

Coromandel Engineering Company Limited
(ISO 9001:2015 & BS OHSAS 18001:2007 Certified Company)
Registered and Corporate Office:
Parry House, V Floor, 43, Moore Street, Chennai 600 001, India
P.B. No. 1698, Tel: 25301700
CIN No: L74910TN1947PLC000343
Email: coromandelengg@cec.murugappa.com
Website: www.coromandelengg.com

BSE Ltd.
Floor 25, P J Towers
Dalal Street,
Mumbai- 400001
Scrip Code: 533167

Dear Sirs,

Sub: Annual Report of Coromandel Engineering Company Limited ('Company') for the Financial Year 2018-2019.

Please find enclosed herewith the Annual Report of Coromandel Engineering Company Limited for the Financial Year 2018-2019. The Notice convening the Annual General Meeting of the Company and route map forms part of this Annual Report.

The Annual Report is also available on our website at the link:

http://www.coromandelengg.com/Inv_AnnualReports.html

This information is being submitted pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.

Kindly take the above information on record.

Thanking You,

Yours Faithfully,
For Coromandel Engineering Company Limited

C. Parvathi Nagaraj

C. Parvathi Nagaraj
Company Secretary

Encl: As above



COROMANDEL ENGINEERING COMPANY LTD.

ANNUAL REPORT 2018-19

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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 judgment 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 judgment 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	
Mr. M.M. Venkatachalam - Chairman	(DIN: 00152619)
Mr. M.A.M. Arunachalam	(DIN: 00202958)
Mr. N.V. Ravi	(DIN: 00165666)
Mr. P. Nagarajan	(DIN: 00110344)
Ms. G. Jalaja	(DIN: 00149278)
Mr. R. Surendran	(DIN: 00010017)
Bankers	Company Secretary & Compliance Officer
Indian Bank HDFC Bank Ltd. IndusInd Bank Ltd. RBL Bank Ltd. City Union Bank Ltd. DCB Bank Ltd. Tata Capital Financial Services Ltd.	Ms. C. Parvathi Nagaraj
	Statutory Auditors
	CNGSN & Associates LLP Chartered Accountants No. 20, Raja Street, T.Nagar, Chennai-600017
Registered Office	Registrar and Share Transfer Agent
"Parry House", 5 th Floor No. 43, Moore Street Chennai – 600 001 Tel : 25301700 Email: investorservices@cec.murugappa.com Website : www.coromandelengg.com CIN:L74910TN1947PLC000343	Karvy Fintech Private Limited (Formerly 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
71st Annual General Meeting	Date: 24th day of July, 2019
	Day : Wednesday Time : 10:00 am Venue : Narada Gana Sabha Trust Mini Hall, No. 314, TTK Road Chennai - 600 018

TEN YEARS FINANCIAL TRACK RECORD

(Rs. In lakhs)

YEAR ENDED 31 st March										
OPERATING RESULTS	2010	2011	2012	2013	2014	2015	2016	2017 *	2018 *	2019 *
Revenue from Operations	8,920.85	11,275.24	17,046.09	21,639.22	19,924.92	23,039.38	12,220.71	3,133.84	3,250.08	4,571.60
Other Income	40.00	185.34	78.79	90.30	109.01	89.70	178.55	70.59	87.64	77.63
Profit/(Loss) before depreciation	434.49	523.16	(3,088.12)	(453.31)	(1,020.17)	542.85	504.79	(395.87)	(722.97)	(789.71)
Profit/(Loss) before Tax	330.27	405.12	(3,249.32)	(668.37)	(1,243.48)	53.95	68.94	(785.42)	(1,090.97)	(1,146.15)
Profit/(Loss) after Tax	218.94	288.54	(2,145.22)	(544.05)	(888.17)	112.41	40.37	(767.85)	(1,256.89)	(1,181.90)
Total Comprehensive Income	-	-	-	-	-	-	-	(770.39)	(1,253.05)	(1,190.25)
Dividend - Equity	76.84	95.73	-	-	-	-	-	-	-	-
SOURCES OF FUNDS										
Paid up share capital	329.48	329.48	2829.48	2,829.48	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36	4,023.36
Reserves	1,392.85	1,585.66	(559.56)	(1,103.61)	313.14	383.88	424.25	(401.97)	(1,655.02)	(2,845.28)
Loan Funds	5,533.07	7,264.90	6,770.40	8,505.80	10,028.82	7,074.47	2,502.72	2,921.57	5,204.54	5,360.09
Deferred Tax Liability/ (Asset) Net	78.80	114.61	(989.49)	(1,113.81)	(1,469.12)	(1,546.42)	(1,517.85)	(1,535.42)	(1,369.50)	1,333.75
Total	7,334.20	9,294.65	8,050.83	9,117.86	12,896.20	9,935.29	5,432.48	5,007.54	6,203.38	7,871.92
APPLICATION OF FUNDS										
Fixed Assets	1,383.68	1,822.54	2,423.15	3,037.54	3,539.01	2,931.43	2,455.65	2,065.53	1,688.49	1,343.22
Investments	6.25	5.20	5.20	5.44	5.44	5.20	5.20	17.67	19.17	15.37
Net Non Current and Current Assets	5,944.27	7,466.91	5,622.48	6,074.88	9,351.75	6,998.66	2,971.63	2,924.34	4,495.72	6,513.34
Total	7,334.20	9,294.65	8,050.83	9,117.86	12,896.20	9,935.29	5,432.48	5,007.54	6,203.38	7,871.92

* - Financials for 2017, 2018 and 2019 prepared under Ind AS

* - Paid up share capital includes Rs 700 Lacs Preference Share Capital

DIRECTORS – A BRIEF PROFILE

Mr. M.M. Venkatachalam (DIN: 00152619)

Non-Executive Chairman

Mr. M.M.Venkatachalam is a graduate in Agriculture and has done his Masters in Business Administration from George Washington University, USA. He was appointed as a Director in July 2009 and is presently the Chairman of the Company. He is also on the Board of various Companies including E.I.D. Parry (India) Ltd., Coromandel International Ltd., Ramco Systems Ltd., Ramco Cements Ltd., Parry Agro Industries Ltd., Ambadi Enterprises Ltd., Parry Murray & Co. Ltd., U.K.etc.

Mr. M.A.M. Arunachalam (DIN: 00202958)

Non-Executive Director

Mr. M.A.M. Arunachalam has done his Bachelors in Commerce and Masters in Business Administration from University of Chicago. He is an Industrialist and has an experience of 31 years in the field of varied industrial activities. He has been on the Board of CEC, since September 1995. He is the Managing Director of Parry Enterprises India Ltd. and is also on the Board of Carborundum Universal Ltd.

Mr. N.V. Ravi (DIN: 00165666)

Non-Executive Independent Director

Mr. N.V. Ravi is an architect and has his own private practice since 1985. He has done his Masters in Architecture at the University of Michigan Ann Arbor. He has designed and executed several residential, industrial and commercial projects in Chennai, Delhi, Bangalore, Hyderabad etc. He also has vast experience in the field of construction and has his own property development firm, which has been doing projects, since 1996. He has been on the Board of CEC, since February 2012

Mr. P. Nagarajan (DIN: 00110344)

Non-Executive Independent Director

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

He has nearly four decades of post qualification work experience in the field of Finance & Accounts having specialized in areas like Treasury, Working Capital Management, Corporate Taxation, Corporate Restructuring, Project Evaluation etc., He worked in organizations such as Fraser & Ross, Chartered Accountants, HMT Ltd. and Coromandel International 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 FICCI and Fertiliser Association of India.

He has been on the Board of CEC, since July 2014.

Ms. G. Jalaja (DIN: 00149278)

Non-Executive Director

Ms. G. Jalaja, a Chartered Accountant with FCS has been associated with Murugappa Group since 1983. She has over 34 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) Ltd. 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 Ltd. She has been on the Board of CEC, since March, 2015.

Mr. R. Surendran (DIN: 00010017)

Non-Executive Independent Director

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

BOARD'S REPORT

Your Directors present herewith the 71st Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

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

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Gross Income	4,649.23	3,337.72
Profit/(loss) before Interest and Depreciation	(162.89)	(367.94)
Finance charges	626.82	355.03
Gross Profit/(loss)	(789.71)	(722.97)
Depreciation and Amortization expenses	356.44	368.00
Net Profit/(loss) before tax	(1,146.15)	(1,090.97)
Provision for tax	35.75	165.92
Net Profit/(loss) after tax	(1,181.90)	(1,256.89)
Other Comprehensive Income/(loss)	8.35	3.84
Total Comprehensive Income	(1,190.25)	(1,253.05)
Balance carried to Balance Sheet	(5,936.72)	(4,746.46)

OPERATIONS AND PERFORMANCE

For the year under review, Your Company achieved a gross income of Rs.4649.23 lakhs and incurred a loss before tax of Rs. 1146.15 lakhs, as against the gross income of Rs. 3337.72 lakhs and loss before tax of Rs. 1090.97 lakhs, for the previous year.

Your company has achieved a top line growth of 39% over the last year. Your Company's operations during the year were impacted by intense competition and pricing pressure affecting the margins of the Company. Being pre election year, there were delays in getting orders affecting volumes and consequently profits.

The Company was able to collect major portion of the over dues which helped in improving cash flows. Few of the projects carried over from previous year were completed by mid-year. Your Company was

also able to secure few orders during the year and now has a decent order book

The Company is continuing its efforts for securing fresh orders and speeding up execution on existing orders to achieve operational turnaround.

On the Property Development business, your Company has unsold inventory in Coimbatore as at the end of the year and the same is expected to be liquidated in the coming year.

The depreciation for the year was at Rs. 356.44 lakhs as compared to Rs. 368.00 lakhs for the previous year.

Due to lower volumes / revenue, the PBIT for the year was at negative Rs. 519.33 lakhs as compared to negative Rs. 735.94 lakhs during the previous year. The finance cost for the year was at

Rs. 626.82 lakhs as compared to Rs. 355.03 lakhs in the previous year due to higher borrowings.

During the year, Your Company utilised the existing Plant and Machinery and hence did not incur any major capital expenditure.

DIVIDEND

Taking into account overall financial performance of the Company and the accumulated losses, no dividend is considered for the financial year 2018-19.

The Company also has not transferred any amount to general reserve.

During the year, the un-claimed dividend amounting to Rs. 69,367.50 pertaining to dividend for the year ended 31st March, 2011 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. 18,838 Equity Shares on which dividend was not claimed for 7 years had also been transferred during the year to IEPF Authority as per statutory requirement.

SHARE CAPITAL

The paid up Equity share capital of the Company as on 31.03.2019 was Rs. 3323.36 lakhs.

The paid up Preference Share capital of the Company as on 31.03.2019 was Rs. 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 GIVEN / INVESTMENTS MADE

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

RISK MANAGEMENT

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In addition to the Internal Controls on Operations, the Board has laid emphasis on adequate internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. Apart from Internal Auditors, who review all the financial transactions and operating systems, the Company has also in place adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DIRECTORS

RE-APPOINTMENT OF RETIRING DIRECTOR

Based on the recommendation of Nomination & Remuneration Committee and approval of the Board, Mr. M.A.M. Arunachalam, Director (DIN: 00202958) who retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.29 of the Articles of Association at the forth coming Annual General Meeting and being eligible, offers himself for re- appointment.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

Mr. N V Ravi was appointed as Independent Director of the Company at the Annual General Meeting held on 30th July, 2014 for a period of 5 consecutive years up to the conclusion of the 71st Annual General Meeting of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Company proposes

to re-appoint Mr. N V Ravi for a period of 5 years as an Independent Director of the Company from 24th July 2019 to 23rd July 2024. The Company has received necessary declaration from him under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. N V Ravi, the Director proposed to be re-appointed as an Independent Director fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder. In terms of Secretarial Standard on General Meetings (SS-2), the necessary resolutions with explanatory statement for the re-appointment of said Independent Director of the Company is included in the Notice sent along with the annual report.

KEY MANAGERIAL PERSONNEL

During the year, Mr.R.Narayanan resigned as Chief Financial Officer and Company Secretary effective from 30th April 2018. Consequently Ms.C.Parvathi Nagaraj was appointed as the Company Secretary and Compliance Officer of the Company effective from 08th June 2018. Mr. N. Velappan was appointed by the Board as Manager of the Company and Key Managerial Personnel from 01st May, 2018 to 30th April, 2019 under Section 203 of the Companies Act, 2013, which was approved by the members at the 70th Annual General Meeting of the Company, held on 24th July, 2018. The Board has now extended the tenure of Mr. N. Velappan as Manager from 01st May, 2019 to 31st March, 2020 for which the approval of members is being sought at the ensuing Annual General Meeting.

EVALUATION OF BOARD'S PERFORMANCE

As per the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. As part of the familiarization programme, a handbook is provided to all Directors, including Independent Directors, at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders.

The details of familiarization programmes as above are also disclosed on the website of the Company at the link: http://www.coromandelengg.com/Inv_policies.html.

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 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REMUNERATION POLICY

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31st March 2019, the Board had met Six (6) times, on 26th April, 2018, 08th June 2018, 24th July, 2018, 24th October, 2018,

25th January, 2019 and 19th March, 2019. The Audit committee met (4) times on 26th April 2018, 24th July 2018, 24th October 2018 and 25th January 2019. 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:

that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

that the Directors had selected such accounting policies as mentioned in Note No. 3 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, 2019 and of the loss of the company for the year ended on that date;

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;

that the annual accounts for the year ended 31st March, 2019 have been prepared on a 'going concern' basis;

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.

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.

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 have any pecuniary relationship or transactions vis-à-vis the Company other than sitting fees and 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 by 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, 2019 to be reported under section 188(1) of the Companies Act, 2013.

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

There are no material changes or commitments after the closure of the financial year.

COMPOSITION OF AUDIT COMMITTEE

Audit Committee constituted by the Board pursuant to Section 177 of the Companies Act, 2013, consists of the following members:

Mr. P. Nagarajan	-Chairman
Mr. M.A.M. Arunachalam	-Member
Mr. N.V. Ravi	-Member
Mr. R. Surendran	-Member

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

VIGIL MECHANISM

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act,

2013. The Company had laid out 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.

Mr. R. Surendran	-Chairman
Mr. M.A.M. Arunachalam	-Member
Ms G. Jalaja	-Member

SCOPE OF CSR POLICY

This policy will apply to all projects/ programmes undertaken as part of the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, statutory requirements 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 average of net profits earned by the company in the preceding three financial years is negative, the company was not required to spend on CSR activities during the financial year 2018-19.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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**

The members of the company at the 69th Annual General Meeting held on 26th July 2017, appointed M/s. CNGSN & Associates LLP, Chartered Accountants, (FR No. 004915S) Chennai as Statutory Auditors of the Company to hold office until the conclusion of the 74th Annual General Meeting subject to ratification of the appointment by the members at every Annual General Meeting of the company held after 69th Annual General Meeting. The Statutory auditors have confirmed their eligibility under section 141 of the Companies Act, 2013 and have expressed their willingness to continue as the auditors of the company. As required under Regulation 33(1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer review board of the institute of Chartered Accountants of India.

The Companies Act, 2013 has been amended wherein the requirement stipulated under Section 139 of the Companies Act, 2013, along with its rules regarding the ratification of appointment of Statutory Auditors at every Annual General Meeting has been dispensed with.

