,
Indian Bank, Indusind Bank Ltd.**

Bombay Stock Exchange

Month	High ₹	Low ₹	No. of Shares
Apr 2014	49.85	37.70	3,19,551
May 2014	59.00	36.15	1,87,653
Jun 2014	64.00	51.90	4,12,809
Jul 2014	69.50	54.50	5,49,319
Aug 2014	58.90	49.00	90,201
Sep 2014	54.90	43.50	1,51,393
Oct 2014	51.80	44.50	26,912
Nov 2014	54.90	42.75	1,24,740
Dec 2014	49.80	37.00	7,13,334
Jan 2015	46.50	40.25	2,70,702
Feb 2015	55.80	42.60	2,33,367
Mar 2015	57.00	37.00	3,76,744

Listing on Stock Exchange

❖ BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001

Listing fees for the year 2015-2016 had been paid
to the BSE Limited.

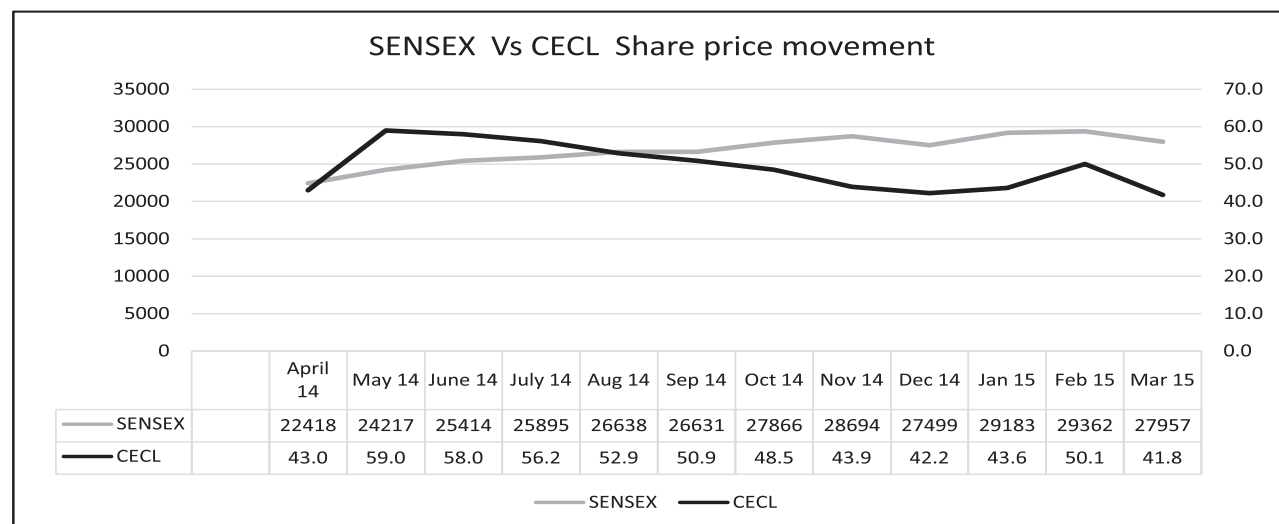
Stock Code

Name of the Stock Exchange / Depository	Code / ISIN / Symbol
BSE Ltd.	533167
Depository ISIN No. NSDL & CDSL	INE312J01012

Market Price Data:

The monthly high and low market price data and
volume of shares traded in BSE from 1st April, 2014
up to 31st March, 2015 are as follows:

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



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:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad – 500 032

Tel : 91-40-23420815 to 23420824

Toll Free No.1-800-3454001

Fax : +91-40 23420814

Email : einward.ris@karvy.com

Website: www.karvy.com

Share Transfer and Investors Service System

The Stakeholders Relationship Committee, approves transfers / transmission / transposition, sub-division and consolidation etc.

The Board has delegated powers to approve transfers, transmissions, 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 of the Company.

Shareholding pattern /Distribution of shareholding**Shareholding pattern as on 31.03.2015**

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTER COMPANIES	20	21092874	63.47
RESIDENT INDIVIDUALS	2932	6462362	19.45
PROMOTERS	24	2064947	6.21
BODIES CORPORATES	100	1247428	3.75
DIRECTORS	3	929650	2.80
H U F	128	773264	2.33
DIRECTORS AND RELATIVES	11	597546	1.80
NON RESIDENT INDIANS	13	49650	0.15
CLEARING MEMBERS	7	11077	0.03
TRUSTS	1	4800	0.01
TOTAL	3239	33233598	100.00

Distribution of shareholding as on 31.03.2015

Category		No. of shareholders	% to total No.	No. of Shares	% of holding
1	5000	2330	71.94	241644	0.73
5001	10000	244	7.53	204265	0.61
10001	20000	183	5.65	268962	0.81
20001	30000	91	2.81	229347	0.69
30001	40000	46	1.42	165344	0.50
40001	50000	57	1.76	272437	0.82
50001	100000	116	3.58	855746	2.57
Greater than 100000		172	5.31	30995853	93.27
TOTAL		3239	100.00	33233598	100.00

	No. of Shareholders	% to total No.	No. of Shares	% of holding
Shareholders in				
Physical Mode:	896	27.66	89738	0.27
Electronic Mode :				
NSDL	1483	45.78	23007816	69.23
CDSL	860	26.56	10136044	30.50
TOTAL	3239	100.00	33233598	100.00

Dematerialization

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

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

Nil

Address for Correspondence	For all matters relating to Investor Relations
<p>For any shareholders assistance the Company Secretary can be contacted at the following address:</p> <p>Coromandel Engineering Company Ltd. Parry House, 3rd Floor, No.43 Moore Street, Chennai 600001 Phone: 044 - 25341513 E-Mail:coromandelengg@cec.murugappa.com</p>	<p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel : 91-40-23420815 to 23420824 Toll Free No.1-800-3454001 Fax : +91-40 23420814 Email : einward.ris@karvy.com Website: www.karvy.com</p>

Reconciliation of share capital Audit:

A qualified Practicing Company Secretary, Mr. R.Sridharan of M/s. R. Sridharan & Associates, Company Secretaries, Chennai, carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit confirms that the total issued / paid- up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Details of Shares held by Non – Executive Directors as on 31.03.2015:

SL No	Name of the Director	No. of Shares Held
1.	Mr. M M Venkatachalam	451610
2.	Mr. M A M Arunachalam	361610
3.	Mr. S S Rajsekar	Nil
4.	Mr. N.V.Ravi	Nil
5.	Mr. P Nagarajan	Nil
6.	Ms. G Jalaja	Nil

Nomination Facility

The Shareholders may avail themselves of the nomination facility under section 72 of the Companies Act, 2013. The nomination form (Form SH.13) 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.

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.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Coromandel Engineering Company Limited
"PARRY HOUSE" 3rd Floor
43, Moore Street
Chennai - 600 001**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Coromandel Engineering Company Limited [Corporate Identity Number: L74910TN1947PLC000343] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Company has not issued any securities during the year under review and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not arise;
 - d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise.
 - e) The Company has not issued any debentures during the period under review, and hence

the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise.

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Company has not bought back any shares during the period under review and hence the requirement of compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise.

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

1. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
2. Acts relating to consumer protection including The Competition Act, 2002;
3. Acts and Rules prescribed under prevention and control of pollution;
4. Acts and Rules relating to Environmental protection;
5. Acts and Rules relating to hazardous substances and chemicals;
6. Acts and Rules relating to Electricity, fire, gas cylinders, Weights & Measures, etc.;
7. Other local laws as applicable to various sites and offices.

With respect to Fiscal laws such as Income Tax, Wealth Tax, Professional Tax, Central Sales Tax & Local Sales Tax, based on the information and

explanation provided to us by the management and officers of the Company and also on verification of reports of professionals including reports of Internal Audit, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act are applicable with effect from 1st July, 2015. However, the Secretarial Standards 1 and 2 relating to Board Meetings and General Meetings which were issued by the ICSI as recommendatory in nature have been complied with.
- (ii) The Listing Agreements were entered into by the Company with BSE Limited and Madras Stock Exchange Limited. The Company's Equity shares have been delisted from the Madras Stock Exchange Limited with effect from 27th March, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been properly recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and nature of operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the company has

- a) Delisted its equity shares from Madras Stock Exchange Limited with effect from 27th March, 2015.
- b) Appointed Mr.A.Suryanarayan as Manager under the Companies Act, 2013 with effect from 30th April, 2014 and subsequently, he resigned with effect from 30th November, 2014.
- c) Appointed Ms.G.Jalaja as Women Director with effect from 20th March, 2015 pursuant to Compliance of Section 149 (1) of the Act and Listing Agreement.
- d) Modified the terms and conditions of issue of 7% - 7,00,000 Cumulative Redeemable Preference shares of ₹100/- each.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

Place: Chennai
Date : 28th April,2015

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COROMANDEL ENGINEERING COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Coromandel Engineering Company Limited ("the Company") which comprise the Balance Sheet as at 31st March 2015, the statement of Profit and Loss, Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and 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 it appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors, as on

31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 27 to the financial statements.
 - (ii) The company has made provision as required under any law or accounting standards for material foreseeable losses, if any, on long term contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company.

For SUNDARAM & SRINIVASAN

Chartered Accountants
Regn.No.004207S

M. PADHMANABHAN
Partner

Membership No.F13291

Place: Chennai
Date: 28.04.2015

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF COROMANDEL ENGINEERING COMPANY LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (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. Certain discrepancies which were noticed on such verification were rectified and the same has been properly dealt in the books.
- (ii) (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (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.
- (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.
- (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 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness in internal control has been noticed.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has vide notification dated 3rd June 2011 prescribed maintenance of cost records by various classes of companies. We have broadly reviewed books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under Section 148 of the Companies Act, 2013 and are of the opinion, prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (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, income-tax, wealth-tax, sales-tax, service tax, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as on 31st March, 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, the following are the details of disputed Sales Tax dues with the authorities concerned.

(₹ in lakhs)

NAME OF THE STATUTORY DUES	FORUM WHERE DISPUTE IS PENDING	DISPUTED AMOUNT
Andhra Pradesh VAT	The Appellate Deputy Commissioner (CT) 2006-07 & 2007-08 (₹20.49 lakhs deposited)	43.32

(c) According to the records, information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder has been transferred to such fund within the time as prescribed.

(viii) The company has made a profit after tax amounting to ₹ 112.41 lakhs during the current financial year and the accumulated losses at the end of the financial year is ₹ 2141.87 Lakhs. The company has not incurred any cash losses during the current financial year and had incurred a cash loss of ₹ 1020.17 lakhs in the immediately preceding financial year.

- (ix) 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 or financial institutions.
- (x) 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.
- (xi) In our opinion and according the information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.
- (xii) 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.

Place: Chennai
Date: 28.04.2015

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

M. PADHMANABHAN
Partner
Membership No.F13291

FINANCIAL STATEMENTS



COROMANDEL ENGINEERING COMPANY LIMITED
BALANCE SHEET AS AT March 31, 2015

(₹ in lakhs)

Particulars	Note	As at March 31, 2015		As at March 31, 2014	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	1	4,023.36		4,023.36	
(b) Reserves and Surplus	2	383.88	4,407.24	313.14	4,336.50
2. Non Current Liabilities					
(a) Long Term Borrowings	3	-		3,263.83	
(b) Long Term Provisions	4	40.28	40.28	51.38	3,315.21
3. Current Liabilities					
(a) Short Term Borrowings	5	3,774.47		4,932.99	
(b) Trade Payables	6	2,939.69		3,070.52	
(c) Other Current Liabilities	7	9,168.25		14,814.65	
(d) Short Term Provisions	8	293.37	16,175.78	294.21	23,112.37
Total			20,623.30		30,764.08
II ASSETS					
1. Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	9	2,922.04		3,525.32	
(ii) Intangible Assets		9.39		13.69	
			2,931.43		3,539.01
(b) Non Current Investments	10	5.20		5.44	
(c) Deferred Tax Asset/(Liability) (Net)	11	1,546.42		1,469.12	
(d) Long Term Loans and Advances	12	9.17		23.14	
(e) Trade Receivables	13	291.83		1,298.27	
(f) Other Non Current Assets	14	415.00		465.00	
			2,267.62		3,260.97
2. Current Assets					
(a) Inventories	15	6,908.24		4,410.59	
(b) Trade receivables	16	4,807.78		5,330.61	
(c) Cash and Cash equivalents	17	334.74		651.01	
(d) Short Term Loans and Advances	18	384.31		880.36	
(e) Other Current Assets	19	2,989.18	15,424.25	12,691.53	23,964.10
Total			20,623.30		30,764.08

The accompanying notes are an integral part of the financial statements (Note No 27).

As per our report of even date

For Sundaram & Srinivasan

Chartered Accountants

Regn No: 0042075

On Behalf of the Board

M.PADHMANABHAN

Partner

Membership no.: F13291

Chennai

April 28, 2015

M.A.M. ARUNACHALAM

Director

R. NARAYANAN

Company Secretary

M.M.VENKATACHALAM

Chairman

K. RAMAKRISHNAN

Head Finance

COROMANDEL ENGINEERING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2015		For the year ended March 31, 2014	
I Revenue from Operations	20	23,039.38		19,924.92	
II Other Income	21	89.70		109.01	
III Total Revenue (I + II)			23,129.08		20,033.93
IV Expenses					
(a) Materials consumed and Land cost	22	9,278.24		7,325.45	
(b) Changes in Inventories	23	1,094.92		(802.58)	
(c) Sub-contracting Expenses		6,260.26		8,108.80	
(d) Employee Benefit Expenses	24	1,467.35		1,770.64	
(e) Finance Cost	25	1,669.37		1,286.39	
(f) Depreciation and Amortisation Expenses		488.90		223.31	
(g) Other Expenses	26	2,816.09		3,365.40	
(h) Total Expenses			23,075.13		21,277.41
V Profit/(loss) before exceptional and extraordinary items and tax (III-IV)			53.95		(1,243.48)
VI Exceptional Items			-		-
VII Profit/(loss) before extraordinary items and tax (V - VI)			53.95		(1,243.48)
VIII Extraordinary Items			-		-
IX Profit/(loss) before tax (VII- VIII)			53.95		(1,243.48)
X Tax expense/(gain)					
(1) Current tax			0.18		-
(2) Deferred tax			(58.64)		(355.31)
XI Profit / (Loss) for the period from continuing operations (IX-X)			112.41		(888.17)
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit / (Loss) for the period (XI + XIV)			112.41		(888.17)
XVI Earnings per equity share (Rs)					
(1) Basic			0.34		(4.33)
(2) Diluted			-		-

The accompanying notes are an integral part of the financial statements (Note No 27).