The Report given by M/s. CNGSN & Associates LLP Chartered Accountants on the Financial Statements of the Company for the year ended 31st March 2019 is provided in the Finance Section of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Mr. N.V. Thanigaimani, Cost Accountant (Membership No.15557) was appointed as Cost Auditor of the Company for the financial year 2018-19. 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 in the Notice convening the Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Srinidhi Sridharan & Associates, Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed here with. During the year under review, there has been no qualification, reservation or adverse remark or disclaimer in their report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

All material information was circulated to the directors before their meeting or placed at their meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance along with a Certificate from a Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34(3) of the Listing Regulations is attached to this report.

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

The Company has in place a prevention of Sexual Harassment and Grievance Handling Policy in line with the requirements of The Sexual Harassment of Women at the work place (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 and trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the year 2018-19:

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 (Accounts) Rules, 2014. During the year, the Company did not have any foreign exchange earnings and outgo.

EXTRACT 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 and is also available at the website of Company http://www.coromandelengg.com/Inv_AnnualReports.html

Place: Chennai

Date: 15th May 2019

SECRETARIAL STANDARDS

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

PARTICULARS OF EMPLOYEES

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013 and information relating to employees to be disclosed under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 duly amended by the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2016 is annexed to and forms part of this report.

LISTING OF SECURITIES IN STOCK EXCHANGES

The Company's Equity Shares are presently listed on BSE Ltd.

ACCREDITATION/ RECOGNITION

Your Company has been certified under ISO 9001:2015 for Quality Management System and BS OHSAS 18001:2007 for Occupational Health and Safety Management System. The Scope of the Quality Management and Occupational Health and Safety Management System includes the Construction of Residential, Commercial and Industrial Projects, Supporting Services like Electrical, Mechanical and Plumbing.

ACKNOWLEDGEMENT

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.

On behalf of the Board

M.M.VENKATACHALAM

DIN:00152619

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Analysis

The Construction Industry is one of the Major Contributors to India's G D P – both directly & indirectly. It is one of the largest employers of skilled & unskilled workforce and over 40 Million people work in the Construction Industry & provides impetus to the growth of many large scale industries & infrastructure projects like Steel, Power, Cement, Automobiles, Metro Systems & Railways / Transportation Systems etc.

The construction Industry continued to stagnate during the year, with expansion plans in key Industrial sectors delayed while commercial, Office and warehouse space show robust growth trend. The prices of key raw materials were on the upswing. With minimum wages also being increased a cross States, the labour costs were also showing arising trend.

The investment climate is expected to get pushed up during the next three years, and the Norms for FDI for 15 Sectors including Real Estate have been eased and hence the outlook for the construction industry is likely to be positive.

Review of Business of Coromandel Engineering Company Ltd.

The Company had participated in tenders around Rs. 700 Crores across industrial, commercial, educational institutions and residential segments, during the year. The pressure on pricing is continuing.

During the year, our Company was able to collect/ resolve over due payments which were pending from certain clients and also able to collect payment for current projects within the stipulated period. This has helped in improving the company's cashflow.

Risk Management

Given below are some of the significant risks that could have an impact on the Company and the mitigation measures put in place by the Company

Bidding Risk

Quoting with smaller margins to obtain orders matching the prices of competition, leading to pressure on margins during execution.

Mitigation Measures

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

Risk in Process Activity

Process linkages right from obtaining orders to handing over to Client by planning effectively, timely deployment of resources, adherence to budgets and timelines. In the absence of proper linkage in this regard, actual cost and timelines may vary adversely.

Mitigation Measures

1. Ensuring detailed study of the site specific conditions and scope of the project with cross functional teams.
2. Detailed project execution plans are drawn up with process linkages.
3. Monitor the progress on a regular basis at projects and weekly in office to ensure timely delivery.

Quality Risk

The risk of quality of work not adhering to specifications as per contract, leading to short certifications of our invoice, payment delays and additional costs for rectification lowering the profitability and reputation loss.

Mitigation Measures

1. Constantly evaluating quality standards of our Vendor/Service Providers and having a pre-qualified panel for placing orders.
2. Monitoring of the quality of incoming materials and work execution through our inhouse team.

Risk of Timely Completion

Not completing the work as per agreed timelines, leading to cost escalation, levy of liquidated damages and loss of further business.

Mitigation Measures

1. Timely mobilisation of site team and other resources, as per contract requirements.
2. Ensuring availability of material / labour / equipment as per execution plan through effective planning and tracking.
3. Ensuring availability of drawings/clearances from client/various authorities and any gap is communicated in advance and delays from the client's end are documented.

Cost Escalation Risk

Increase in costs beyond budget leading to margins getting affected.

Mitigation Measures

1. Project Cost estimates to be based on specific site conditions, seasonal cost variation and availability factors and anticipated cost push over the tenure of the project.
2. Escalation clauses based on base prices for key input materials to be included in the contracts.
3. Negotiating better rates from suppliers/service providers, based on volumes.
4. Ensuring timely completion of the project.

Client Concentration Risk

Dependence on select segments/ limited geographies/clients impacting order inflow in the event of slowdown in the sector or customer attrition.

Mitigation Measures

1. Broad basing client base/segments and wider geographic allocations for getting orders after due risk valuation.
2. Obtaining technical prequalification from project consultants/architects to widen client base.

Compliance Risk

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

Mitigation Measures

1. Monitoring industry specific statutory requirements including RERA regulations as applicable, and training of employees to ensure compliance.
2. Checklist to capture applicable contractual obligations from quotation stage and ensure onerous clauses are not accepted.
3. Maintaining documentation to record non-compliances on contractual obligations due to client issues.

Human Resources Risk

Attracting and retaining right talent, impacting the performance and growth of the business

Mitigation Measures

1. Identifying good performers and ensuring opportunities for career growth through challenging roles and performance related compensation.
2. Attracting talent from industry with up to date technical skills through market related compensation.

Liquidity Risk

Not generating adequate cash as per requirements, resulting in delayed payments affecting execution and higher borrowings, resulting in higher interest cost.

Mitigation Measures

1. Ensuring timely submission of bills, certification of the work done by the client to meet cash flow.
2. Monitoring collections as per contractual terms and put in escalation mechanism for close follow-up of overdue when delays occur.
3. Ensuring better credit terms from suppliers.

The risk management matrix consisting of probable risks, their impact and the mitigation measures are reviewed periodically at the senior management level as well as by the Risk Management Committee.

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

During the year, the Company achieved revenue from Operations of Rs. 4572 lakhs as against Rs. 3250 lakhs in the previous year, registering a growth of 40%. EBIDTA was negative at Rs 163 Lakhs as against Rs 368 Lakhs negative in the previous year. Performance would have been better but for certain projects that were taken at lower prices in the last year which continued during the current year. PBT loss was at Rs 1146 Lakhs as against loss of 1091 Lacs in the previous year. Increase in loss is mainly on account of higher financing charges resulting from higher borrowings during the year.

Summary of Financial Results :

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

₹ in lakhs

	FY 2018-19	%	FY 2017-18	%
Revenue from Operations	4572	100.0	3250	100.0
Materials consumed and Sub contract Expenses	3708	81.1	2881	88.6
Salaries & Other Benefits	590	12.9	419	12.9
Other Expenses	514	11.2	406	12.5
Finance Cost	627	13.7	355	10.9
Depreciation	356	7.8	368	11.3
Total Costs	5795	126.7	4429	136.2

Steps were taken to increase volumes, reduce the various fixed costs like hire charges, manpower and other administrative costs.

NetProfit

₹ in lakhs

	2018-19	2017-18
Total revenue	4649	3338
Profit/{Loss) before interest and tax (PBIT)	(519)	(736)
Profit/ {loss) before tax (PBT)	(1146)	(1091)
PBT as % of revenue	(25%)	(33%)

Net Worth

The networth of the Company as at March 31, 2019 was Rs.478 lakhs as compared to Rs.1668 lakhs as at March 31, 2018.

Your Company has an Internal Control System commensurate with the size and complexity of Operations. The overall objective of the process of Internal Control is to safeguard the assets of the Company, ensure that Operations are conducted in orderly and efficient manner and high standards of Corporate Governance are met.

Your company has established and is maintaining adequate internal 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. Periodic updates are being sought from the relevant sources to keep abreast with the latest changes in any applicable law and the compliance there of.

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, with new hires for new projects, employee strength has increased from 88 last year to 116.

The Company identified good talents from the market and deployed for the orders under execution and in pipe line.

Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key-sector specific financial ratios

The Company has identified the following ratios as Key Financial ratios:

RATIOS	2019	2018
Debtors turnover(Avg days)	68	105
Inventory turnover (times)	0.89	1.35
Current ratio (times)	1.24	1.68
Debt Equity ratio	12.68	3.54
Operating profit margin %	-11%	-23%
Net profit margin %	-26%	-39%

Debtors turnover ratio is computed as average number of days of total sales. The debtors turnover ratio has improved due to better collection during the current year. Inventory turnover is computed as a ratio of closing inventory to the total turnover (no of times). The ratio has improved due to better inventory management and liquidation of inventory compared to last year. Current ratio is lower than last year to higher short term borrowings. Debt Equity Ratio is higher compared to last year due to lower networth on account current year losses. Operating profits margins and net profit margins have improved from last year due to improvement in business processes with better volumes.

The detail of return on net worth is given below:

Return on network	2019	2018
Particulars		
Return on network %	-110%	-55%

Return on net worth is computed as net profit by average net worth. Average net worth has declined due to current year losses.

On behalf of the Board

M.M.VENKATACHALAM
(DIN:00152619)
Chairman

Place: Chennai
Date: 15th May 2019

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2019**

[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	3 rd 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, 5 th floor, No.43, Moore Street, Chennai-600001 coromandelengg@cec.murugappa.com Ph:044-2534 1700
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (Formerly 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 : +91-4023420814 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	100%

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 Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(I)	(II)									(XI)
(A)	PROMOTER									
(1)	INDIAN									
(a)	Individual /HUF	2639922	0	2639922	7.94	2244722	0	2244722	6.75	(1.19)
(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
(d)	Bodies Corporate	8011998	0	8011998	24.11	8011998	0	8011998	24.11	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	14144817	0	14144817	42.56	14540017	0	14540017	43.75	1.19
	Sub-Total A(1) :	24796737	0	24796737	74.61	24794937	0	24796737	74.61	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)	24796737	0	24796737	74.61	24794937	0	24796737	74.61	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

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(i)	(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	579574	100	579674	1.75	558028	0	558028	1.68	(0.07)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2688575	49756	2738331	8.24	2598783	37924	2636707	7.93	(0.31)
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5025713	0	5025713	15.12	5138773	0	5138773	15.47	0.35
(c)	Others									
	Clearing Members	5439	0	5439	0.02	3348	0	3348	0.01	(0.01)
	Non Resident Indians	56587	0	56587	0.17	68740	0	68740	0.21	0.00
	NRI Non-Repatriation	7479	0	7479	0.02	7627	0	7627	0.02	0.04
	Trusts	4800	0	4800	0.01	4800	0	4800	0.01	0.00
	IEPF	18838	0	18838	0.06	18838	0	18838	0.06	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total B(2) :	8387005	49856	8436861	25.39	8398937	37924	8436861	25.39	0.00
	Total B=B(1)+B(2) :	8387005	49856	8436861	25.39	8398937	37924	8436861	25.39	0.00
	Total (A+B) :	33183742	49856	33233598	100.00	33195674	37924	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	0.00
(2)	Public	0	0	0	0.00	0	0	0	0	0.00
	GRAND TOTAL (A+B+C) :	33183742	49856	33233598	100.00	33195674	37924	33233598	0	0.00

(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 01/04/2018	% of total shares of the Company	% of shares pledged / encumbered to total shares (includes GDR)	No of Shares Held As on 31/03/2019	% 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	0.00
2	AMBADI ENTERPRISES LIMITED	PROMOTER COMPANIES	1000100	3.01	0.00	1000100	3.01	0.00	0.00
3	AMBADI INVESTMENTS LIMITED	PROMOTER COMPANIES	3492579	10.50	0.00	3492579	10.50	0.00	0.00
4	M M MURUGAPPAN	DIRECTORS AND RELATIVES	451610	1.37	0.00	451610	1.37	0.00	0.00
5	M M VENKATACHALAM	DIRECTORS	451610	1.36	0.00	451610	1.36	0.00	0.00
6	CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED	PROMOTER COMPANIES	433481	1.30	0.00	433481	1.30	0.00	0.00
7	M A M ARUNACHALAM	DIRECTORS	361610	1.09	0.00	361610	1.09	0.00	0.00
8	ARUN ALAGAPPAN	PROMOTERS	326610	0.98	0.00	326610	0.98	0.00	0.00
9	A VENKATACHALAM	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0.00
10	S VELLAYAN	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0.00
11	A VELLAYAN	PROMOTERS	284935	0.86	0.00	284935	0.86	0.00	0.00
12	M A ALAGAPPAN	PROMOTERS	41210	0.12	0.00	41210	0.12	0.00	0.00
13	M V SUBBIAH	PROMOTERS	18090	0.05	0.00	18090	0.05	0.00	0.00
14	M V MUTHIAH	DIRECTORS AND RELATIVES	6000	0.02	0.00	6000	0.02	0.00	0.00
15	M M MURUGAPPAN	DIRECTORS AND RELATIVES	5120	0.02	0.00	5120	0.02	0.00	0.00
16	M V SUBBIAH	PROMOTERS	4160	0.01	0.00	4160	0.01	0.00	0.00
17	V NARAYANAN	PROMOTERS	3456	0.01	0.00	3456	0.01	0.00	0.00
18	M M VEERAPPAN	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0.00
19	M M MUTHIAH	DIRECTORS AND RELATIVES	1800	0.01	0.00	1800	0.01	0.00	0.00
20	A.VELLAYAN	PROMOTERS	960	0.00	0.00	960	0.00	0.00	0.00
21	V ARUNACHALAM	PROMOTERS	816	0.00	0.00	816	0.00	0.00	0.00
22	E.I.D.-PARRY (INDIA) LIMITED	PROMOTER COMPANIES	42938	0.13	0.00	42938	0.13	0.00	0.00
23	M V SUBBIAH	PROMOTERS	85165	0.26	0.00	85165	0.26	0.00	0.00
24	M M MURUGAPPAN	DIRECTORS AND RELATIVES	13500	0.04	0.00	13500	0.04	0.00	0.00
25	M A ALAGAPPAN	PROMOTERS	1600	0.00	0.00	1600	0.00	0.00	0.00
26	MA ALAGAPPAN	PROMOTERS	10000	0.03	0.00	0	0.00	0.00	(0.03)
	TOTAL		10651920	32.06	0.00	10641920	32.03	0.00	(0.03)

(iii) Change in Promoter & Promoter group Shareholding (please specify, if there is no change)-

Sl. No.		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
NO CHANGE					

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

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 31/03/2019								
Sl no	Folio / DP id-Client id / PAN	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	AABPS3713M	325000	0.98	31/03/2018			325000	0.98
	CHETAN JAYANTILAL SHAH			31/03/2019			325000	0.98
2	AAHPS7668H	325000	0.98	31/03/2018			325000	0.98
	BHADRA JAYANTILAL SHAH			31/03/2019			325000	0.98
3	AAHPS7667J	250000	0.75	31/03/2018			250000	0.75
	JAYANTILAL PREMJI SHAH			31/03/2019			250000	0.75
4	AAJPS1459A	250000	0.75	31/03/2018			250000	0.75
	SHAH NIMESH SUMAITLAL			27/04/2018	-66201	Transfer	183799	0.55
				04/05/2018	-37189	Transfer	146610	0.44
				11/05/2018	-36754	Transfer	109856	0.33
				31/03/2019			109856	0.33
5	ABFPS0209M			31/03/2018			250000	0.75
	URMILA D SHAH	250000	0.75	31/03/2019			250000	0.75
6	BIYPS5277A	250000	0.75	31/03/2018			250000	0.75
	SAHIL NIMESH SHAH			27/04/2018	-232823	Transfer	17177	0.05
				04/05/2018	-17177	Transfer	0	0.00
7	AALPS8281L	0	0.00	31/03/2018	0		0	0.00
	KRISHNARAJ DWARKADAS			27/04/2018	100000	Transfer	100000	0.30
				04/05/2018	101000	Transfer	201000	0.60
				15/06/2018	26324	Transfer	227234	0.68
				31/03/2019			227234	0.68
8	AGRPK5690B	0	0.00	31/03/2018	0		0	0.00
	PAYAL PREM RAHEJA			27/04/2018	100000	Transfer	100000	0.30
				04/05/2018	101000	Transfer	201000	0.60
				19/10/2018	300	Transfer	201300	0.61
				26/10/2018	-300	Transfer	201000	0.60
				31/03/2019			201000	0.60

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 31/03/2019								
Sl no	Folio/ DP id-Clientid	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
9	AAIPJ0089L	168840	0.51	31/03/2018			168840	0.51
	NEHA JASWANI			06/04/2018	275	Transfer	161995	0.51
				13/04/2018	3835	Transfer	172950	0.52
				11/05/2018	3600	Transfer	176550	0.53
				18/05/2018	4330	Transfer	180880	0.54
				08/06/2018	1000	Transfer	181880	0.55
				15/06/2018	300	Transfer	182180	0.55
				13/07/2018	800	Transfer	182980	0.55
				10/08/2018	-2980	Transfer	180000	0.54
				31/08/2018	50	Transfer	180050	0.54
				07/09/2018	15	Transfer	180065	0.54
				12/10/2018	565	Transfer	180630	0.54
				19/10/2018	11	Transfer	180641	0.54
				26/10/2018	200	Transfer	180641	0.54
				09/11/2018	450	Transfer	181291	0.55
				30/03/2019	181291		181291	0.55
10	AAAHS5894J							
	DHARMESH R. SHAH HUF	151000	0.45	31/03/2018			151000	0.45
				31/03/2019			151000	0.45
11	AGZPM1199H							
	R.MUTHATHA	145477	0.44	31/03/2018			145477	0.44
				30/03/2019			145477	0.44
12	AAAPH1096F							
	NIRANJAN LAKHUMAL HIRANAN-DANI	111650	0.34	31/03/2018			111650	0.34
				06/04/2018	22000	Transfer	133650	0.40
				13/04/2018	7800	Transfer	141450	0.43
				27/04/2018	550	Transfer	142000	0.43
				28/09/2018	3150	Transfer	145150	0.44
				30/03/2019			145150	0.44
13	AAACO2276P							
	OPEL SECURITIES PVT LTD	142741	0.43	31/03/2018			142741	0.43
				17/08/2018	-215	Transfer	142526	0.43
				30/03/2019			142526	0.43

(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	451610	1.36
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	451610	1.36	451610	1.36
2.	Mr. M.A.M. Arunachalam - Director				
	At the beginning of the year	361610	1.09	361610	1.09
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	361610	1.09	361610	1.09
B	Key Managerial Personnel [(KMP)]				
1.	Mr. N. Velappan – Manager				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---
2.	Mr. M. Narayanan – CFO				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---
3.	Ms.C.Parvathi Nagaraj – Company Secretary				
	At the beginning of the year	---	---	---	---
	Date wise Increase/ Decrease in Share holding during the year	---	---	---	---
	At the End of the year	---	---	---	---

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	5005	200	-	5205
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	5005	200	-	5205
Change in Indebtedness during the financial year				
• Addition	907	300		1207
• Reduction	1052	-		1052
Net Change	(145)	300		155
Indebtedness at the end of the financial year				
Ei) Principal Amount	4860	500	-	5360
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	4860	500	-	5360

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

Sl No	Particulars of Remuneration	Mr. N. Velappan Manager	Total
1.	Gross salary	31.06	31.06
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.21	0.21
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- As % of profit		
	- Others, specify...		
5.	Others,		
	Total (A)	31.27	31.27
	Ceiling as per the Act	NA*	

* The company has obtained approval from the shareholders as per the Section 197 read with Part II of Schedule V of the Companies Act 2013.

B. Remuneration to other directors:

₹

Sl. no.	Particulars of Remuneration	Name of Directors			Total
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	N.V. RAVI 90,000	P. NAGARAJAN 1,10,000	R. SURENDRAN 80,000	2,80,000
	Total(1)	90,000	1,10,000	80,000	2,80,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	M.M. VENKATACHALAM 70,000	M.A.M. ARUNACHALAM 1,00,000	G. JALAJA 50,000	2,20,000
	Total(2)	70,000	1,00,000	50,000	2,20,000
	Total(B)=(1+2)	1,60,000	2,10,000	1,30,000	5,00,000
	Total Managerial Remuneration	1,60,000	2,10,000	1,30,000	5,00,000
	Over all Ceiling as per the Act				

In view of the financial performance, no commission was provided for, in the current year to the Directors.

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

₹ in lakhs

Sl.No.	Particulars of Remuneration	Mr. M. Narayanan CFO	Ms.C.Parvathi Nagaraj – Company Secretary	TOTAL
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.13	1.96	20.09
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.21	-	0.21
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission As % of profit - others, specify...			
5.	Others, please specify			
	Total	18.34	1.96	20.30

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority RD/ NCLT/Court	Appeal
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. Details of employees who were paid remuneration in excess of Rs. 8.5 lakhs per month or Rs.102 lakhs per annum during 2018-19 as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 duly amended by the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2016 are as follows : **NIL**

B. Statement showing particulars of top ten employees in terms of remuneration drawn is given below:

S No	Name of the Employee	Designation	Remuneration received ₹	Nature of Employment	Age	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company	Relationship of employee with Director
1	N. Velappan	ASST V P & MANAGER	31,27,000	Permanent	58	M/s E.I.D.- Parry (India) Ltd	NIL	N A
2	Narayanan M	CFO	18,33,600	Permanent	54	Shri Balaji Agencies	NIL	N A
3	Padmanaban G S	AGM - CONTRACTS & COMMERCIAL	11,75,608	Permanent	40	M/s Al Fara'a Infraprojects Pvt Ltd	NIL	N A
4	S. Thilagam	DY.MANAGER- PLANNING	10,73,053	Permanent	52	M/s Bajaj Enterprises Ltd.	NIL	N A
7	S. Krishnan	MANAGER CONTRACTS	9,94,077	Permanent	48	M/s Orissa Cement Ltd	NIL	N A
6	Sivamala Y	ASST.MANAGER- PLANNING	8,69,842	Permanent	36	M/s Gelind Tech Consultant	NIL	N A
7	Dhanasekaran R	MANAGER - PROJECT	8,54,735	Permanent	50	M/s Indya Real Estates Pvt Ltd	NIL	N A
8	K.N. Thirumalai	Manager - Q S	8,93,262	Permanent	52	M/s ETA Ascon Ltd	Nil	N A
9	K. Vivekanandan	Manager – HR & Admin	8,37,531	Permanent	54	M/s Vivek Architects	0.006%	N A
10	Justin Ranjit Karunakaran D	DY.MANAGER- ISO & OHSAS	8,19,383	Permanent	43	M/s San Media Limited	NIL	N A

C. The details of remuneration during the year 2018-19 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, duly amended by Companies (Appointment & Remuneration of Managerial Personnel) Rules 2016 are as follows:

- (i) Percentage increase in the median remuneration of employees (6%)
- (ii) There were 116 permanent employees on the rolls of the Company as on 31st March, 2019.
- (iii) 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 other than sitting fees.
- (iv) 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/ (decrease)
N. Velappan	Associate Vice President and Manager	4.23
M. Narayanan	Chief Financial Officer	N.A.
C.Parvathi Nagaraj	Company Secretary	N.A.

No remuneration was paid for Directors except sitting fees.

- (v) i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (4%)
- ii. Percentile increase in the managerial remuneration-No remuneration other than sitting fees was paid to Directors and for Mr. N. Velappan, there was increase of remuneration by 4.23%.

REPORT ON CORPORATE GOVERNANCE

Your Directors have great pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2019.

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. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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 maximize 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
- Maximizing 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 Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here in after "Listing Regulations"), the details are set out below:

2. Board of Directors

a) Composition

The Board consisted of 6 (Six) members as at 31st March, 2019 with knowledge and experience in different fields viz., Engineering, Manufacturing, Finance and Business Management etc. The Board comprises of non-executive directors and one half of the Board members are Independent Directors.

Non Executive Promoter Chairman	1
Non Executive Directors (including 1 Promoter Director)	2
Non Executive Independent Directors	3

All independent directors possess the requisite 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.

None of the Directors of the Company are related to each other.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March, 2019 are given below:

S.NO	Name of Director	Category	Number of Directorships/ (chairmanships) in Companies including CEC	Number of Committee Memberships / (Chairmanships) in Companies including CEC	Name of the Listed Entity	Category of Directorships
1.	Mr. M.M. Venkatachalam	Non Executive, Promoter, Chairman	8(3)	7(2)	1. Ramco Systems Limited 2. Ramco Cements Limited 3. Coromandel International Limited 4. Coromandel Engineering Company Limited 5. E.I.D Parry (India) Limited	NE ID NE ID NE Chairman & NE NE NI
2.	Mr. M.A.M Arunachalam	Non Executive, Promoter	4	3(1)	1. Coromandel Engineering Company Limited 2. Carborundum Universal Limited	NE NI NE NI
3.	Mr. N.V. Ravi	Non Executive, Independent	3	1	Coromandel Engineering Company Limited	NE ID
4.	Mr. P. Nagarajan	Non Executive, Independent	3	3(1)	1. Coromandel Engineering Company Limited 2. Kartik Investments Trust Limited	NE ID NE ID
5.	Ms. G. Jalaja	Non Executive	3	1	Coromandel Engineering Company Limited	NE NI
6.	Mr. R. Surendran	Non Executive, Independent	2	4(1)	1. Coromandel Engineering Company Limited 2. Kartik Investments Trust Limited	NE ID NE ID

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I")

Notes:

1. Excluding Alternate Directorships and Directorships in Foreign companies, Private companies and Section 8 companies
2. Only membership in Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies whether listed or not, have been reckoned for committee memberships
3. None of the Independent Directors on the Board is an Independent Director in more than seven Listed Companies as required under Regulation 25 (1) of LODR Regulations.

Changes in the Board during the year

There were no changes in the Composition of the Board during the year 2018-19.

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 Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations, 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 Six (6) times during the financial year ended 31st March, 2019 on 26th April 2018, 08th June 2018, 24th July, 2018,

24th October, 2018, 25th January, 2019, and 19th March 2019 . The maximum gap between any two meetings was less than one hundred and twenty days. During the year, separate meeting of the Independent Directors was held on 19th March 2019 without the attendance of non-independent directors and members of the management as required under Regulation 25(3) of SEBI (LODR) Regulations 2015 and Schedule IV of the Act to discuss the matters specified therein.

In line with the amendments to the Companies Act, 2013 and Listing Regulations, the Company had reviewed the following existing policies which were duly amended by the Board.

- Policy on dealing with Related Parties and materiality of related party transactions
- Code of Conduct for Directors and Senior Management
- Remuneration Policy
- Whistle Blower Policy
- Criteria for senior management
- Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

The above mentioned policies are posted on the website of the Company at the link: <http://www.coromandelengg.com>

Details of Board members as on 31st March, 2019 and Attendance at Board Meetings

Sl. No.	Date of Meeting	Board Strength	No. of Directors present
1	26.04.2018	6	6
2	08.06.2018	6	2
3	24.07.2018	6	6
4	24.10.2018	6	5
5	25.01.2019	6	6
6	19.03.2019	6	4

The company places before the Board all those details as required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations. 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 apprises 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 expenditure, 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 AGM held on 24 th July 2018
1.	Mr. M. M. Venkatachalam	6	6	YES
2.	Mr. M.A.M. Arunachalam	6	5	YES
3.	Mr. N.V. Ravi	6	4	NO
4.	Mr. P. Nagarajan	6	6	YES
5.	Ms. G. Jalaja	6	4	YES
6.	Mr. R.Surendran	6	4	YES

c) Board Procedure

The Directors are appointed 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.

d) Key Board qualifications, expertise and attributes

The Board of Coromandel Engineering Company Limited comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed in ensuring that the Board of Coromandel Engineering Company Limited is in compliance with the highest standard of Corporate Governance.

In the table below the specific areas of focus or expertise of individual Board members have been highlighted. In the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

Key Board Qualifications

Director	Financial Expertise	Technology/ Industrial Expertise	Area of Expertise		
			Leadership	Board Service & Governance	Business Development
M.M.Venkatachalam	✓	✓	✓	✓	✓
Chairman					
M.A.M.Arunachalam	✓	✓	✓	✓	✓
Director					
N.V.Ravi	✓	✓	✓	✓	✓
Independent Director					
P.Nagarajan	✓		✓	✓	✓
Independent Director					
G.Jalaja	✓		✓	✓	
Director					
R.Surendran	✓		✓	✓	
Independent Director					

e) All independent directors fulfill the conditions specified in these regulations and are independent of the management.

f) There were no instances of independent director who resigned before the expiry of his tenure during the year.

g) Details of Director seeking appointment / re-appointment

Mr. M. A. M. Arunachalam(DIN:00202958), Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment as a Director at the ensuing Annual General Meeting.

3. Board Committees

a. Audit Committee

The Audit Committee has been constituted as required under Section 177 of the Act and Regulation 18 of the LODR Regulations.

Brief Description of the Terms of Reference

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Discussion with internal auditors any significant findings and follow up thereon;
7. Reviewing with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary including appointment of Registered Valuers;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management and monitoring the auditor's independence and performance and effectiveness of audit process
13. Reviewing with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems & effectiveness of the audit process
14. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
15. Discussion with internal auditors of any significant findings and follow up thereon
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern

Mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations.
Statement of significant related party transactions (as defined by the audit committee), submitted by management
2. Management letters / letters of internal control weaknesses issued by the statutory auditors
3. Internal audit reports relating to internal control weaknesses
4. Appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee
5. Review the financial statements, in particular, the investments made by the unlisted subsidiary company.
6. To review functioning of whistle blower mechanism and oversee the vigil mechanism of the Company
7. Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc. of candidate
8. Review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year
9. Verify that the systems for internal control as required under the Securities and Exchange Board

of India (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively

10. Review the Statement of Deviation if any
11. To review the utilization of loans and/ or advances from/investment in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
12. Any other functions as per the terms of reference as may be required by law from time to time.

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.

Composition

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Company has in place an Audit Committee with Mr. P. Nagarajan, Independent Director (DIN: 00110344) as the Chairman. The Committee consists of 3 independent Directors and one non independent Director. All the members of the Committee have excellent financial & accounting knowledge. The Chairman, Chief Executive, Associate Vice President and Chief Financial Officer of the Company 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 Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 24th July 2018.

Meetings

The Committee met Four (4) times during the financial year ended 31st March, 2019 on 26th April 2018, 24th July 2018, 24th October 2018 and 25th January 2019 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. P. Nagarajan	Chairman	4
Mr. M.A.M. Arunachalam	Member	4
Mr. N.V. Ravi	Member	4
Mr. R. Surendran	Member	3

b. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the LODR Regulations with Mr. M.A.M. Arunachalam (DIN: 00202958), Director as the Chairman.