As per our report of even date

For Sundaram & Srinivasan

Chartered Accountants

Regn No: 004207S

M.A.M. ARUNACHALAM

Director

On Behalf of the Board

M.M.VENKATACHALAM

Chairman

M.PADHMANABHAN

Partner

Membership no.: F13291

Chennai

April 28, 2015

R. NARAYANAN

Company Secretary

K. RAMAKRISHNAN

Head Finance

**COROMANDEL ENGINEERING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(₹ in lakhs)

Cash Flow from Operating Activities	For the year ended 31st March 2015		For the year ended 31 st March 2014	
	Net Profit/ (Loss) before tax as per Statement of Profit & Loss		53.95	
Adjustment for :				
Depreciation and amortisation expenses	488.90		223.31	
Finance Cost	1,669.37		1,286.39	
Interest Income	(38.15)		(64.67)	
Dividend Income	(0.56)		(0.51)	
(Profit) / Loss on sale of investment (Net)	(5.17)		-	
Provision for doubtful debts/advances	160.17		-	
(Profit) / Loss on sale/W.off of assets (Net)	95.30	2,369.86	25.07	1,469.59
Operating Profit before working capital changes		2,423.81		226.11
Adjustments for :				
Trade and other Receivables	11,695.23		(4,322.70)	
Inventories	(2497.65)		(651.83)	
Trade and other Payables	(5789.17)	3,408.41	1,965.36	(3,009.17)
Cash Generated from Operations		5,832.22		(2,783.06)
Direct Taxes Refund/(Paid)		188.02		252.07
Net Cash from Operating Activities		6,020.24		(2,530.99)
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(58.78)		(768.90)	
Sale of Fixed Assets	21.83		19.05	
Sale of investment	5.41		-	
Interest income	38.15		64.67	
Dividend Received	0.56		0.51	
Net Cash used in Investing Activities		7.17		(684.67)
Cash flow from Financing Activities				
Proceeds from Equity Rights Issue	-		2,993.88	
Proceeds from Preference Issue	-		2,500.00	
Proceeds from Rights Issue-Premium(Net)	-		2,854.09	
Proceeds from Preference Issue-Premium(Net)	-		492.42	
Redemption of Preference Capital	-		(4,300.00)	
Share Premium utilised for Preference redemption	-		(1,041.58)	
Loans Net of Repayment	(4,422.35)		1,039.01	
Finance Charges	(1,669.37)		(1,286.39)	
Net Cash used in Financing Activities		(6,091.72)		3,251.43
Net increase/ (decrease) in Cash and Cash Equivalents		(64.31)		35.77
Opening balance of Cash and Cash Equivalents		79.38		43.61
Closing balance of Cash and Cash Equivalents		15.07		79.38

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sundaram & Srinivasan

Chartered Accountants

Regn No: 004207S

On Behalf of the Board

M.PADHMANABHAN

Partner

Membership no.: F13291

Chennai

April 28, 2015

M.A.M. ARUNACHALAM

Director

R. NARAYANAN

Company Secretary

M.M.VENKATACHALAM

Chairman

K. RAMAKRISHNAN

Head Finance

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO 1

SHARE CAPITAL

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
Authorised		
Equity Shares 400,00,000 (31 March 2014: 400,00,000) equity shares of ₹10 each	4,000.00	4,000.00
Preference shares 25,00,000(31 March 2014:25,00,000) preference shares of ₹100 each	2,500.00	2,500.00
	6,500.00	6,500.00
Issued,		
Equity Shares 32256983(31 March 2014 : 32256983) Equity shares of ₹ 10 each #	3,225.70	3225.70
1,44,000(31 March 2014: 1,44,000) Equity shares of ₹ 10 each issued as bonus shares by capitalisation of general reserve	14.40	14.40
8,76,295(31 March 2014 : 8,76,295) Equity shares of ₹ 10 each Issued in pursuance of scheme of amalgamation of Polutech Ltd. & Coromandel Prodorite Pvt Ltd with Coromandel Engg Co. Ltd	87.63	87.63
Preference Shares 7,00,000(31 March 2014:7,00,000) Preference Shares of ₹ 100 each issued on Preferential basis	700.00	700.00
	4,027.73	4,027.73
Subscribed and Paid Up		
Equity Shares 32213303(31 March 2014 : 32213303) Equity shares of ₹ 10 each	3,221.33	3,221.33
1,44,000(31 March 2014 : 1,44,000) Equity shares of ₹ 10 each issued as bonus shares by capitalisation of general reserve	14.40	14.40
8,76,295(31 March 2014 : 8,76,295) Equity shares of ₹ 10 each Issued in pursuance of scheme of amalgamation of Polutech Ltd. & Coromandel Prodorite Pvt Ltd with Coromandel Engg Co. Ltd.	87.63	87.63
Preference Shares 7,00,000(31 March 2014: 7,00,000) Preference Shares of ₹ 100 /- each issued on Preferential basis	700.00	700.00
	4,023.36	4,023.36
# - Issued Equity Share Capital includes 43680 Equity Shares of ₹ 10/- each issued on Rights basis, kept in abeyance due to a pending legal issue		

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

	March 31 2015	March 31 2014
Equity Shares		
At the beginning of the period	3,32,77,278	32,94,780
Issued during the period – Rights Issue	-	2,99,82,498
Outstanding at the end of the period	3,32,77,278	3,32,77,278
Preference shares		
At the beginning of the period	7,00,000	25,00,000
Issued during the period	-	25,00,000
Redeemed during the period	-	(43,00,000)
Outstanding at the end of the period	7,00,000	7,00,000

NOTES FORMING PART OF FINANCIAL STATEMENTS

b. Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, is subject to approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

c. Terms/rights attached to preference shares :

The preference shares are cumulative in nature, carrying fixed dividend of 7% per annum. By virtue of agreement with Preference Shareholder, they have waived their right to dividend due upto 12th November 2014. Dividend not paid for an year will be paid in arrears, in subsequent year, subject to availability of Profits and other statutory requirements.

d. Shares in the company held by each shareholder holding more than 5 percent shares

S No	Name of the Shareholder	March 31, 2015		March 31, 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Carborundum Universal Limited	3042900	9.16	3042900	9.16
2	Cholamandalam Distribution Services Limited	2500100	7.52	2500100	7.52
3	Dare Investments Limited	2500100	7.52	2500100	7.52
4	Murugappa Holdings Limited	2500100	7.52	2500100	7.52
5	Parry Agro Industries Limited	2500100	7.52	2500100	7.52
6	Parry Infrastructure Company Private Limited	2500100	7.52	2500100	7.52
7	Prescient Securities Private Limited			2500002	7.52

NOTE 2

RESERVES AND SURPLUS

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
Capital Reserve	7.24	7.24
General Reserve		
As Per last Balance Sheet	551.72	551.72
Add : Transfer from Statement of Profit and Loss	-	-
	551.72	551.72
Investment Allowance Reserve	77.71	77.71
Share Premium Account	2,440.80	2,440.80
Surplus in Profit and Loss Account		
Balance as per last financial statement	(2,764.33)	(1,876.16)
Add : Net profit/(Loss) after tax for the year	112.41	(888.17)
Appropriations :		
Less : Transfer to General Reserve	-	-
Less : Adjustment made towards Depreciation as per Co's Act 2013	41.67	-
Balance available for Appropriation	(2,693.59)	(2,764.33)
	383.88	313.14

NOTES FORMING PART OF FINANCIAL STATEMENTS**NOTE 3****LONG TERM BORROWINGS**

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
Secured		
Term loan from Co-operative Bank	-	500.00
Term loan from Non Banking Financial Company	-	1,921.08
Term Loan from Banking company	-	842.75
	-	3,263.83