Brief description of Terms of Reference

- Formulation of shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards therefor.
- Monitoring and reviewing the mechanism of share transfers, dematerialisation process, subdivisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same.
- Monitoring and reviewing the mechanism of share transfers, dematerialisation process, subdivisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same
- Determining the standards for resolution of shareholders grievance
- Resolving the grievances of the security holders of the listed entity
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the RTA.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- To investigate any activity within its terms of reference.

Composition & Meetings

One Committee meeting was held during the financial year 2018-2019. The dates on which the said meeting was held is 26th April 2018.

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
Mr. M.A.M. Arunachalam	Chairman	1
Ms. G. Jalaja	Member	1
Mr. R. Surendran	Member	1

Ms. C. Parvathi Nagaraj, Company Secretary is the Compliance Officer of the Company.

Number of complaints received and redressed during the year are given below:

Details of number of complaints received during the year and Status of Investor Complaints as on March 31, 2019 and reported to BSE Ltd under Regulation 13(3) of the SEBI (LODR) Regulations 2015 are as follows:

Complaints as on April 1, 2018	Nil
Received during the year	Nil
Resolved during the year	NA
Pending as on March 31, 2019	Nil

By virtue of an Order passed by the Hyderabad Bench of the National Company Law Tribunal (NCLT Order) approving the composite scheme of arrangement and amalgamation between M/s. Karvy Consultants Limited (demerged company), M/s. Karvy Computershare Private Limited (Transferor Company) and M/s. Karvy Fintech Private Limited (resulting company), the operations of Karvy Computershare Private Limited have been transferred to Karvy Fintech Private Limited with effect from 17th November 2018. Karvy Fintech Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of the Report.

c. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations 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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- To decide whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.

Composition & Meetings

- Two Committee meeting were held during the financial year 2018-2019. The dates on which the said meetings were held are as follows: 26th April 2018 and 08th June 2018.
- 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 Meetings attended
Mr. N.V. Ravi	Chairman	1
Mr.M.M. Venkatachalam	Member	2
Mr. P. Nagarajan	Member	2

Criteria for Performance Evaluation

Section 178 read with Clause VII (3 a & b) & Clause VIII of Schedule IV of the Companies Act, 2013 lays down specific requirements on performance evaluation of Board/ Chairperson/Independent Directors. As per Part D of Schedule II of Listing Regulations, 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 the Listing Regulations, 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 judgement and safeguarding 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 a 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. In terms of the Shareholder's approval obtained at the 60th Annual General Meeting held on 31st July 2008, the commission was 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). Subsequently, due to financial situation of the Company, the Board did not seek the Shareholders' approval for payment of Commission for Non Executive Directors.

The Non-Executive Directors are 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. In view of the subsequent improvement in financial situation and also due to the time and efforts being put in by the Directors, it was proposed that payment of sitting fees to the Directors for attending the Board/ Committee Meetings be resumed. In accordance with Article 17.14 of the Articles of Association of the Company, payment of sitting fees of Rs.10,000/ for attending each meeting of the Board/Committee was approved with effect from 01st July, 2015.

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

As per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is not required to constitute Risk Management Committee since it is not coming under the top 500 listed entities determined on the basis of market capitalization in BSE Limited. However, the Company voluntarily constituted Risk Management Committee.

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.

Brief description of Terms of reference

- Assisting the Board in effective operation of risk management system by performing specialized analysis and quality reviews and report to the Board the details on risk exposures and the action taken to manage the exposures.
- Review and assess the adequacy of Risk Management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively
- Periodically review the Company's Risk Management Policy and associated Guidelines and approve any revisions thereto before recommending adoption by the Board;
- Review the Company's Risk Profile across business, cyber security and support functions

and advises the Board with regard to risk management decisions in relation to strategic and operational matters such as Corporate Strategy and related matters.

Composition & Meetings

One Committee meeting was held on 19th March 2019

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 Meeting attended during the year 2018-19
Mr. P. Nagarajan	Chairman	1
Mr. N.V. Ravi	Member	0
Mr. M.M. Venkatachalam	Member	1
Mr. N. Velappan	Member	1

e. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee was constituted as per the requirements of Section 135 of the Companies Act, 2013. 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.

Brief Description of the Terms of reference

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken as specified in schedule VII of Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the CSR Policy of the Company from time to time
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/ activities proposed to be undertaken by the Company and to do all such acts, deeds and things as may be required in connection with the CSR activities.

Composition

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
Mr. R. Surendran	Chairman
Mr. M.A.M. Arunachalam	Member
Ms. G. Jalaja	Member

In view of the losses incurred by the Company in the three previous financial years and average of three years net profit being negative, the requirement on spending or conducting meetings 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 19th March 2019 as required under Regulation 25(3) of SEBI (LODR) Regulations 2015 and Schedule IV of the Act to discuss the matters specified therein 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.

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 31 st March	Venue	Day and Date	Time
2018	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600018	Tuesday 24.07.2018	9.30 A.M
2017	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600018	Wednesday 26.07.2017	9.30 A.M
2016	Narada Gana Sabha Trust, Mini Hall, No.314, TTK Road, Chennai – 600018	Friday 22.07.2016	10.00 A.M

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

Date of AGM	Whether any Special Resolution was passed	Particulars
24.07.2018	No	Alteration of Articles of Association of the Company
26.07.2017	No	No special Resolution had been passed
22.07.2016	No	No special Resolution had been passed

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 familiarization programme are uploaded in the website of the Company, http://www.coromandelengg.com/Inv_policies.html.

Details of shareholding of Directors as on 31st March 2019

As on 31st March 2019, 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 of Rs.10/- each and Mr.M.A.M.Arunachalam (DIN: 00202958) holds 361610 equity shares of Rs.10/-each in the company. The Company has not issued any convertible instruments. Other Directors do not hold any share in the Company.

Postal Ballot:

- No special resolution was passed through postal ballot during the last financial year.
- There is no immediate proposal for passing any special resolution through postal ballot.

- **Code of Conduct**

The Board has laid down a Code of Conduct' (Code), for all the Board members and the Senior Management of the Company, and the code is posted on the website of the Company <http://www.coromandelengg.com>. 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. N Velappan, Associate Vice President and Manager, forms part of this report.

- **CEO and CFO Certification**

In terms of Regulation 17(8) of the Listing Obligations and Disclosure Requirements Regulations, the Associate Vice president and Manager and Chief Financial Officer have given the annual certification on financial reporting and internal controls to the Board.

The Associate Vice President and Manager and Chief Financial Officer have also given quarterly certification on financial results, while placing the financial results before the Board, in terms of Regulation 33 of the Listing Obligations and Disclosure Requirements Regulations 2015. Accordingly, they 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, 2019.

- **Prevention of Insider Trading**

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 2015 as amended with a view to regulate trading in securities by the Directors and designated employees of the Company. 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. During the year, the Board had reviewed the Code of Conduct for Prevention of Insider Trading in line with the amendments made to the Regulations by SEBI in January 2019. The Board has also formulated a policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as a part of the Code. The Board had also reviewed the Company's Code for practices and procedures for fair disclosure of unpublished price sensitive information and had also framed a policy for determination of 'legitimate purposes' as a part of this Code. The Company Secretary is responsible for implementation of the Code. The Company has in place an online system for monitoring the compliance of the Code by its designated employees.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted the whistle blower mechanism a mandatory requirements of the Listing Regulations 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 safe guards 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 are 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.

- **Disclosures**

Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Listing Regulations 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.coromandeleng.com/Inv_policies.html).

Transactions with the related parties are disclosed in Note No 38 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.

Compliance with mandatory requirements

The Company has complied with all requirements as laid down under SEBI(LODR) Regulations.

Commodity price risk or foreign exchange risks and hedging activities

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

- Total exposure of the listed entity to commodities in Rs 9,51,44,708/-
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Cement	1,90,35,280	85,821 Bags	100%	NA	NA	NA	100%
Steel	7,61,09,428	1709 MT	100%	NA	NA	NA	100%

- Commodity risks faced by the listed entity during the year and how they have been managed

The Company is not exposed to foreign exchange risks and no hedging activity is considered necessary to mitigate the said risks. Price escalation risk in materials used in ordinary course of business like Cement/ Steel etc. is partly mitigated through basic price clause in the agreement with certain clients while signing the contracts.

Disclosure Relating to Fee Paid to Statutory Auditors

During the year, the Company have made the following payments to M/s. CNGSN & Associates, Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part. The Company has relied on the information furnished by the Statutory Auditors in respect of the firms/entities covered under network firm/network entity of which the Statutory Auditor is a part.

Rs.in lakhs

CNGSN & Associates / Network firm	Nature of service	Amount
Statutory auditors	Statutory audit	4.25
	Tax audit	1.40
	Limited review	1.35
	Others	0.16

Payment in respect of the non-audit services provided by the Statutory Auditors to the Company is made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

Practicing Company Secretary's Certificate on Corporate Governance

R.Sridharan of R.Sridharan & Associates, Practicing Company Secretaries have issued a Certificate on Corporate Governance. The Certificate is enclosed as an annexure.

Practicing Company Secretary's Certificate on the Director's Disqualification

R.Sridharan of R.Sridharan & Associates, Practicing Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as an annexure.

- **There were no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 37(2A) during the year.**
- **Compliance with Corporate Governance Norms**

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in the Listing Regulations. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31st March, 2019. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) of the Listing Obligations and Disclosure Requirements Regulations 2015 forms part of the Annual Report.

Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
47 (2) (b) to (i)	Disclosures on website	Yes

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

- **Means of Communication**

The Communication with the Shareholders and Investors by the Company were through multiple channels of communications such as publication in daily newspapers, disclosures to BSE Limited. As per the requirement of Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the quarterly un-audited financial results and major announcements like notice of Board Meetings, Book Closure etc. are normally published in daily newspapers viz., Business Standard (English) and Makkal Kural(Tamil). The annual audited financial Results are published in Business Standard (English) and Makkal Kural(Tamil).

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 LODR regulations. 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.

The Disclosures of the compliance with Corporate

- **Management Discussion and Analysis Report**

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

- **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 Shareholder.

On behalf of the Board

Place: Chennai

Date: 15th May, 2019

M.M.VENKATACHALAM

(DIN:00152619)

Chairman

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No. : L74910TN1947PLC000343

Nominal Capital : Rs.65,00,00,000/-

To,

The Members

MESSRS. COROMANDEL ENGINEERING COMPANY LIMITED

'Parry House', 5th Floor, 43, Moore Street,

Chennai – 600 001

We have examined all relevant records of Coromandel Engineering Company Limited (CIN : L74910TN1947PLC000343), having its Registered Office at Parry House, 5th Floor, 43, Moore Street, Parrys, Chennai – 600 001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2019. 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 and the representations made by the Management, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2019.

**For R Sridharan & Associates
Company Secretaries**

Place: Chennai

Date: 15th May, 2019

**CS R Sridharan
FCS No. 4775
CP No. 3239
UIN : S2003TN063400**

DECLARATION OF CODE OF CONDUCT

The Board of Directors
Coromandel Engineering Company Limited, 5th 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 2019, as envisaged in Schedule V to the Listing Regulations.

Place: Chennai
Date: 15th May, 2019

N.VELAPPAN
ASSOCIATE VICE PRESIDENT & MANAGER

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015

The Members

COROMANDEL ENGINEERING COMPANY LIMITED

'Parry House', 5th Floor, 43, Moore Street,
Chennai – 600 001

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors during the financial year under review and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of **(COROMANDEL ENGINEERING COMPANY LIMITED) (CIN: L74910TN1947PLC000343)** having its Registered Office at "PARRY HOUSE", 5th Floor, 43, Moore Street, Chennai- 600001 (here in after referred to as "The Company") for the purpose of issue of a certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended vide Notification No: **SEBI/LAD-NRO/GN/2018/10** dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI (Board)/Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION
1	00152619	M M VENKATACHALAM	Non-Executive- Non Independent Director, Chairman
2	00202958	M A M ARUNACHALAM	Non-Executive-Non Independent Director
3	00165666	N V RAVI	Non-Executive-Independent Director
4	00110344	P NAGARAJAN	Non-Executive-Independent Director
5	00149278	G JALAJA	Non-Executive – Non Independent Director
6	00010017	R SURENDRAN	Non-Executive-Independent Director

We further state that such compliance 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.

**For R Sridharan & Associates
Company Secretaries**

Place: Chennai
Date: 15th May, 2019

**CS R Sridharan
FCS No. 4775
CP No. 3239
UIN : S2003TN063400**

GENERAL SHAREHOLDER INFORMATION

Registered Office

“Parry House”, 5th Floor, No.43, Moore Street,
Chennai –600 001

Corporate Identification Number

L74910TN1947PLC000343

Annual General Meeting

Day : Wednesday

Date : 24th July, 2019

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

Time : 10:00 a.m.

Financial year: 1st April, 2018 to 31st March, 2019

Date of Book Closure

Wednesday the 17th day of July 2019 to Wednesday
the 24th day of July 2019 (Both days inclusive)

Listing on Stock Exchange -

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai – 400 001

Listing fees for the year 2019-2020 has been paid to
the BSE Limited.

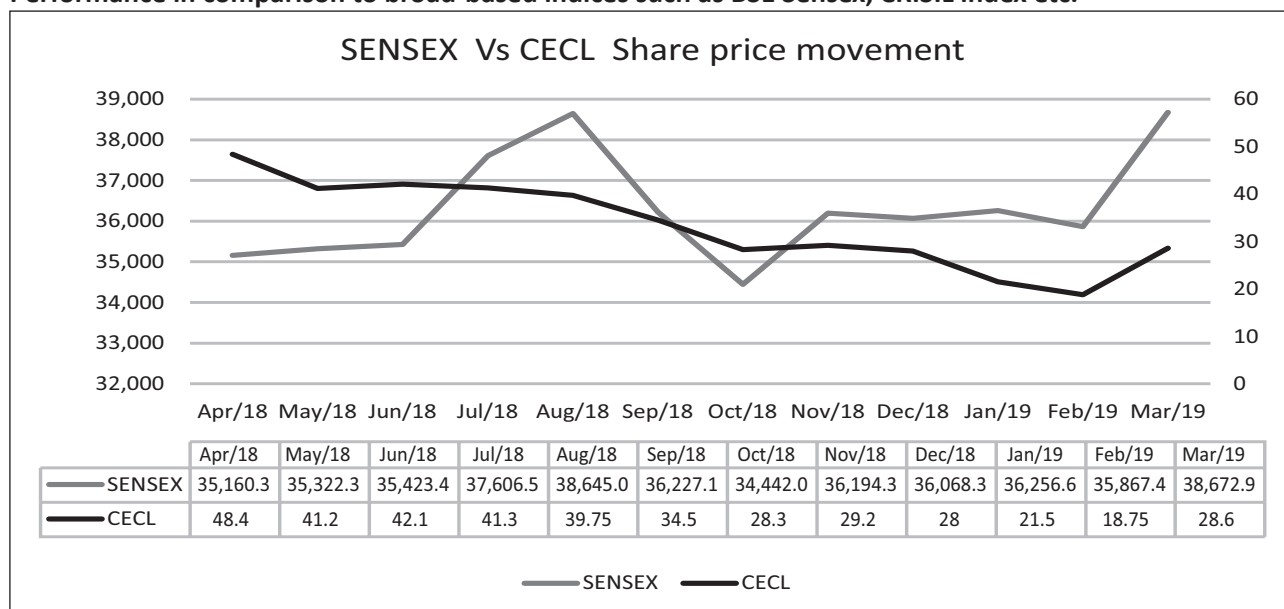
Stock Code

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, 2018 up to 31st March, 2019 are as follows:

Month	High `	Low `	No. of Shares
Apr-18	53.40	47.30	6,49,416
May-18	50.50	39.00	2,38,656
Jun-18	49.90	35.15	1,56,022
Jul-18	46.00	36.80	50,502
Aug-18	41.00	36.70	33,282
Sep-18	42.00	33.00	78,710
Oct-18	37.50	26.10	92,109
Nov-18	32.50	27.00	52,894
Dec-18	30.90	26.00	49,066
Jan-19	28.95	21.00	1,09,706
Feb-19	22.10	17.70	98,672
Mar-19	30.00	19.75	1,10,260

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 Fintech Private Limited (Formerly 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 as on 31.03.2019

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoter Companies	21	2,12,09,304	63.82
Resident Individuals	4,394	71,99,736	21.66
Promoters	26	20,99,253	6.32
Body Corporate	65	5,28,528	1.59
Directors	2	8,13,220	2.45
H U F	230	5,75,744	1.73
Directors' relatives	10	5,35,630	1.61
Non Resident Indians	9	68,740	0.21
NBFCs	3	29,500	0.09

Category	No. of Shareholders	No. of Shares	% of Shareholding
Clearing Members	3	3348	0.01
Trusts	1	4,800	0.01
Non Resident Indians - Non Repatriable	10	7,627	0.02
IEPF	1	18,838	0.06
Promoters Trust	5	1,39,330	0.42
Total	4,780	3,32,33,598	100.00

Distribution of shareholding as on 31.03.2019

Category		No. of shareholders	% to total No.	No. of Shares	% of holding
1	5000	3,580	74.90	3,90,086	1.17
5001	10000	386	8.08	3,34,394	1.01
10001	20000	258	5.40	4,04,666	1.22
20001	30000	137	2.87	3,49,483	1.05
30001	40000	56	1.17	2,02,893	0.61
40001	50000	70	1.46	3,33,304	1.00
50001	100000	110	2.30	8,28,968	2.49
Greater than 100000		183	3.83	3,03,89,804	91.44
TOTAL		4,780	100.00	3,32,33,598	100.00

	No. of Shareholders	% to total No.	No. of Shares	% of holding
Shareholders in				
Physical Mode:	830	17.36	37,924	0.11
Electronic Mode :				
NSDL	2,218	46.40	2,23,48,027	67.25
CDSL	1,732	36.24	1,08,47,647	32.64
TOTAL	4,780	100.00	3,32,33,598	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
For any shareholders assistance, the Company Secretary can be contacted at the following address: Coromandel Engineering Company Ltd. Parry House, 5 th Floor, No. 43 Moore Street, Chennai 600001 Phone : 044 - 25341513 E-Mail : coromandelengg@cec.murugappa.com	Karvy Fintech Private Limited (Formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Tel : 91-40-23420815 to23420824 Toll Free No. 1-800-454001 Fax :+91-4023420814 Email : einward.ris@Karvy.com Website: www.karvy.com

Reconciliation of share capital Audit:

A qualified Practicing Company Secretary, Mr. R.Sridharan of M/s. R. Sridharan & Associates, Company Secretaries, Chennai, carried 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 31.03.2019:

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. N.V. Ravi	Nil
4.	Mr. P. Nagarajan	Nil
5.	Ms. G. Jalaja	Nil
6.	Mr. R. Surendran	Nil

Nomination Facility

The Shareholders may avail themselves of the nomination facility under section 72 of the Companies Act, 2013. The nomination form (FormSH.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 Fintech Private Limited (Formerly 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, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

To,

The Members,
Coromandel Engineering Company Limited
"PARRY HOUSE" 5th 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 Identification 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, 2019 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 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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) Regulation, 2015;
- c) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
- d) The Company has not formulated any scheme of ESOS/ESPS and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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 and Securities 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 Company has not delisted its Securities from the Stock Exchange in which it is listed during the period under review, hence the requirement of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; and
- h) The Company has not bought back any Securities during the period under review, hence the requirement of compliance with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities

and Exchange Board of India (Buyback of Securities) Regulations, 2018 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 and energy conservation;
- 5) Acts and Rules relating to Electricity, fire, gas cylinders, etc.;
- 6) Other local laws as applicable to various sites and offices;

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, applicable 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. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors before the 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. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been recorded.

We further report that there are adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16 (c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

We further report that there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards during the period under review..

For SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS SRINIDHI SRIDHARAN

PLACE : CHENNAI

CP No. 17990

DATE : 15th May, 2019

ACS No. 47244

UIN : S2017TN472300

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

To the Members of COROMANDEL ENGINEERING COMPANY LIMITED

Report on the audit of Financial Statements Opinion

We have audited the financial statements of COROMANDEL ENGINEERING COMPANY LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows and the statement of changes in the equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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 March 31, 2019, loss and total comprehensive income, and its cash flows for the year ended and statement of changes in the equity on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in

the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Existence and impairment of Trade Receivables

Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an on going basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition. Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.

We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.

We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.

Further more we assessed the appropriateness of the disclosures made in note 10 to the financial statements.

b) Revenue recognition (IND AS 115)

The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method

for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations.

Audit procedure involved review of the company's IND AS 115 implementation process and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.

Based on the procedures performed, it is concluded that management's judgments with respect to recognition and measurement of revenue in light of IND AS 115 is appropriate.

Furthermore the appropriateness of the disclosures made in note 34 to the financial statements was assessed

c) Recognition and measurement of deferred taxes

The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS.

This involves significant calculations requiring detailed knowledge of applicable tax laws.

The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards on sample basis.

The audit procedures performed did not lead to identification of any material misstatement with respect to recognition and measurement of deferred taxes.

Furthermore the appropriateness of the disclosures made in note 07 to the financial statements was assessed

d) Contingent Liability

Assessment of Provisions for taxation, litigations and claims: As at 31st March 2019 Coromandel Engineering Company Limited had disputed tax dues to the tune of Rs 138.41 lakhs.

The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities

Discussing significant litigations and claims with the Company's Legal Counsel

Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors.

Assessing the reliability of the past estimates of the management.

Based on the procedures performed, it is concluded that the management's assessment of the outcome of pending litigations and claims is appropriate.

Furthermore the appropriateness of the disclosures made in note 30 to the financial statements was assessed

e) Accuracy of Unbilled Revenues in Civil Contracts:

Unbilled Revenue in Civil Contracts operations is a critical estimate to determine the revenues. This estimate has a high risk of uncertainty as it requires consideration of progress of the work done, efforts till date and efforts to complete the remaining contract performance obligations. (Refer notes 13)

Audit Procedure involved evaluating the design of the Internal Controls relating to recording of efforts incurred and estimation of efforts incurred to complete the performance obligations,

Performed analytical Procedure and test of details for reasonableness of incurred and estimated efforts.

The audit procedures performed did not lead to identification of any material misstatement with respect to recognition and measurement of unbilled revenue.

f) Inventory WIP:

Management judgment is required to establish the carrying value of inventory particularly in

relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.

The judgment reflects that inventory is held to support company's operations which results in the company holding inventory for extended periods before utilization. In cases of disputes with land owners we have relied on Management Representation.

Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records.

Based on the audit procedure performed, no material discrepancies were identified.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

[Description of each key audit matter in accordance with SA 701.]

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 the rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016. 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 implementation and maintenance of 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 the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and statement of changes in the equity 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
- (g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 30
 - (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: 15.05.2019

For CNGSN & ASSOCIATES LLP
Chartered Accountants
F.R.No.004915S
S NEELAKANTAN
Partner
Membership No 028656

ANNEXURE 1 TO THE AUDITOR'S REPORT

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) There are no immovable properties held by the company
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, during the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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, the Company has not given any loans, guarantees and securities and has not made any investments.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.
- vi. The Central Government has vide notification dated 3rd June 2011 prescribed the maintenance of cost records by various classes of companies. We have broadly reviewed books of accounts maintained by the company pursuant to the rules under section 148 (1) 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 of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
- b) As at 31st March 2019 according to the records of the Company, the following are the particulars of the disputed dues on account of value added tax and entry tax:

Sl.No	Nature of Dues	Amount Disputed (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Forum where Pending
1	Andhra Pradesh VAT	43.32	28.37	STAT Hyderabad(2006-07 & 2007-08)
2	Telangana VAT	86.50	26.62	STAT, Hyderabad (2010-11 to 2012-13)
3	Tamil Nadu Entry Tax	2.99	2.99	Additional Commissioner, Chennai (AY 2012-13)
4	Kerala VAT	5.60	0.66	Assistant Commissioner Commercial Tax officer Ernakulam

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government. The company has not issued any debentures.
- ix. The company has not raised money by way of initial public offer or further public offer during the Current year and the term loans were applied for the purposes for which those were raised.
- x. In our opinion and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the financial period.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have

been disclosed in the Financial Statements, as required by the applicable accounting standards.

- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

Based on the above para, matters referred in clause (xiv) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
F.R.No.004915S

Place : Chennai
Date : 15.05.2019

S NEELAKANTAN
Partner
Membership No.028656

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s COROMANDEL ENGINEERING COMPANY LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNGSN & ASSOCIATES LLP

Chartered Accountants
F.R.No.004915S

Place : Chennai
Date : 15.05.2019

S NEELAKANTAN
Partner
Membership No. 028656

BALANCE SHEET

(₹ in lakhs)

Particulars		Note No.	As at 31.3.2019	As at 31.03.2018
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	4 a	1,343.22	1,688.49
	(b) Capital work-in-progress		-	-
	(c) Intangible assets	4 b	-	-
	(d) Financial Assets			
	(i) Investments	5	15.37	19.17
	(ii) Trade receivables	6	-	7.93
	(iii) Other Financial Assets		-	-
	(e) Deferred tax assets (net)	7	1,333.75	1,369.50
	(f) Other non-current assets	8	365.00	365.00
	Total Non - Current Assets		3,057.34	3,450.09
2	Current assets			
	(a) Inventories	9	4,068.10	4,373.77
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	10	850.67	935.73
	(iii) Cash and cash equivalents and bank balances	11	10.92	12.03
	(iv) Other Financial assets	12	130.81	126.53
	(c) Other current assets	13	1,048.59	1,174.91
	Total Current Assets		6,109.10	6,622.97
	Total Assets (1+2)		9,166.44	10,073.06
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	14	3,323.36	3,323.36
	(b) Other Equity excluding non-controlling interests	14 a	(2,845.28)	(1,655.02)
	Total equity attributable to owners of the Company		478.08	1,668.34
	Liabilities			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Preference Capital	15	700.00	700.00
	(ii) Borrowings	16	2,838.68	3,589.80
	(iii) Trade payables		-	-
	(iv) Other financial liabilities	17	196.40	154.40
	(b) Provisions	18	28.45	17.87
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-current liabilities		-	-
	Total Non - Current Liabilities		3,763.53	4,462.07
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	2,121.41	1,214.74
	(ii) Trade payables - Micro & Small Enterprise	20	24.94	13.66
	(iii) Trade payables -Others	20	1,181.18	831.44
	(iv) Other financial liabilities	21	1,177.37	1,395.63
	(b) Provisions		-	-
	(c) Other current liabilities	22	419.93	487.18
	Total Current Liabilities		4,924.83	3,942.65
	Total Equity and Liabilities (1+2+3)		9,166.44	10,073.06

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

As per our report of even date
For CNGSN & Associates LLP
Chartered Accountants
F.R.No.004915S

S.Neelakantan
Partner
Membership No.028656

M.A.M. ARUNACHALAM
Director

On Behalf of the Board

M.M.VENKATACHALAM
Chairman

Chennai
15th May 2019

M. NARAYANAN
Chief Financial Officer

C.PARVATHI NAGARAJ
Company Secretary

STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note	For the year ended 31 March, 2019		For the year ended March 31, 2018	
I Revenue from Operations	23	4,571.60		3,250.08	
II Other Income	24	77.63		87.64	
III Total Revenue (I + II)			4,649.23		3,337.72
IV Expenses					
(a) Materials consumed	25	2,048.57		1,249.35	
(b) Changes in Inventories	26	316.96		99.08	
(c) Sub-contracting Expenses		1,343.10		1,532.38	
(d) Employee Benefit Expenses	27	589.59		418.73	
(e) Finance Cost	28	626.82		355.03	
(f) Depreciation and Amortisation Expenses	4	356.44		368.00	
(g) Other Expenses	29	513.91		406.12	
(h) Total Expenses			5,795.38		4,428.69
V Profit/(loss) before tax (III-IV)			(1,146.15)		(1,090.97)
VI Tax expense/(gain)					
(1) Current tax			-		-
(2) Deferred tax			35.75		165.92
VII Net Profit/(loss)after tax			(1,181.90)		(1,256.89)
VIII Add:Other Comprehensive Income/(Loss)					
Items that will not be reclassified to Profit or Loss					
(a) Remeasurements of the defined benefit liabilities / asset			(8.35)		2.34
(b) Equity instruments through other comprehensive income			0.00		1.50
Other Comprehensive Income/(Loss) Total			(8.35)		3.84
IX Total Comprehensive Income			(1,190.25)		(1,253.05)
X Earnings per equity share (Rs)					
(1) Basic			(3.56)		(3.78)
(2) Diluted			(3.56)		(3.78)

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

As per our report of even date
For CNGSN & Associates LLP
Chartered Accountants
F.R.No.004915S

S.Neelakantan
Partner
Membership No.028656

M.A.M. ARUNACHALAM
Director

M. NARAYANAN
Chief Financial Officer

On Behalf of the Board

M.M.VENKATACHALAM
Chairman

C.PARVATHI NAGARAJ
Company Secretary

Chennai
15th May 2019

A. Equity Share Capital - Refer Note no 14

(₹ in lakhs)

Balance as at April 01, 2017	3,323.36
Balance as at March 31, 2018	3,323.36
Balance as at March 31, 2019	3,323.36

B. Statement of changes in other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Investment Allowance Reserve	Securities Premium	Retained earnings	Reserve for equity instruments	
Balance at beginning of the Year - April 01, 2017	7.24	551.72	77.71	2440.80	(3491.91)	12.47	(401.97)
Loss for the year					(1256.89)		(1256.89)
Other Comprehensive income for the year					2.34	1.50	3.84
Total Comprehensive income for the year					(1254.56)	1.50	(1253.05)
Balance at end of the year - March 31, 2018	7.24	551.72	77.71	2440.80	(4746.46)	13.97	(1655.02)
Loss for the year					(1181.90)		(1181.90)
Other Comprehensive income for the year					(8.35)	0.00	(8.35)
Total Comprehensive income for the year					(1190.25)	0.00	(1190.25)
Balance at end of the year - March 31, 2019	7.24	551.72	77.71	2440.80	(5936.72)	13.97	(2845.28)

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

As per our report of even date
For **CNGSN & Associates LLP**
Chartered Accountants
F.R.No.004915S

S.Neelakantan
Partner
Membership No.028656

Chennai
15th May 2019

M.A.M. ARUNACHALAM
Director

M. NARAYANAN
Chief Financial Officer

On Behalf of the Board

M.M.VENKATACHALAM
Chairman

C.PARVATHI NAGARAJ
Company Secretary

CASH FLOW STATEMENT

(₹ in lakhs)