NOTE 4**LONG TERM PROVISIONS**

	As at March 31 2015	As at March 31 2014
Provision for Employee benefits - Gratuity	-	18.44
Accrued leave encashment benefit liability	40.28	32.94
	40.28	51.38

NOTE 5**SHORT TERM BORROWINGS**

	As at March 31 2015	As at March 31 2014
Secured		
Cash Credit from Banks	1,774.47	2,132.99
Working Capital Demand Loan (Secured by hypothecation of present and future stocks, Work in progress and receivables of the Company. They carry interest between 11.75% and 12.00% p.a. They are repayable on demand)	800.00	800.00
Short term loan from Bank (The above is secured by a subservient charges on current assets and carrying interest between 12.00% & 12.35% p.a)	1,200.00	1,000.00
Short term loan from Non Banking Financial Company	-	1,000.00
	3,774.47	4,932.99

NOTE 6**TRADE PAYABLES**

	As at March 31 2015	As at March 31 2014
Sundry Creditors		
Purchases	1,928.54	1,987.03
Expenses	1,011.15	1,083.49
	2,939.69	3,070.52

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 7

OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
Advance from customers-PDD	2,400.00	8,977.90
Mobilisation advance	889.53	1,676.72
Outstanding Liabilities	2,213.27	2,215.63
Current maturities of long term borrowings	3,300.00	1,832.00
Unclaimed Dividend	3.41	4.63
Statutory Liabilities	271.64	47.47
Other payables	90.40	60.30
	9,168.25	14,814.65

NOTE 8

SHORT TERM PROVISIONS

	As at March 31 2015	As at March 31 2014
Bonus Payable	2.71	2.71
Leave Travel Assistance payable	2.64	3.66
Provision for taxation	288.02	287.84
	293.37	294.21

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 9

FIXED ASSETS

(₹ in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01.04.2014	Additions during the year	Deletions during the year	Balance as at 31.03.2015	Balance as at 01.04.2014	Depreciation for the year	Adjustment due to change in useful life	On deletions	Balance as at 31.03.2015	Balance as at 31.03.2014
a. Tangible Assets										
Land	-			-	-				-	-
Buildings	-			-	-				-	-
Office Building	23.11			23.11	23.11				23.11	
Plant and Equipment	4,241.46	29.92	232.78	4,038.60	778.95	452.14	55.90	125.47	1,161.52	3,462.51
Furniture and Fixtures	29.27	0.09		29.36	27.54	0.47	0.00		1.35	1.73
Vehicles	35.97	11.48	12.27	35.18	15.19	5.33		2.42	17.08	20.78
Office equipment	54.49	15.94	6.03	64.40	28.95	14.10	4.43	6.06	22.98	25.54
Computer	117.59	0.55		118.14	102.83	11.76			3.55	14.76
Total	4,501.89	57.98	251.08	4,308.79	976.57	483.80	60.33	133.95	2,922.04	3,525.32
b. Intangible Assets										
Software & Licensing	62.87	0.80		63.67	49.18	5.10			9.39	13.69
Total	62.87	0.80	-	63.67	49.18	5.10	-	-	9.39	13.69
c. Capital Work In Progress										
	-			-	-				-	-
Total (a + b + c)	4,564.76	58.78	251.08	4,372.46	1,025.75	488.90	60.33	133.95	2,931.43	3,539.01
Previous Year	3,852.23	768.90	56.37	4,564.76	814.69	223.31	-	12.25	3,539.01	3,037.54

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 10 NON CURRENT INVESTMENTS

(₹ in lakhs)

	Face Value	As at March 31 2015	As at March 31 2014	As at March 31 2015	As at March 31 2014
		Quantity	Quantity	₹ Lakhs	₹ Lakhs
Shares in companies Non Trade	₹				
Quoted fully paid up					
Cholamandalam Investments & Finance Co Ltd	10	262	262	0.20	0.20
Sri Vajra Granites Ltd	10	100	100	0.01	0.01
Unquoted fully paid up					
New India Co-operative Bank Ltd	10	50000	50000	5.00	5.00
MPC Confectionary Ltd (Formerly Charmvel Electronics Ltd)	100	-	240	-	0.24
Consolidated Foundations India Ltd	10	120	120	0.04	0.04
Rock Copco Ltd	10	100	100	0.02	0.02
VM Jog Constructions Pvt Ltd	10	400	400	0.05	0.05
Less : Provision for Diminution in value of Investments				0.12	0.12
				5.20	5.44
Market value - Quoted Investment				1.54	0.75

NOTE 11 DEFERRED TAX ASSET/(LIABILITY)

	As at March 31 2015	As at March 31 2014
Timing Difference		
- Depreciation	(227.02)	(292.04)
- Expenses allowed on payment basis	49.63	53.80
- Provision for doubtful receivables and advances	51.97	-
- Unabsorbed Business losses	1,671.84	1,707.36
	1,546.42	1,469.12

NOTE 12 LONG TERM LOANS AND ADVANCES

Unsecured and considered good

	As at March 31 2015	As at March 31 2014
Advance for hire of materials	9.17	23.14
	9.17	23.14

NOTE 13 TRADE RECEIVABLES

	As at March 31 2015	As at March 31 2014
Unsecured, considered good	291.83	1,298.27
Doubtful	110.17	
Less: Provision for doubtful receivables	110.17	-
	291.83	1,298.27

NOTES FORMING PART OF FINANCIAL STATEMENTS**NOTE 14****OTHER NON CURRENT ASSETS**

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
Advance for properties (PDD)	465.00	465.00
Less : Provision for doubtful advances	50.00	
	415.00	465.00

NOTE 15**INVENTORIES**

	As at March 31 2015	As at March 31 2014
Raw Materials at cost	443.17	1,007.35
Land at cost	4,522.33	-
Work-in-Progress at cost	1,065.09	3,403.24
Finished Apartments at cost	877.65	
	6,908.24	4,410.59

NOTE 16**TRADE RECEIVABLES**

	As at March 31 2015	As at March 31 2014
Unsecured - Considered good		
Outstanding for a period exceeding six months from the due date of payment		
(a) Unsecured, considered good	185.00	370.32
Doubtful	-	-
Less: Provision for doubtful debts		
Total	185.00	370.32
Other Receivables		
(b) Unsecured, considered good	4,622.78	4,960.29
Doubtful		
Less: Provision for doubtful debts	-	-
Total	4,622.78	4,960.29
Total (a + b)	4,807.78	5,330.61

NOTE 17**CASH AND CASH EQUIVALENTS**

	As at March 31 2015	As at March 31 2014
Balances with Banks		
Current Accounts	11.96	75.06
Earmarked Accounts - Unclaimed Dividend	3.41	4.63
Margin Money - For Bank Guarantees	316.26	567.00
Cash on hand	3.11	4.32
	334.74	651.01

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 18

SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
Unsecured and considered good		
Loans and Advances to suppliers and subcontractors	245.91	385.31
Service Tax	28.28	428.82
Others	110.12	66.23
	384.31	880.36

NOTE 19

OTHER CURRENT ASSETS

	As at March 31 2015	As at March 31 2014
Interest accrued on deposits	0.21	19.15
Advance for properties for development	-	959.92
Deposits	137.58	140.14
Advance Tax & TDS receivable	1,097.02	1,285.03
Unbilled Contract in progress	1,278.74	9,901.43
Others	475.63	385.86
	2,989.18	12,691.53

NOTE 20

REVENUE FROM OPERATIONS

	As at March 31 2015	As at March 31 2014
(a) Sale of Services		
Proceeds on contract	11,486.62	15,536.00
Proceeds on Property development	14,401.61	-
Unbilled contract Revenue/(Converted to billing)	(4,462.29)	4,369.18
(b) Other Operating revenues		
Service Income	1,570.27	-
Scrap and Sundry Sales	43.17	19.74
	23,039.38	19,924.92

NOTE 21

OTHER INCOME

	As at March 31 2015	As at March 31 2014
Interest Income	38.15	64.67
Interest on Income Tax Refund	41.47	43.69
Dividend Income	0.56	0.51
Profit on sale of investments	5.17	-
Miscellaneous receipt	4.35	0.14
	89.70	109.01

NOTE 22

MATERIALS CONSUMED AND LAND COST

	As at March 31 2015	As at March 31 2014
Opening stock of Raw Materials	1,007.35	1,158.10
Add: Purchases	13,236.39	7,174.70
	14,243.74	8,332.80
Less: Closing stock of Raw Materials and Land	4,965.50	1,007.35
Total	9278.24	7,325.45

NOTES FORMING PART OF FINANCIAL STATEMENTS**NOTE 23****CHANGES IN INVENTORIES**

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
Opening stock of		
Work-in-progress	3,403.24	2,600.66
Finished goods		
Closing stock of		
Work-in-progress	1,065.09	3,403.24
Finished goods	877.65	
Less: Decrease taken to interest expense	365.58	
(Increase)/ Decrease	1,094.92	(802.58)

NOTE 24**EMPLOYEE BENEFIT EXPENSES**

	As at March 31 2015	As at March 31 2014
Salaries, wages and bonus	1,276.32	1,538.84
Contribution to provident and other funds	90.61	112.56
Staff welfare expenses	100.42	119.24
	1,467.35	1,770.64

NOTE 25**FINANCE COST**

	As at March 31 2015	As at March 31 2014
Interest expense	1,438.97	1,122.33
Processing fees and others	230.40	164.06
	1,669.37	1,286.39

NOTE 26**OTHER EXPENSES**

	For the year ended March 31 2015	For the year ended March 31 2014
Transport & freight	115.45	213.12
Power & fuel	264.67	514.60
Rent, Rates and taxes	413.64	652.23
Repairs and maintenance		
- Plant and Machinery	14.60	21.83
- Others	14.91	24.64
Insurance	115.50	144.93
Advertisement, Exhibition and Sales Promotion expenses	25.77	134.28
Payment to Auditors (see Note 27(7))	5.60	5.30
Security & Watchward	80.74	112.16
Travelling expenses	139.79	181.88
Loss on sale of Fixed Assets (Net)	71.70	2.42
Fixed Assets written off	23.60	22.65
Professional and consultancy charges	245.75	108.01
Interest Expenses Property Development	334.59	189.16
Plant hire charges	706.22	947.55
Provision for doubtful debts	110.17	
Provision for doubtful advances	50.00	
Miscellaneous expenses	83.39	90.64
GRAND TOTAL	2,816.09	3,365.40

NOTE 27

1. CORPORATE INFORMATION

Coromandel Engineering Company Limited (CEC) was incorporated as a Public Limited Company in the year 1947 and the shares of the Company are listed in Bombay Stock Exchange(BSE). CEC is in the business of Construction and Property Development.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable.

2.2. 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 on the date of the financial statements and the reported amount of revenues and expenses for the year and disclosure of contingent liabilities as on 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 on the date of the financial statements. Actual amounts could differ from these estimates.

2.3. 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.

2.4. Depreciation

Depreciation on Fixed Assets is provided as per revised useful life contained in Schedule

II of the Companies Act, 2013 and is higher by Rs 272.30 lakhs as compared to depreciation calculated as per rates adopted till March 31, 2014 under Companies Act, 1956. In respect of fixed assets whose remaining revised useful life is Nil as on 1st April, 2014, a sum of Rs 41.67 lakhs (net of Deferred Tax of ₹ 18.66 lakhs) has been charged against retained earnings in line with the above Schedule II provisions.

2.5. Investments

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

2.6. Inventories

Materials at site are valued at cost on Weighted Average 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 plus proportionate overheads. Unsold land is valued at cost .

2.7. Revenue Recognition

- i) Revenue in respect of construction contracts including Property Development activity 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 right to receive is established.

2.8. 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.

2.9. 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.

2.10. 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 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 Statement of Profit and Loss. 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 Statement of Profit and Loss

2.11. 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.

2.12. Provisions & Contingent Liabilities:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 27

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
3 Contingent Liability		
3.1 Estimated amount of contracts remaining to be executed on capital account not provided for	NIL	NIL
3.2) a) Guarantees issued by the Company's bankers for which the Company has given counter guarantees. (Net of guarantees for which liability exists in the books of account)	3,649.79	4,742.25
3.2) b) Letter of credits issued by the Company's bankers for which the Company has given counter guarantees	382.19	436.12
3.3 Estimated liability on account of certain taxes and duties not provided for		
i) Sales tax		
Andhra Pradesh VAT for 2006-07 & 2007-08 (against which Rs 20.49 Lacs deposited with the Commercial Tax Officer, Hyderabad)	43.32	43.32
Tamilnadu-Entry tax for 2012-13 (entire amount of Rs 2.99 Lacs deposited with the Commercial Tax Officer, Ranipet)	2.99	2.99
Uttarkhand VAT for 2007-08	-	25.00
Odisha VAT Assessment for 2011-12 & 2012-13 (Entry Tax : ₹ 6.80 Lakhs & VAT - ₹ 28.13 Lakhs) (Entire amount of ₹ 34.93 lakhs deposited with the Commercial Tax Officer, Berhampur)	34.93	-
ii) Income Tax		
Appeals pending before CIT (Appeals)	-	64.46
4. Tender & security deposit in Note 19 includes : (*)		
i) Fixed deposit with a scheduled Bank	1.25	1.25
ii) Kissan Vikas Patra	0.39	0.39
iii) 6 Year NSC VIII issue	3.69	3.69
(*) Held by Commercial Tax & other authorities as Security Deposit		

NOTES FORMING PART OF FINANCIAL STATEMENTS**NOTE 27 Contd...**

(₹ in lakhs)

	As at March 31 2015	As at March 31 2014
5. (i) Salary and allowances include: Retirement benefits paid on account of leave encashment	8.82	8.20
(ii) Sundry Creditors include: -Dues to Micro, Small and Medium enterprises in respect of suppliers from whom intimation was received on their status under MSME Dev Act, 2006	NIL	NIL
6. Income Tax Deducted at source on Interest receipts	1.55	0.78
7. Auditor's Remuneration (included in Note 26)		
Statutory audit fees	3.25	2.60
Tax audit fees	1.00	0.50
Other services	1.25	1.95
Rights issue fees (part of Rights issue expenses)	-	4.10
Out of pocket expenses	0.10	0.25
Service tax	-	1.19
8 Turnover		
Contract revenue	21,425.94	19,905.18
Service Income	1,570.27	
Scrap & sundry sales	43.17	19.74

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 27 Contd...