	For the Year ended 31 March, 2019		For the Year ended March 31, 2018	
Cash Flow from Operating Activities				
Net Profit/ (Loss)before tax as per Statement of Profit & Loss		(1,146.15)		(1,090.97)
Adjustments for :				
Depreciation and amortisation expenses	356.44		368.00	
Finance Cost	626.82		355.03	
Interest Income	(57.41)		(17.44)	
Dividend Income	(0.42)		(0.67)	
Provision for doubtful debts no longer required	(10.96)		(26.70)	
(Profit) / Loss on sale/W.off of assets (Net)	(0.20)	914.28	7.84	686.06
Operating Profit before working capital changes		(231.87)		(404.91)
Adjustments for :				
Trade and other Receivables	245.52		1,009.33	
Inventories	305.67		(3,148.52)	
Trade and other Payables	77.75	628.94	24.32	(2,114.87)
Cash Generated from Operations		397.07		(2,519.78)
Direct Taxes Refund/(Paid)(Net)		(17.67)		530.19
Net Cash from/(used) in Operating Activities		379.39		(1,989.59)
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(11.29)		(13.90)	
Sale of Property, Plant and Equipment	0.32		15.10	
Sale of investment	3.80		-	
Interest income	57.41		17.44	
Dividend Received	0.42		0.67	
Net Cash from Investing Activities		50.65		19.31
Cash flow from Financing Activities				
Loans availed/(repaid) (Net)	155.54		2,282.97	
Finance Charges	(584.83)		(313.03)	
Net Cash from/(used in)Financing Activities		(429.29)		1,969.94
Net increase/ (decrease) in Cash and Cash Equivalents		0.75		(0.34)
Opening balance of Cash and Cash Equivalents		1.83		2.17
Closing balance of Cash and Cash Equivalents		2.58		1.83

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

As per our report of even date
For CNGSN & Associates LLP
Chartered Accountants
F.R.No.004915SS.Neelakantan
Partner
Membership No.028656M.A.M. ARUNACHALAM
DirectorM. NARAYANAN
Chief Financial Officer

On Behalf of the Board

M.M.VENKATACHALAM
ChairmanC.PARVATHI NAGARAJ
Company SecretaryChennai
15th May 2019

STATEMENT SHOWING THE APPLICABLE KEY ACCOUNTING STANDARDS UNDER IND AS WITH RELATED ACCOUNTING POLICY AND NOTES REFERENCES FOR THE FINANCIAL STATEMENTS

IND AS NO	Description	Accounting Policy No	Note No
2	Inventories	3.7	9
7	Statement of Cash flows	3.15	11
10	Event after the reporting period		41
12	Income tax	3.12	7
16	Property, Plant and equipment	3.3, 3.5	4a
18	Revenue	3.8	23, 34
19	Employee Benefits	3.11	39
24	Related Party Disclosures		38
33	Earnings per share	3.14	35
37	Provisions, contingent liabilities and assets	3.13	18, 21, 30
38	Intangible assets	3.5	4b
107	Financial Instruments - Disclosures	3.16	40
108	Operating Segments		36
113	Fair Value measurements	3.1	40
115	Revenue from Contracts		23

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. CORPORATE INFORMATION

Coromandel Engineering Company Limited (CEC) was incorporated as a Public Limited Company in the year 1947 and the Equity Shares of the Company are listed in BSE Ltd. CEC is in the business of Construction and Property Development.

2. APPLICATION OF NEW AND REVISED IND AS

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of preparation and presentation of Financial Statements

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III of the Companies Act, 2013 ("the Act"). The financial statements are presented in Indian Rupees (INR), which is also the functional currency.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation

technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use as in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;
- c. Level 3 inputs are unobservable inputs for the asset or liability;

3.2. Use of estimates and judgements

The preparation of the financial statements requires the management to make estimates, assumptions and judgements that affect the reported amount of assets and liabilities, income and expenses. Actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis.

Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

3.3. Property, Plant and Equipment

Property, Plant and Equipment are valued at historical 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.

3.4. Depreciation

Depreciation on tangible assets is provided as per revised useful life contained in Schedule II of the Companies Act, 2013.

3.5. Intangible Assets and amortization

Intangible assets (computer software) acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful life as determined under Schedule II of the Companies Act, 2013.

3.6. Investments in equity instruments at FVTOCI

On initial recognition, the Company had made an irrevocable election on instrument by instrument basis, pertaining to investment in equity instruments, to present the subsequent changes in fair value in other comprehensive income .

Dividend on these investments is recognized when the Company's right to receive the dividend is established and

recognized in profit and loss in "other income" head.

3.7. 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 .

3.8. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be measured, irrespective of when the payment is being made. Revenue is measured at the fair value of the billing whether received or to be received, net of taxes collected on behalf of the Government.

- i) Revenue in respect of Construction Contracts, is recognised on percentage of completion method.
- ii) In case of Property development, Percentage of completion is arrived at as the proportion of costs incurred (including directly attributable borrowing costs) up to the Balance Sheet date to the estimated total project costs.
- iii) In case of indivisible works contracts, revenues are recognized on percentage completion method, synchronised to the billing schedules agreed by the customers.
- iv) 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.

- v) Revenue from Property Development activity is recognised when significant risks and rewards of ownership in the land and/or building are transferred to the customers.
- vi) Bill raised for value of work done in respect of completed and ongoing contracts including retention on bill is disclosed as proceeds on contracts.
- vii) Sale of goods is recognized when the goods are delivered and titles have passed.
- viii) Sales are recorded net of trade discounts/ rebates exclusive of taxes collected on behalf of Government.

3.9. Other Income

- i) Dividend Income from investments is recognized when the right to receive payment has been established.
- ii) Interest Income from a financial asset is recognized and accrued on time proportion basis
- iii) Insurance claims are accounted on the basis of claims admitted and to the extent amount recoverable can be measured reliably

3.10. 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. Borrowing costs attributable to unsold properties that are under development are inventorised and charged to revenue as and when they are sold. All other borrowing costs are recognized in profit and loss in the period they are incurred.

3.11. 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. Leave encashment

This is recognized at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto the reporting date.

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 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 by independent Actuary. Remeasurement,

comprising actuarial gains and losses, the effect of the changes to asset ceiling (if any) and the return on plan assets (excluding net interest), is recognized in Other Comprehensive income in the period in which they occur and this is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of plan amendment.

3.12. Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be received or payable to taxation authorities.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible tax differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3.13. Provisions & Contingent Liabilities/ Assets:

Provisions are recognized for known liabilities that can be measured where the Company has a present obligation as a result of past event. It is probable that the Company will be required to

settle the obligation, and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed for possible obligation which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

3.14. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expenses or income related to the dilutive potential equity shares by the weighted average number of equity shares considered for basic earnings per share and the weighted average number of equity shares including those which could have been issued on the conversion of all dilutive potential equity shares.

3.15. Cash flow statement

Cash flows are reported using the indirect method, whereby the profit/ (loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Company are segregated based on available information.

For this purpose, cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of

three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.16. Financial instruments

Financial assets and liabilities are recognized where the Company becomes a party to the contractual provisions of the instruments. They are initially measured at fair value.

All regular purchases or sale of financial assets are recognized or derecognized on a trade date basis. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending

on the classification of the financial assets.

Debt and equity instruments issued by a Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of financial liabilities and equity instrument.

3.17. Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization into cash/cash equivalents, the operating cycle has been determined as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019**NOTE 4 A PROPERTY, PLANT AND EQUIPMENT**

(₹ in lakhs)

Carrying amounts of:		As at					
		31.03.2019	31.3.2018	01.04.2017			
Office Buildings		0.00	0.00	0.00			
Plant and equipment		1,332.67	1,676.05	2,056.23			
Furniture and fittings		0.35	0.44	0.92			
Vehicles		7.55	10.89	3.32			
Office Equipment		2.53	0.90	2.91			
Computers		0.12	0.21	2.15			
	Total	1,343.22	1,688.49	2,065.53			
	Office Buildings	Plant and equipment	Furniture and Fittings	Vehicles	Office Equipment	Computers	Total
Cost or deemed cost							
Balance at April 1, 2017	23.11	3,889.74	2.69	6.19	52.18	62.16	4,036.07
Additions	-	3.25	-	10.00	0.65	-	13.90
Disposals	-	63.48	1.41	-	24.96	18.94	108.79
Balance at March 31, 2018	23.11	3,829.51	1.28	16.19	27.87	43.22	3,941.18
Additions	-	8.68	-	-	2.48	0.13	11.29
Disposals	-	0.25	-	-	1.88	0.73	2.86
Balance at March 31, 2019	23.11	3,837.94	1.28	16.19	28.47	42.62	3,949.61
Accumulated depreciation and impairment							
Balance at April 1, 2017	23.11	1,833.51	1.77	2.87	49.27	60.01	1,970.54
Depreciation expense	-	363.55	0.09	2.43	1.31	0.62	368.00
Eliminated on disposals	-	43.60	1.02	-	23.61	17.62	85.85
Balance at March 31, 2018	23.11	2,153.46	0.84	5.30	26.97	43.01	2,252.69
Depreciation expense	-	351.95	0.09	3.34	0.84	0.22	356.44
Eliminated on disposals	-	0.14	-	-	1.87	0.73	2.74
Balance at March 31, 2019	23.11	2,505.27	0.93	8.64	25.94	42.50	2,606.39
Carrying amount							
Balance at April 1, 2017	-	2,056.23	0.92	3.32	2.91	2.15	2,065.53
Additions	-	3.25	-	10.00	0.65	-	13.90
Disposals	-	19.88	0.39	-	1.35	1.32	22.94
Depreciation expense	-	363.55	0.09	2.43	1.31	0.62	368.00
Balance at March 31, 2018	-	1,676.05	0.44	10.89	0.90	0.21	1,688.49
Additions	-	8.68	-	-	2.48	0.13	11.29
Disposals	-	0.11	-	-	0.01	-	0.12
Depreciation expense	-	351.95	0.09	3.34	0.84	0.22	356.44
Balance at March 31, 2019	-	1,332.67	0.35	7.55	2.53	0.12	1,343.22

Assets pledged as security

Property, Plant and Equipment have been pledged as security for long term loan taken during the year

Capitalised borrowing cost :

No Borrowing cost has been capitalised on property, plant and equipment for the year ended 31st March 2019 & 31st March 2018

NOTE 4 B**INTANGIBLE ASSETS**

(Amounts in ₹)

Carrying amounts of :	As at		
	31.03.2019	31.3.2018	01.04.2017
Software & Licensing	-	-	-
	-	-	-

		Software and Licensing	Total
Cost or deemed cost			
Balance at April 1, 2017		26.68	26.68
Additions		-	-
Disposals			
Balance at March 31, 2018		26.68	26.68
Additions		-	-
Disposals		-	-
Balance at March 31, 2019		26.68	26.68

		Software and Licensing	Total
Accumulated depreciation and impairment			
Balance at April 1, 2017		26.68	26.68
Amortisation expense		-	-
Balance at March 31, 2018		26.68	26.68
Amortisation expense		-	-
Disposals		-	-
Balance at March 31, 2019		26.68	26.68

		Software and Licensing	Total
Carrying amount			
Balance at April 1, 2017		-	-
Additions		-	-
Amortisation expense		-	-
Balance at March 31, 2018		-	-
Additions		-	-
Amortisation expense		-	-
Balance at March 31, 2019		-	-

Significant intangible assets

The Company does not hold any intangible assets that materially affect the business operations of the company.

NOTE 5
NON CURRENT INVESTMENTS

	Face	Quantity as at		Value as at	
	Value	31.03.2019	31.03.2018	31.03.2019	31.03.2018
(A) Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)	Rs.			Rs. Lakhs	Rs. Lakhs
Shares in companies - Non Trade					
Quoted (fully paid up)					
Cholamandalam Investments & Finance Co Ltd	10	0	262	0.00	3.80
Sri Vajra Granites Ltd	10	100	100	0.00	0.00
Un Quoted (fully paid up)					
New India Co-operative Bank Ltd	10	50000	50000	15.37	15.37

(₹ in lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
(a) Aggregate market value of quoted investments	0.00	3.80
Aggregate carrying value of unquoted investments	15.37	15.37
(b) Financial assets designated at FVTOCI	15.37	19.17
Mandatorily measured at FVTPL	0.00	0.00

NOTE 6
TRADE RECEIVABLES

(₹ in lakhs)

	As at	
	31.03.2019	31.03.2018
a) Unsecured, considered good	-	7.93
b) Doubtful	79.11	90.07
Less: Provision for doubtful receivables	79.11	90.07
	-	7.93

- Trade receivables are generally due between 30 days to 60 days based on submission and certification of invoices.
- Credit risk is managed at client and contract level. At the time of entering into contracts, the credit period is mutually agreed and varies from contract to contract.
- The Company has evaluated on contract to contract basis for computing credit loss allowance, if any, for the receivables.
- Some trade receivables may be past due over 365 days without being impaired considering the certainty of realisation.

NOTE 7**DEFERRED TAX ASSET/(LIABILITY) NET**

(₹ in lakhs)

	As at	
	31.03.2019	31.03.2018
a) Timing Difference		
- Depreciation	(49.09)	(91.31)
- Expenses allowed on payment basis	11.73	23.89
- Provision for doubtful receivables and advances	22.01	25.06
b) Unabsorbed Business losses	1,349.10	1,411.86
	1,333.75	1,369.50

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.

Particulars	Balance as at	Recognised in		Balance as at
	01.04.2018	Profit & loss	Other comprehensive Income	31.03.2019
Breakup for deferred tax assets (net):				
Accelerated depreciation for tax purposes	(91.31)	42.22	-	(49.09)
Expenses allowed on payment basis	23.89	(12.16)	-	11.73
Allowances for doubtful receivables and advances	25.06	(3.05)	-	22.01
Carry forward of unused tax losses	1,411.86	(62.76)	-	1,349.10
	1,369.50	(35.75)	-	1,333.75

Particulars	Balance as at	Recognised in		Balance as at
	01.04.2017	Profit & loss	Other comprehensive Income	31.03.2018
Breakup for deferred tax assets (net):				
Accelerated depreciation for tax purposes	(152.97)	61.66		(91.31)
Expenses allowed on payment basis	25.50	(1.61)		23.89
Allowances for doubtful receivables and advances	38.61	(13.55)		25.06
Carry forward of unused tax losses	1,624.28	(212.42)		1,411.86
	1,535.42	(165.92)	-	1,369.50

NOTE 8**OTHER NON CURRENT ASSETS**

	As at	
	31.03.2019	31.03.2018
Advance for properties	365.00	365.00
Less : Provision for doubtful advances	-	-
	365.00	365.00

**NOTE 9
INVENTORIES**

(₹ in lakhs)

	As at	
	31.03.2019	31.03.2018
a) Raw Materials at cost	267.30	256.02
b) Work-in-Progress at cost	903.75	903.75
c) Finished Apartments at cost	2897.04	3,214.00
	4,068.10	4,373.77

- a. The method of valuation of inventories has been stated in Note No. 3.7
b. The above inventories are expected to be recovered in the normal operating cycle of the Company

**NOTE 10
TRADE RECEIVABLES (UNSECURED)**

	As at	
	31.03.2019	31.03.2018
Unsecured - Considered good Outstanding for a period exceeding six months from the due date of payment		
(a) Unsecured, considered good	23.96	83.40
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	23.96	83.40
Other Receivables		
(b) Unsecured, considered good	826.71	852.33
Doubtful		
Less: Provision for doubtful debts	-	-
	826.71	852.33
Total (a + b)	850.67	935.73

- a) Trade receivables are generally due between 30 days to 60 days based on submission and certification of invoices.
b) Credit risk is managed at client and contract level. At the time of entering into contracts, the credit period is mutually agreed and varies from contract to contract.
c) The Company has evaluated on contract to contract basis for computing credit loss allowance, if any, for the receivables.