9. EMPLOYEE BENEFITS AS PER AS-15 (REVISED)

(₹ in lakhs)

9.1 Details of Actuarial Valuation of Gratuity		2014-15	2013-14
i) Changes in Present Value of Benefit Obligation- Gratuity			
1	Present Value of Benefit Obligation at the beginning of the Period	83.04	79.39
2	Current Service Cost	19.14	15.88
3	Interest Cost	6.44	6.35
4	Benefits Paid	(9.44)	(22.46)
5	Actuarial (Gain)/Loss	(14.66)	3.88
6	Present value of Benefits Obligation at the end of the period	84.52	83.04

ii Changes in Fair Value of Plan Assets			
1	Fair Value of Plan Assets at the beginning of the Period	64.60	67.58
2	Expected return on Plan Assets	11.99	-
3	Contributions	22.53	19.48
4	Benefits Paid	(9.44)	(22.46)
5	Actuarial gain/(Loss) on Plan assets	-	-
6	Fair Value of Plan Assets at the end of the period	89.68	64.60

iii Amount recognised in the Balance Sheet			
1	Projected Benefit Obligation at the end of the period	84.52	83.04
2	Fair Value of Plan Assets at the end of the period	89.68	64.60
3	Funded Status of the Plan-Liability/(Asset)	(5.16)	18.44

iv Amount recognised in the Statement of Profit & Loss			
1	Current Service Cost	19.14	15.88
2	Interest Cost	6.44	6.35
3	Expected return on Plan Assets	(11.99)	-
4	Net Actuarial (Gain)/Loss recognised in the period	(14.66)	3.88
5	Net Cost	(1.07)	26.11

v Principal Actuarial Assumptions			
1	Discount Rate	8%	8%
2	Estimated Rate of Return on Plan Assets	9.00%	9.25%
3	Expected rate of Salary increases	5%	6%
4	Attrition Rate	3%	3%

9.2 Details of Actuarial Assumptions for Leave encashment			
1	Discount Rate	8%	8%
2	Salary Escalation	6%	6%
3	Attrition Rate	3%	3%

9.3 Note on Provident Fund : With respect to the Provident Fund administered by the Trust, the Company shall make good deficiency, if any, between interest to be credited to members as per interest rate notified by Government and the return on investments on the Trust funds for the year. Having regard to assets of the fund and return on investments, the Company does not expect any deficiency in the for seeable future.

NOTES FORMING PART OF FINANCIAL STATEMENTS**NOTE 27 Contd...**

₹ in lakhs)

	As at March 31 2015	As at March 31 2014
10. AS-7 disclosure for contracts in progress		
Contract revenue recognised	21,612.67	19,380.92
Contract costs incurred	19,282.23	18,072.64
Advance received	889.53	1,676.72
Retention	1,716.21	1,947.07
Due from customers	3,383.40	4,681.81
11. Basic/Diluted Earnings Per Share		
- Profit/(loss) attributable to the Equity Shareholders	112.41	(888.17)
- No. of Adjusted Equity Shares Outstanding during the year (as per AS 20)	3,32,33,598	2,05,27,714
- Nominal value of Equity Share (₹)	10	10
- Basic Earnings Per Share (₹)	0.34	(4.33)
- Diluted Earnings Per share (₹)	NA	NA
12. As the Company's business activity falls within a single significant business segment, viz. "Construction", no separate segment reporting as per Accounting Standard 17 is disclosed		
13. Related Party		
M/s Parry Enterprises India Ltd		
Key Management Personnel		
Mr. A. Suryanarayan, Manager (Part of the Year)		
Mr. K. Ramakrishnan, Head Finance (Part of the Year)		
Mr. R. Narayanan, Company Secretary		
Payment for services to M/s Parry Enterprises India Ltd	18.95	-
Remuneration to Key Management Personnel		
Mr. A. Suryanarayan (Part of the Year)	29.33	-
Mr. K. Ramakrishnan (Part of the Year)	15.64	-
Mr. R. Narayanan	30.02	-
Mr. G. Viswanath Kumar	-	45.06
14. Previous years figures have been regrouped wherever necessary to conform to current year's grouping.		

On behalf of the Board

M.A.M. ARUNACHALAM

Director

M.M.VENKATACHALAM

Chairman

R. NARAYANAN

Company Secretary

K. RAMAKRISHNAN

Head Finance

NOTICE CONVENING THE SIXTY SEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the SIXTY SEVENTH Annual General Meeting of the members of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Friday, the 24th of July, 2015 at 10 a.m. at Narada Gana Sabha Trust, 'Mini Hall' No. 314, TTK Road, Chennai 600018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Statement of Profit and Loss for the year ended 31st March, 2015 and the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To appoint a Director in the Place of Mr. M M Venkatachalam, (DIN:00152619) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the Sixty Eighth Annual General Meeting and in this connection, to consider and if deemed fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 30th July, 2014, the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai bearing Firm Registration No. 004207S as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of Sixty Eighth Annual General Meeting to be held in the year 2016 be and is hereby ratified on a remuneration of ₹3,25,000/- (Rupees Three Lakhs Twenty Five Thousand only) plus the applicable

taxes and reimbursement of travelling and out of pocket expenses incurred by them".

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. P Nagarajan (DIN: 00110344) who was appointed as an additional director of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member signifying the intention to propose Mr. P Nagarajan (DIN:00110344) as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years with effect from 24th July, 2015, being the date of the 67th Annual General Meeting, for a term up to the conclusion of the 72nd Annual General Meeting of the Company in the calendar year 2020, who is not liable to retire by rotation.

5. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualifications of

Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. G Jalaja (DIN: 00149278) who was appointed as an additional director of the Company pursuant to Section 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and being eligible, offers herself for appointment and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Ms. G Jalaja (DIN: 00149278) for the office of Director, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹90,000/- (Rupees Ninety Thousand only) (exclusive of service tax as may be applicable) and payment of such out of pocket expenses as approved by the Board of Directors of the Company to be paid to Mr. N V Thanigaimani, Cost Accountant (Membership No.15557) for the conduct of the audit of the cost records of the Company for the financial year ended 31st March, 2015 be and is hereby ratified and confirmed.

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the

time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. N Velappan as the "Manager" of the Company for a period of one year effective from 01st May 2015 on the terms and conditions of appointment and remuneration as given under;

Terms & conditions of the appointment

a) Period of appointment: one year with effect from 01st May 2015

b) Remuneration:

Sl. No	Particulars	Amount (₹)
i	Basic/Monthly	₹ 84,790 from 01st May 2015 to 30th June 2015 ₹ 93,255 from 01st July 2015 to 30th April 2016
ii	Allowances/ Monthly	₹1,12,325 from 01st May 2015 to 30th June 2015 ₹ 1,14,870 from 01st July 2015 to 30th April 2016
iii	LTA	13% of annual Basic
iv	PF/SAF/Gratuity	As per statutory/trust rules/Company Policy
v	Medical Reimbursement & Hospitalisation	₹ 15,000 each per annum
vi	Car maintenance	₹15,000 per annum
vii	Variable pay	₹ 5,33,200 linked to Company performance
viii	Car fuel	At actuals

c) Tax on the above is to be borne by employee as per statutory requirements.

Place: Chennai
Date: 28.04.2015

M M VENKATACHALAM
(DIN: 00152619)
Chairman

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and Vote on a poll only instead of Him / Her. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and if intended to be used, it should be returned duly completed at the Registered Office of the Company not later than forty eight hours before the scheduled time of the commencement of 67th Annual General Meeting.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed herewith.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
5. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
9. Brief resume of Directors proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock exchanges, are provided in the Explanatory Statement forming part of the notice.
10. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 17th July, 2015 to Friday, 24th July, 2015 (both days inclusive), for the purpose of Annual General Meeting.
11. Members are requested to notify the change in their address, if any, immediately, so that all communications can be sent to the latest address. In case of members holding shares in physical form, all intimations regarding change of address and change of bank account details are to be sent to M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Members, who hold shares in electronic form, are requested to notify any change in their particulars like change in address, bank particulars etc. to their Depository Participants immediately.
12. The Dividend amounts, which remain unclaimed for the year 2007-08 and the subsequent years, can be claimed from the Company. Pursuant to Section 125 of the Companies Act, 2013, the amounts remaining unpaid or unclaimed for a

period of seven years, shall be transferred to the Investor Education and Protection Fund (IEPF). No claim shall lie against IEPF or the Company for the amounts so transferred prior to 31st March, 2015, nor shall any payment be made in respect of such claim.

13. Members who have not encashed their dividend warrants for the years 2008-09, 2009-10 and 2010-11 are requested to lodge their claims with the Company.

14. The Securities and Exchange Board of India (SEBI) vide circular ref No. MRD/Dop/CIR 05/2007 dated April 27, 2007 made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction. In continuation of the said circular, it is hereby clarified that for securities market transactions and off-market/private transactions involving transfer of shares in listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/ RTA for registration of such transfer of shares.

15. Copies of the Annual Report 2015 are being sent by electronic mode only to all the members whose Email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. In the case of members holding shares in physical mode whose Email IDs are registered with the Company/ Registrars M/s. Karvy Computershare Private Limited, and have given consent for receiving communication electronically, copies of the Annual Report 2015 are being sent by electronic mode only. For members who have not registered their Email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.

16. The Notice of the 67th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose Email addresses are registered with the Company/ Depository Participants unless any member

has requested for a hard copy of the same. In the case of members holding shares in physical mode whose Email IDs are registered with the Company/ Registrars M/s. Karvy Computershare Private Limited, and have given consent for receiving communication electronically, the Notice of the 67th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode. For members who have not registered their Email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

17. Members may also note that the Notice of the 67th Annual General Meeting and the Annual Report 2015 will also be available on the Company's website www.coromandelengg.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's Registrars M/s. Karvy Computershare Private Limited at: einward.ris@karvy.com.

18. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

19. Voting through electronic means:

(i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to the members the facility to exercise their right to vote at the 67th Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

- (ii) The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.
- (iii) The members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- (v) The Board of Directors of the Company has appointed Mr. R Sridharan, Practising Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
- (vi) **Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 17, 2015.**
- (vii) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. July 17, 2015 only shall be entitled to avail the facility of remote e-voting.**
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 17, 2015, may obtain the User ID and password in the manner as mentioned below:
 - a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - b) Member may call Karvy's toll free number 1-800-3454-001.
- c) Member may send an e-mail request to evoting.cecl@karvy.com. If the member is already registered with Karvy e-voting platform, then he can use his existing User ID and password for casting the vote through remote e-voting.
- (ix) The remote e-voting facility will be available during the following period:
Commencement of remote e-voting :
From 9.00 a.m. (IST) on July 21, 2015
End of remote e-voting :
Up to 5.00 p.m. (IST) on July 23, 2015.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon the expiry of the aforesaid period.
- (x) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.coromandelengg.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchange.
- (xi) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. July 24, 2015.
- (xii) **Instructions and other information relating to remote e-voting:**
 1. A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/ Depositories):
 - i. Open the internet browser and type the following URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered

- with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- iii. After entering these details appropriately, Click on 'Login'.
 - iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#\$,etc). The system will prompt you to change your password and update your contact details like mobile, Email, etc, on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it.
It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the E-Voting Event Number for Coromandel Engineering Company Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under 'FOR/ AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding as on the cut off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
 - viii. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - ix. Voting has to be done for each item of the Notice separately. In case, you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. Cast your vote by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).
 - xi. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are also required to send a scanned certified true copy (PDF Format) of the Board Resolution/ Power of Attorney/Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s) to the Scrutinizer through e-mail at rsaevoting@gmail.com. They may also upload the same in their e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVENT NO.'
- B. In case a Member receives physical copy of the Notice by post (for Members whose email addresses are not registered with the Company/ Depositories)
 - a) Initial password – These will be sent separately.
 - b) Please follow all steps from Sl. No. (i) to (xi) as mentioned in (A) above, to cast your vote.
 2. **Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**
 3. In case of any query pertaining to e-voting, please visit help and Frequently Asked Questions (FAQs) section available at Karvy's website: <https://evoting.karvy.com>.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.2

The Board of Directors (based on the recommendation of Nomination and Remueration Committee) recommends the re-appointment of Mr. M.M. Venkatachalam, Director, who retires by rotation and being eligible, offers himself for re-appointment.

Brief profile of Director

M.M.Venkatachalam, is a graduate in Agriculture and has done his Masters in Business Administration from George Washington University, USA. He was

appointed as a Director of the Company in July 2009 and is presently the Chairman of the Company. He is also on the Board of various Companies including Coromandel International Limited, Ramco Systems Limited, Parry Agro Industries Limited, Ambadi Enterprises Limited, Polutech Limited, Parry Murray & Co. Limited U.K. etc.

Mr M M Venkatachalam holds 451610 equity shares in the Company

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

Directorship	Committee membership	Chairmanship / Member
Ramco Systems Limited	Audit Committee	Chairman
The Ramco Cements Limited	Audit Committee	Member
Coromandel International Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
Parry Agro Industries Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Chairman
M M Muthiah Research Foundation Private Limited	---	---
Polutech Limited	---	---
USV Limited	---	---
Ootacamund Club	---	---
Ambadi Enterprises Limited	---	---
M M Muthiah Sons Private Limited	---	---
Ambadi Investments Private Limited	---	---
Alampara Hotels and Resorts Private Limited	---	---
New Ambadi Estates Private Limited	---	---

Item No.4

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. P Nagarajan (DIN: 00110344) as an Additional Director of the Company with effect from 30th July, 2014.

Brief profile of Director

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

He has nearly four decades of post qualification work experience in the field of Finance & Accounts having specialized in areas like Treasury, Working Capital Management, Corporate Taxation, Corporate restructuring, Project Evaluation, etc.

He worked in organizations such as Fraser & Ross, Chartered Accountants, HMT Ltd., and Coromandel International Ltd,. He retired from Coromandel International Ltd in 2011, having served the Company as the Head of Finance for 14 years. He has also served as member of few committees of Fertiliser Association of India.

Currently, he is a member of FICCI's Banking & Financial Institutions (F & I) Committee. He has been on the Board of CECL, since July, 2014.

Mr P Nagarajan does not hold any Equity shares in the Company.

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

Directorship	Committee membership	Chairmanship
Jasper Industries Private Limited	---	---
Jasper Auto Services Private Limited	---	---
Jasper Automobiles Telangana Private Limited	---	---
Jasper Automobiles Private Limited	---	---
Bhubaneshwar Power Private Limited	---	---
Silk Road Sugar Private Limited	---	---
Murugappa Holdings Limited	---	---

In terms of Section 161(1) of the Companies Act, 2013 read with Article 90 of the Articles of Association of the Company, Mr. P Nagarajan (DIN: 00110344) holds office as Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Mr. P Nagarajan (DIN: 00110344) for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. P Nagarajan (DIN: 00110344) (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Mr. P Nagarajan (DIN: 00110344) as an Independent Director of the Company for a period of 5 years with effect from 24th July, 2015, being the date of the 67th Annual General Meeting, for a term up to the conclusion of the 72nd Annual General Meeting of the Company in the calendar year 2020, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. P Nagarajan (DIN: 00110344), the Independent

Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter of appointment of Mr. P Nagarajan (DIN: 00110344) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day up to the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. P Nagarajan (DIN: 00110344) as an Independent Director.

Except Mr. P Nagarajan (DIN: 00110344) being an appointee, none of the other Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item No.4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 of the Notice for the approval of the members.