NOTE 11**CASH AND CASH EQUIVALENTS AND BANK BALANCES**

(₹ in lakhs)

	As at	
	31.03.2019	31.03.2018
a) Cash on hand	0.32	0.70
b) Current Account balance with Banks	2.26	1.13
Total	2.58	1.83
Restricted balances		
c) Earmarked Accounts - Unclaimed Dividend-Refer Note No 21	-	0.69
d) Margin Money - For Bank Guarantees	8.34	9.51
TOTAL	10.92	12.03

During the year, the Company has not entered into any non-cash transactions on investing and financing activities.

NOTE 12**OTHER FINANCIAL ASSETS**

	As at	
	31.03.2019	31.03.2018
a) Deposits	130.81	126.53
	130.81	126.53

NOTE 13**OTHER CURRENT ASSETS**

	As at	
	31.03.2019	31.03.2018
Loans and Advances to suppliers and subcontractors	70.35	20.91
Unbilled Contract in progress	435.32	552.89
Advance Tax & TDS receivable	56.92	39.24
Balance with Statutory Authorities	460.68	538.65
Others	25.33	23.22
	1,048.59	1,174.91

NOTE 14
EQUITY SHARE CAPITAL

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Authorised		
Equity Shares		
4,00,00,000 (31 st March 2018 : 4,00,00,000) equity shares of Rs.10 each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued		
Equity Shares		
3,32,77,278 (31 st March 2018 : 3,32,77,278) Equity shares of Rs. 10 each#	3,327.73	3,327.73
	3,327.73	3,327.73
Subscribed and Paid Up		
Equity Shares		
3,32,33,598 (31 st March 2018 : 3,32,33,598) Equity shares of Rs. 10 each	3,323.36	3,323.36
	3,323.36	3,323.36

-Issued Equity Share Capital includes 43680 Equity Shares of Rs. 10/- each issued on Rights basis, kept in abeyance due to a pending legal issue

NOTES FORMING PART OF FINANCIAL STATEMENTS**a. Reconciliation of the number of shares outstanding at the beginning and end of the reporting period;**

Equity Shares	31.03.2019	31.03.2018
At the beginning of the period	3,32,77,278	3,32,77,278
Outstanding at the end of the period	3,32,77,278	3,32,77,278

b. Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Rs. 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. Shares in the company held by each shareholder holding more than 5 percent shares					
S No	Name of the Shareholder	As at 31.03.2019		As at 31.03.2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Carborundum Universal Limited	3042900	9.16	3042900	9.16
2	Cholamandalam Home FinanceLtd	2500100	7.52	2500100	7.52
3	Dare Investments Limited	2500100	7.52	2500100	7.52
4	Parry Agro Industries Limited	2500100	7.52	2500100	7.52
5	Parry Infrastructure Company Private Limited	2500100	7.52	2500100	7.52
6	Ambadi Investments Limited	3492579	10.51	3492579	10.51

NOTE 14 A

(₹ in lakhs)

Other equity excluding non-controlling interests.

	As at	As at
	31.03.2019	31.03.2018
a) Capital Reserve	7.24	7.24
b) General Reserve		
As Per last Balance Sheet	551.72	551.72
Add : Transfer from Statement of Profit and Loss	-	-
Add : Transfer from Investment allowance reserve	77.71	
	629.43	551.72
c) Investment Allowance Reserve	0.00	77.71
d) Securities Premium Account	2440.80	2,440.80
e) Retained earnings :		
Balance as per last financial statement	(4,746.46)	(3,491.91)
Add : Net profit/(Loss) after tax for the year	(1,190.25)	(1,254.55)
Appropriations :		
Less : Transfer to General Reserve	-	-
Balance available for Appropriation	(5,936.71)	(4,746.46)
f) Items of Other Comprehensive Income :		
Reserve for equity instruments	13.97	13.97
	(2,845.28)	(1,655.02)

Capital Reserve includes the amounts received as Capital subsidy from Government of Tamil Nadu and those arising out of amalgamation in earlier years

General Reserve is a free reserve, retained from Company's profits and can be utilised upon fulfilling certain conditions in accordance with the Companies Act.

Investment Allowance Reserve consists of reserves created in earlier years (1991-92) as per provisions of Income Tax Act, based on Capital expenditure incurred in those years. Since the period prescribed to be retained by the Act expired, the same is transferred to General Reserves

Securities Premium account represents the premium received towards allotment of 16,47,390 Rights issue shares in 2008-09 and 2,99,38,818 Rights issue shares in 2013-14, net of utilisation for permitted purposes under Companies Act.

Balance will be utilised in accordance of provisions of Section 52 and Section 68 of the Companies Act. Balance in Retained earnings, when positive, can be distributed by the Company as dividends to its equity shareholders, in compliance of the Companies Act and depending on the financial position and dividend policy of the Company.

Reserve for equity instruments represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive income.

NOTE 15
PREFERENCE CAPITAL

(₹ in lakhs)

	As at	
	31.03.2019	31.03.2018
Authorised 25,00,000 (31 st March 2018 : 25,00,000) preference shares of Rs.100 each	2,500.00	2,500.00
Issued 7,00,000 (31 st March 2018 : 7,00,000) Preference Shares of Rs. 100 each issued on Preferential basis	700.00	700.00
Subscribed and Paid Up 7,00,000 (31 st March 2018 : 7,00,000) Preference Shares of Rs. 100 each issued on Preferential basis	700.00	700.00
a. Reconciliation of the number of shares outstanding at the beginning and end of the reporting period;		
At the beginning of the period	700,000	700,000
Issued during the period	-	-
Redeemed during the period	-	-
Outstanding at the end of the period	700,000	700,000
b. Terms/rights attached to preference shares :		
The preference shares are cumulative in nature and by virtue of agreement with Preference Shareholders, the date of redemption is extended upto 22 nd August 2019 and Dividend is waived upto 12 th November, 2014. The Preference Shareholders are entitled to fixed dividend of 7% per annum upto 21st August 2016 and 6% per annum from 22 nd August 2016. Dividend not paid for an year will be paid in arrears, in subsequent year, subject to availability of Profits and other statutory requirements.		

NOTE 16
LONG TERM BORROWINGS

	As at 31.03.2019	As at 31.03.2018
Secured		
Term Loan from Banking company	-	400.00
Term Loan from Non Banking Financial Institution	2,838.68	3,189.80
	2,838.68	3,589.80

- a) Term Loan from Banking Company (2018) is net of current maturities of Rs.400 L (included in note no 21) and is repayable in installments till January 2020. Interest rate is variable linked to 1 year MCLR rate. This loan is secured against Property, Plant and Equipment of the Company
- b) Term Loan from Non Banking Financial Institution is repayable by February 2021, bullet repayment with option for pre-payment out of cash flows arising out of underlying property development assets, against which charge is created for the loan. Interest rate is linked to long term lending rate.

NOTE 17
OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Liability towards fixed dividend on Preference Shares	196.40	154.40
	196.40	154.40

The dividend on Preference Shares due at 7% from 13th November 2014 to 21st August 2016 and at 6% from 22nd August 2016 to 31st March 2019, remains unpaid and provided in "Finance Charges" is included above

NOTE 18
LONG TERM PROVISIONS

	As at 31.03.2019	As at 31.03.2018
a) Provision for Employee benefits	28.45	17.87
	28.45	17.87

The movement in provision for employee benefits reflect the net additional provision made/settlements during the respective periods.

NOTE 19
SHORT TERM BORROWINGS

	As at 31.03.2019	As at 31.03.2018
Secured		
a) Cash Credit from Banks	921.41	414.74
b) Working Capital Demand Loan (Secured by First Pari-passu charge on all current assets of the Company including inventory, WIP, Unbilled work, Receivables, other than those of property development Business)	-	300.00
c) Short term loan from Non Banking Financial Company (Secured against charge on the present and future current assets of Property Development Business)	1,000.00	300.00
Unsecured		
d) Short term loan from Bank	200.00	200.00
	2,121.41	1,214.74

NOTE 20
TRADE PAYABLES

	As at 31.03.2019	As at 31.03.2018
a) For Goods and Services Dues of Micro Enterprises and Small Enterprises (Note 31)	24.94	13.66
b) Dues of Others	1,181.18	831.44
	1,206.12	845.10

NOTE 21**OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

	As at	As at
	31.03.2019	31.03.2018
Secured		
a) Current maturities of long term borrowings	400.00	400.00
Unsecured		
b) Outstanding Liabilities	699.86	939.29
c) Unclaimed Dividends	-	0.69
d) Provision for Employee Benefits	7.54	6.21
e) Other payables	69.97	49.44
	1,177.37	1,395.63

NOTE 22**OTHER CURRENT LIABILITIES**

	As at	As at
	31.03.2019	31.03.2018
a) Advance from customers-PDD	49.89	14.18
b) Advance from Customers	358.34	465.19
c) Statutory Liabilities	11.69	7.81
	419.93	487.18

NOTE 23**REVENUE FROM OPERATIONS**

	For the year ended	
	31.03.2019	31.03.2018
Sale of Services		
a) Proceeds on contract	4,242.79	3,146.43
b) Proceeds on Property development	318.05	94.17
Other Operating revenues		
c) Scrap and Sundry Sales	10.76	9.48
	4,571.60	3,250.08

NOTE 24
OTHER INCOME

(₹ in lakhs)

	For the year ended	
	31.03.2019	31.03.2018
a) Interest Income	57.41	17.44
b) Interest on Income Tax Refund	4.86	41.44
c) Dividend Income	0.42	0.67
d) Profit on Sale of Fixed Assets	0.31	0.01
e) Insurance Claim	-	0.52
f) Provision for doubtful debts no longer required	10.96	26.70
g) Miscellaneous receipts	3.67	0.86
	77.63	87.64

NOTE 25
MATERIALS CONSUMED

	For the year ended	
	31.03.2019	31.03.2018
a) Opening stock of Raw Materials	256.02	222.42
b) Add: Purchases	2,059.85	1,282.95
	2,315.87	1,505.37
c) Less: Closing stock of Raw Materials	267.30	256.02
	2,048.57	1,249.35

NOTE 26
CHANGES IN INVENTORIES

	For the year ended	
	31.03.2019	31.03.2018
a) Opening stock of		
Work-in-progress	903.75	903.75
Finished goods	3,214.00	99.08
b) Purchase		3,214.00
c) Closing stock of		
Work-in-progress	903.75	903.75
Finished goods	2,897.04	3,214.00
(Increase) / Decrease	316.96	99.08

NOTE 27**EMPLOYEE BENEFIT EXPENSES**

(₹ in lakhs)

	For the year ended	
	31.03.2019	31.03.2018
a) Salaries, wages and bonus	498.74	361.30
b) Contribution to provident and other funds	54.43	28.50
c) Staff welfare expenses	36.42	28.93
	589.59	418.73

NOTE 28**FINANCE COST**

	For the year ended	
	31.03.2019	31.03.2018
a) Interest expenses	572.43	293.17
b) Fixed dividend on Preference Shares	42.00	42.00
c) Processing fees and others	12.39	19.86
	626.82	355.03

NOTE 29**OTHER EXPENSES**

	For the year ended	For the year ended
	31.03.2019	31.03.2018
a) Transport & freight	38.53	37.77
b) Power & fuel	11.62	11.00
c) Rent	60.40	56.19
d) Rates and taxes	15.53	31.21
e) Repairs and maintenance		
- Plant and Machinery	5.37	11.42
- Others	17.68	12.12
f) Plant hire charges	83.02	20.86
g) Insurance	32.26	31.79
h) Professional and consultancy charges	113.10	61.82
i) Travelling expenses	55.36	39.88
j) Communication and Postage expenses	24.60	22.92
k) Security & Watchward	23.78	26.88
l) Advertisement, Exhibition and Sales Promotion expenses	3.24	8.22
m) Printing and Stationery	6.94	5.74
n) Loss on sale of Fixed Assets(Net)	-	3.66
o) Fixed Assets written off	0.11	4.18
p) Bank Charges	9.01	4.27
q) Payment to Auditors (see Note 32)	7.16	7.46
r) Directors Sitting Fees	5.00	6.80
s) Miscellaneous expenses	1.21	1.93
	513.91	406.12

NOTE 30**CONTINGENT LIABILITY**

(₹ in lakhs)

	As at 31 March, 2019	As at March 31, 2018
1.1. Estimated amount of contracts remaining to be executed on capital account not provided for	NIL	NIL
1.2. 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)	413.29	1,100.53
1.2. b) Letter of credits issued by the Company's bankers for which the Company has given counter guarantees	97.27	3.14
1.3 Estimated liability on account of certain taxes and duties not provided for		
i) Sales tax /VAT		
Andhra Pradesh VAT for 2006-07 & 2007-08 (against which Rs 32.01 Lakhs (28.37 Lakhs previous year) deposited with the Commercial Tax Officer, Hyderabad)	43.32	43.32
Tamil Nadu-Entry tax for 2012-13 Entire amount of Rs 2.99 Lakhs deposited with the Commercial Tax Officer, Ranipet)	2.99	2.99
Kerala VAT for 2011-12 - tax on disputed turnover and interest thereon. (Rs 0.66 Lakhs paid, appeal filed)	5.60	
Telangana Order passed by DC, VAT 2010-11 to 2012-13 (Appeal filed before SAT, Hyderabad). deposited Rs. 34.28 Lakhs (26.62 Lakhs previous year) Stay obtained from HC for additional collection)	86.50	86.50
NOTE 31 (i) Sundry Creditors include: Principal amount dues to Micro, Small and Medium enterprises in respect of suppliers from whom intimation received on their status under MSME Dev Act, 2006 (Refer Note 20). This is based on information collected by management and relied upon by Auditors	24.95	13.66
NOTE 32 Auditor's Remuneration (included in Note 29)		
Statutory audit fees	4.25	4.25
Tax audit fees	1.40	1.40
Other services	1.35	1.35
Out of pocket expenses	0.16	0.46

(₹ in lakhs)

NOTE 33**Turnover**

	As at 31 March, 2019	As at March 31, 2018
Contract revenue	4,560.84	3,240.59
Service Income	-	-
Scrap & sundry sales	10.76	9.49
NOTE 34 Disclosure relating to Contracts		
Contract revenue recognised	1,892.37	1,935.45
Contract costs incurred	1,790.27	1,755.18
Advances received	358.34	465.19
Retention	473.30	373.80
Dues from customers	226.20	196.00
NOTE 35 Basic/Diluted Earnings Per Share		
- Profit/(loss) attributable to the Equity Shareholders	(1,181.90)	(1,256.89)
- No. of Adjusted Equity Shares Outstanding during the year	33,233,598	33,233,598
- Nominal value of Equity Share (Rs.)	10	10
- Basic Earnings Per Share (Rs.)	(3.56)	(3.78)
- Diluted Earnings Per share (Rs.)	(3.56)	(3.78)
NOTE 36 As the Company's business activity falls within a single significant business segment, viz. "Construction", no separate segment reporting as per Accounting Standard 108 is disclosed		
NOTE 37 Expenditure in Foreign currency	-	-
NOTE 38 Related Party		
M/s Parry Enterprises India Ltd		
Key Management Personnel		
Mr. N. Velappan, Head Projects		
Mr. R. Narayanan, CFO & Company Secretary (Part of year)		
Mr. M. Narayanan, CFO		
Mrs. C. Parvathi Nagaraj, Company Secretary		

(₹ in lakhs)

	As at 31 March, 2019	As at March 31, 2018
Transactions with Related parties		
Payment for services to M/s Parry Enterprises India Ltd	9.26	8.49
Remuneration to Key Management Personnel		
Mr. N. Velappan	31.27	28.91
Mr. R. Narayanan, CFO & Company Secretary (Part of year)	2.44	31.45
Mr. M. Narayanan. CFO	18.34	-
Mrs. C. Parvathi Nagaraj, Company Secretary	1.96	-

NOTE 39**EMPLOYEE BENEFITS****a) Defined Contribution plans :**

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company under the control of trustees. When any employee leaves the plans before full vesting of contributions, the contributions payable by the Company are reduced by the amount of contributions forfeited by said employee.