Item No.5

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Ms. G. Jalaja (DIN: 00149278) as an Additional Director of the Company with effect from 20th March, 2015.

Brief profile of Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983.

She has over 30 years of rich experience in areas of Secretarial, Corporate Finance, Legal and Treasury.

Ms. G.Jalaja was the Company Secretary of E.I.D. Parry (India) Limited between 1992 to 2010. She

re-joined as Company Secretary of the said Company in the year 2013. In the intervening period, she was CFO of Parrys Sugar Industries Limited. She has been on the Board of CECL, since March, 2015.

Ms. G. Jalaja does not hold any Equity shares in the Company.

The detail of other Directorship / Committee membership held by her are as follows:

Directorship	Committee membership	Chairmanship/ Member
Parry Agrochem Exports Ltd	---	---
Parry Phytoremedies Private Limited	---	---
Parrys Sugar Limited	---	---

In terms of Section 161(1) of the Companies Act, 2013 read with Article 90 of the Articles of Association of the Company, Ms. G Jalaja (DIN: 00149278) holds office as Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Ms. G Jalaja (DIN: 00149278) for the office of Director, to be appointed as such under the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. G Jalaja (DIN: 00149278) as a non Executive Director of the Company liable to retire by rotation.

Except Ms. G Jalaja (DIN: 00149278) being an appointee, none of the other Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item No.5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 of the Notice for the approval of the members.

Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company. On the recommendation of the Audit Committee, the Board has appointed Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557), as Cost Auditor for the financial year 2014-15 at a remuneration of ₹90,000/- (Rupees Ninety Thousand only) (exclusive of service tax as may be applicable), if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified under the provisions of Section 148 of the Companies Act 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

None of the Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item No.6 of the Notice.

The Board recommends the resolution set forth in Item no.6 of the Notice for the approval of the members.

Item No. 7

In terms of Section 203 of the Companies Act, 2013 providing for the appointment of whole time key managerial personnel and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors subject to the approval of the members, appointed Mr.N.Velappan as the Manager and Key Managerial Person of the Company under Section 203 of the Companies Act, 2013 on the terms and conditions as mentioned in the notice under item No.7.

Except Mr. N Velappan, being an appointee, none of the Directors or their relatives or key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out under item No.7.

The Board recommends the resolution set forth in Item No.7 for the approval of the members.

The information as required under Section II (B) (iv) of Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information

1. Nature of industry – Construction
2. Date or expected date of commencement of commercial production – Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - Not Applicable
4. Financial performance based on given indicators

(₹ in Lakhs)

Parameter	2012-2013	2013-2014	2014-2015
Gross Income	21729.52	20033.93	23129.08
P B T	(668.37)	(1243.48)	53.95
P A T	(544.05)	(888.17)	112.41
Networth	1725.87	4336.50	4407.24
Dividend on Equity	---	---	---

5. Foreign investments or collaborations, if any - Not applicable

II. Information about the appointee:

1. Background details : Worked in Industry for 30 years occupying several senior positions, as given below.
2. Past remuneration : Appointed with effect from 1st May, 2015 and no past remuneration as Manager.
3. Recognition or awards :
4. Job profile and his suitability

Mr. N.Velappan, aged 53 years, passed his Bachelor of Engineering (Civil) in the year 1983 in first class with distinction from Annamalai University, Chidambaram.

His first employment was with Public Works department, Tamilnadu from June 83 to September 84. He joined Coromandel Engineering as a Graduate Engineer Trainee in September 84 and rose to the level of Associate Vice President in the year 2014. During the 30 years of service, he has worked in Industrial, Commercial, Institutional & Residential Projects.

Mr. Velappan was trained in Construction of Silos and Chimneys using Slipform Technique by M/s Interform, Sweden which was applied in Dalmia Cements and T.V. Tower Construction at Shimoga, Projects. Further Company has selected him and sent to Kansas, USA during November 1995 and trained in Pre - Engineered metal building systems through M/S. Butler Manufacturing Company - Kansas, USA.

Special Projects handled by him for CECL includes Dalmia Cements, T.V. Tower Anantapur & Shimoga, Construction of RCC Pylons (Boiler Supporting structures) for APSEB through BHEL, PEB Buildings for Ford & Visteon, Auditorium for Alagappa University and Spare Parts ware house for Daimler. He was on transfer to EID Parry (India) Ltd in between 1993 to 1996 for setting up their Acetic Acid Plant and Neemazal Plant (Green field project) in Cuddalore and re - inducted to CECL in 1996.

He has handled all functions - Tendering, Purchase, Agency - Procurement, Planning, Property Development, Projects, etc. in head office since 1996.

5. Remuneration proposed

Sl. No	Particulars	Amount (₹)
i	Basic/Monthly	₹ 84,790 from 01st May 2015 to 30th June 2015 ₹ 93,255 from 01st July 2015 to 30th April 2016
ii	Allowances/ Monthly	₹1,12,325 from 01st May 2015 to 30th June 2015 ₹ 1,14,870 from 01st July 2015 to 30th April 2016
iii	LTA	13% of annual Basic

Sl. No	Particulars	Amount (₹)
iv	PF/SAF/Gratuity	As per statutory/ trust rules/Company Policy
v	Medical Reimbursement & Hospitalisation	₹ 15,000 each per annum
vi	Car maintenance	₹15,000 per annum
vii	Variable pay	₹ 5,33,200 linked to Company performance
viii	Car fuel	At actuals

Tax on the above is to be borne by employee as per statutory requirements.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin)

Taking into consideration, the size of the Company, the qualification and experience of the appointee, the responsibilities being shouldered by him and industry benchmarks for people with similar profile, the remuneration paid is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

NIL

On behalf of the Board

Place: Chennai

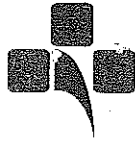
Date: 28.04.2015

M.M. VENKATACHALAM
(DIN: 00152619)
Chairman



COROMANDEL ENGINEERING COMPANY LIMITED

Registered Office : Parry House, III Floor, 43, Moore Street,
Chennai - 600 001 Ph: +91-44-25301700
www.coromandelengg.com



Coromandel Engineering Company Limited
(ISO 9001:2008 & BS OHSAS 18001:2007 Certified Company)
Registered and Corporate Office:
Parry House, III Floor, 43, Moore Street, Chennai 600 001, India
PB. No. 1698, Tel: 25301700 Fax: 044-25342822
Telegrams: "WELDABLE"
Email: coromandelengg@cec.murugappa.com
Website: www.coromandelengg.com
CIN No: L74910TN1947PLC000343


FORM A


Format of covering letter of the annual audit report to be filed with the Stock exchanges

1	Name of the Company	Coromandel Engineering Company Limited
2	Annual Financial Statements for the year ended	31st March, 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not applicable
5	To be signed by	
	Chief Executive Officer	Mr. T S Venkatram
	Chief Financial Officer	Mr. K Ramakrishnan
	Auditor of the Company	Mr. M Padmanabhan
	Audit Committee Chairman	Mr. P Nagarajan

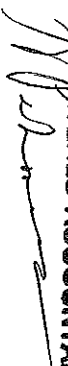
For COROMANDEL ENGINEERING CO LTD

for COROMANDEL ENGINEERING CO LTD


K Ramakrishnan
Chief Financial Officer



T S Venkatram
Chief Executive Officer

**For SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS**



Auditor **M. PADMANABHAN**
PARTNER
M. No. F13291

For COROMANDEL ENGINEERING CO LTD


P Nagarajan
Director - Audit Committee Chairman

Date: 03.07.2015