Contribution to Provident fund and Other funds under defined contribution plans are as follows :

	2018-19	2017-18
Amount recognised in Profit and Loss for the year	46.86	24.88

b) Defined benefit plans :

The Company offers funded defined benefit plans for employees. Under the plans, the employees are entitled to post-retirement benefits amounting to 57.69% of last drawn monthly salary for each year of completed service until retirement age or resignation, subject to having specified years of service with the Company. The defined benefit plans are administered by separate funds, independent of the Company.

The above plans expose the Company to actuarial risks such as Investment, Interest rate, salary and longevity risk. These risks typically arise out of movement in market yields, interest rate movements, rate of increase in salary of participants and their tenure with the Company. Some of the risks are partially offset by counter gains of the fund.

No other Post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and present value of defined benefit obligation were carried out as at 31st March, 2019 by a certified actuary of the Institute of Actuaries of India. The present value of defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

(₹ in lakhs)

Details of Actuarial Valuation of Gratuity

		2018-19	2017-18
i)	Changes in Present Value of Benefit Obligation- Gratuity		
1	Present Value of Benefit Obligation at the beginning of the Period	51.66	62.89
2	Current Service Cost	1.80	1.25
3	Interest Cost	1.60	0.45
4	Benefits Paid	(5.12)	(10.59)
5	Actuarial (Gain)/Loss	8.35	(2.34)
6	Present value of Benefits Obligation at the end of the period	58.30	51.66
ii)	Changes in Fair Value of Plan Assets		
1	Fair Value of Plan Assets at the beginning of the Period	48.25	54.90
2	Expected return on Plan Assets	3.76	3.94
3	Contributions		
4	Benefits Paid	(5.12)	(10.59)
5	Actuarial gain/(Loss) on Plan assets	-	-
6	Fair Value of Plan Assets at the end of the period	46.90	48.25
iii)	Amount recognised in the Balance Sheet		
1	Projected Benefit Obligation at the end of the period	58.30	51.66
2	Fair Value of Plan Assets at the end of the period	46.90	48.25
3	Funded Status of the Plan-Liability/(Asset)	11.40	3.41
iv)	Amount recognised in the Statement of Profit & Loss/Other Comprehensive Income		
1	Current Service Cost	1.80	1.25
2	Interest Cost	1.60	0.45
3	Expected return on Plan Assets	(3.76)	(3.94)
4	Net Actuarial (Gain)/Loss recognised in Other Comprehensive Income	8.35	(2.34)
5	Net Cost of defined benefit plan for the year	7.99	(4.59)
	Of the above, break up for Net Actuarial (Gain)/Loss are as follows:		
	Experience adjustments on plan liabilities-(loss)/gain	(4.03)	2.55
	Impact of change in assumptions on plan liabilities - (loss)/gain	(4.18)	(0.21)
	Experience adjustments on plan assets-(loss)/gain		
v)	Principal Actuarial Assumptions		
1	Discount Rate	7.46%	7.90%
2	Estimated Rate of Return on Plan Assets	7.46%	7.90%
3	Expected rate of Salary increases	6%	6%
4	Attrition Rate	5%	5%
5	Mortality Table used-Indian Assured Lives Mortality (2006-08) Ultimate		

NOTE 40**FINANCIAL INSTRUMENTS****a) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's approach on capital management are

- a) Protecting the ability to continue as a going concern, so that return to shareholders and benefits to other stakeholders can be continuously provided
- b) Maintain capital structure in such a manner to minimise the weighted average cost of capital

Debt to Equity Ratio

Particulars	31.03.2019	31.03.2018
Debt (including Preference Capital) (₹ in lakhs)	6,060.09	5,904.54
Equity (₹ in lakhs)	478.08	1,668.33
Debt to Equity ratio	12.68	3.54

Covenants relating to various loans have been adhered to as on March 31, 2019

b) Categories of financial instruments

Particulars	31.03.2019	31.03.2018
i) Financial assets		
Measured at fair value through Profit or Loss (FVTPL) - mandatorily measured	-	-
Measured at Amortised cost		
- cash and bank balances	10.92	12.03
- Other financial assets	981.49	1,070.19
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated at initial recognition	15.37	19.17
ii) Financial liabilities (including borrowings/preference capital and payables)	8,239.98	7,899.67

c) Financial risk management objectives

Based on the Company's activities, it is exposed to market risk, liquidity risk and credit risk. The following explains the manner in which the Company manages the risk.

- i) Market risk arising from interest rate movement on long term borrowings are monitored through trend and sensitivity analysis and managed through negotiations
- ii) Liquidity risk on account of borrowings and other liabilities are monitored through cash flow analysis and managed through having adequate sanctioned undrawn funded and non funded facilities. This addresses the financial liabilities portion.
- iii) Credit risk on account of trade receivables and financial assets measured at amortised cost are measured through ageing analysis, counter party risk analysis and financial analysis, managed through review of credit limits, follow up and secured mode of payment.

The risk management is governed by policies established with approval of Board of Directors. This is also reviewed by the Risk Management Committee of the Board and monitored by the senior management on periodic basis.

The Company does not have any risk associated with foreign currency transactions or price risk from current investments.

Fair Value measurements

The Company measures some of the financial assets and liabilities at fair value at the end of the reporting period. The following gives the information on how the fair valuation is done :

Financial assets and financial liabilities	Fair value as at		Fair value	Valuation
	31.03.2019	31.03.2018	Hierarchy	techniques
Investments in quoted/actively traded equity instruments at FVTOCI	0	3.8	Level 1	Market quoted bid price
Investments in other equity instruments at FVTOCI	15.37	15.37	Level 3	Valuation based on discounted cash flow

There were no changes in the fair value hierarchy levels in the above periods.

Fair value of financial assets and financial liabilities that are not measured at fair value , but requiring fair value disclosures

Financial assets held at amortised cost :	Carrying value as at		Fair value Hierarchy	Fair value
	31.03.2019	31.03.2018		
Non-Current Financial Assets				
Receivables	-	7.93	Level 2	No change
Current Financial Assets				
Receivables	850.67	935.73	Level 2	No change
Deposits	130.81	126.53	Level 3	No change
Non current financial liabilities				
Borrowings	2,838.68	3,589.80		No change
Preference Capital	700.00	700.00	Level 2	No change
Other financial liabilities	196.40	154.40	Level 2	No change
Current financial liabilities				
Borrowings	2,121.41	1,214.74	Level 2	No change
Trade payables	1,206.12	845.10	Level 2	No change
Other financial liabilities	1,177.37	1,395.63	Level 3	No change

NOTE 41**EVENTS AFTER THE REPORTING PERIOD**

There is no significant event to be reported that happened between the closing date and the date of the meeting of Board of Directors

NOTE 42**APPROVAL OF FINANCIAL STATEMENTS**

The Financial statements were reviewed and recommended by the Audit committee and has been approved by the Board of Directors in their respective meeting held on 15th May, 2019

NOTICE CONVENING THE SEVENTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy First Annual General Meeting of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Wednesday the 24th day of July, 2019 at 10.00 A.M. at No 315, Mini Hall Naradha Gana Sabha, Alwarpet, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon.
2. To appoint a Director in the Place of Mr. M.A.M Arunachalam, (DIN: 00202958), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and if deemed fit, to pass, 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) Second Amendment Rules, 2017, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes 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 accounting records of the Company for the financial year ended 31st March, 2019 be and is hereby ratified and confirmed.

4. To consider and if deemed fit, to pass, 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) Second Amendment Rules, 2017, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes 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 accounting records of the Company for the financial year ending 31st March, 2020 be and is hereby ratified and confirmed.

5. To consider and if deemed fit, to pass, 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 from 01st May 2019 upto 31st March 2020 on the terms and conditions of appointment and remuneration as given under;

Terms & conditions of the appointment

- a) Period of appointment: From 01st May 2019 upto 31st March 2020.
- b) Remuneration:

Sl. No	Particulars	AMOUNT
i	Basic	Rs 1,05,125/- per month till 30 th June 2019 Rs 1,19,755 from 1 st July 2019
ii	Allowances	Rs 1,18,460/- per month till 30 th June 2019 Rs 1,22,825 per month from 1 st July 2019
iii	LTA	13% of Annual Basic
iv	PF/SAF/Gratuity	As per Statutory/trust rules/Company Policy
v	Medical Reimbursement & Hospitalisation	Rs 15,000 each per annum
vi	Car Fuel	Rs 60,000 per annum
vii	Variable pay	RS 6,33,700/- linked to performance

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

6. To consider and if deemed fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. N.V. Ravi (DIN:00165666) who was appointed by the members as an Independent Director of the Company for a term up to the conclusion of the 71st Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose Mr. N.V.Ravi (DIN:00165666) as a candidate for the office of a director of the Company be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years with effect from 25th July, 2019 to 24th July, 2024 be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and deeds, matters and things and also to execute such documents, writings etc., as may be required to give effect to this resolution and do all things incidental and ancillary thereto.

7. To consider and, if deemed fit to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed there under, the consent of the members of the company be and is hereby accorded for the increase of the Authorized Preference Share Capital of the Company from Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 25,00,000 (Twenty Five Lakhs) Preference Shares of Rs.100/- (Rupees Hundred only) each to Rs. 32,00,00,000 (Rupees Thirty Two Crores), divided into 32,00,000 (Thirty Two Lakhs) Preference Shares of Rs.100/- (Rupees Hundred only) each by the creation of additional Rs.7,00,00,000/- (Rupees Seven Crores only) comprising of 7,00,000 (Seven Lakhs) Preference Shares of Rs.100/- (Rupees Hundred only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to this Resolution.

8. To consider and, if deemed fit to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13, and other applicable provisions, if any, of the Companies Act 2013, read with the rules made there under (including any amendment(s), modification(s) or re-enactment(s) thereof) for the time being in force and subject to the provisions of the Articles of Association of the Company, the existing Clause V of the Memorandum of Association of the Company, (“MOA”) relating to the share capital be and is hereby altered by deleting the same and by substituting in place and stead thereof, the following new Clause V as below:

V. The Authorized Share capital of the Company is Rs.72,00,00,000/- (Rupees Seventy Two Crores only) divided Into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten only) each amounting to Rs.40,00,00,000/- (Rupees Forty Crores only) and 32,00,000 (Thirty Two Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each amounting to Rs.32,00,00,000/- (Rupees Thirty Two Crores only). The Company shall have power from time to time to increase or reduce its capital and to issue any part of its capital, original or increased, with or without any preferential rights, privileges, conditions or advantages over or as compared with any shares previously issued or to be thereafter issued, whether in respect of dividend or repayment of capital or both and whether with any special rights of voting or without any right of voting and generally on such terms as the Company may from time to time determine, but so nevertheless that in the event of the capital of the Company (including the original capital) being or becoming divided into shares of different classes, the rights or privileges attached to any class may be affected, altered, modified or dealt with only in accordance with the provisions in that behalf if contained in the Articles of Association of the Company for the time being subject to the provisions of the Companies Act, 2013.

9. To consider and if deemed fit, the following Resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Section 42, 47, 55 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment hereto or re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to all necessary statutory or regulatory approvals, consents, permissions and/ or sanctions as may be deemed necessary including without limitation approvals from the Government of India, Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and all other appropriate authorities, Institutions or Bodies and all other applicable laws, issued from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and subject to the approval of the shareholders in the ensuing 71st Annual General Meeting, the consent of the Board of Directors be and is hereby accorded to offer, issue and allot 23,00,000 7% Cumulative Non-participating Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 23 Crores (Rupees Twenty Three Crores only) on a private placement basis.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to –

- (a) decide and approve the other terms and conditions of the issue subject to agreement with the proposed allottee(s) and also shall be entitled

to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notifications, rules and regulations;

- (b) accept any amendments, modifications, variations and alterations as the Government of India / RBI/ SEBI or any other regulatory authority may stipulate in that behalf;
- (c) allot the preference shares;
- (d) make available the preference shares in dematerialized form with NSDL and/or CDSL, if necessary;
- (e) designate one or more executives or persons as authorized signatories for any of the purposes mentioned above or to give effect to this resolution; and
- (f) approve all other acts and deeds as may be required to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider as necessary or desirable and to obtain any approvals, permissions, sanctions, consents from SEBI, Stock Exchanges, FIPB, RBI and such other authorities which may be necessary or desirable in relation to the issue of preference shares on private placement basis to give effect to this resolution.

On Behalf of the Board

M.M. VENKATACHALAM

(DIN: 00152619)

Chairman

Place: Chennai

Date: 18th June, 2019

NOTES

1. **A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll instead of him/her on a poll only. 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 71st 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. Members are requested to intimate any change in their address, if any, immediately to the Company at its Registered Office quoting their folio number.
4. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed herewith.
5. 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.
6. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. Corporate members intending to send their Authorized 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.
8. Additional information pursuant to regulation 36 of the Listing Regulations and Secretarial Standards for General Meetings, viz. brief resume of Directors proposed to be appointed/ re-appointed at the AGM, 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 are provided in the Explanatory Statement forming part of the notice.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday 17th July, 2019 to Wednesday, 24th July, 2019 (both days inclusive), for the purpose of Annual General Meeting.
10. 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 Karvy Fintech Private Limited (Formerly known as 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.
11. The Securities and Exchange Board of India (SEBI) vide circular ref No.MRD/Dop/ CIR05/2007 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.
12. Copies of the Annual Report 2019 are being sent by electronic mode only to the members whose Email ID's 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 Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited), and have given consent for receiving communication electronically, copies of the Annual Report 2019 are being sent by electronic mode only. For members who have not registered their Email addresses, physical copies of the Annual Report 2019 are being sent by the permitted mode.

13. The Notice of the 71st 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 ID's are registered with the Company/ Registrars Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited), and have given consent for receiving communication electronically, the Notice of the 71st 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.
14. Members may also note that the Notice of the 71st Annual General Meeting and the Annual Report 2019 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 Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) at: einward.ris@karvy.com.
15. 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.
 1. **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 substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote at the 71st 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 Fintech Private Limited (Formerly known as 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, Practicing 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, 2019.

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, 2019 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, 2019, may obtain the User ID and password in the manner as mentioned below:

i. 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](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.

ii. Member may call Karvy's toll free number 1-800-3454-001.

iii. 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, 2019
- End of remote e-voting: At 5.00 p.m. (IST) on July 23, 2019.

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, within 48 hours 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, 2019.

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):

- Open the internet browser and type the following URL: [https:// evoting.karvy.com](https://evoting.karvy.com)
- 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](https://evoting.karvy.com) or contact toll free number 1-800-3454- 001 for your existing password.
- After entering these details appropriately, Click on 'Login'.
- 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.

- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the E-Voting Event Number for Coromandel Engineering Company Limited.
- 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 cutoff date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- 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.
- 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).

- 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)

- Initial password – These will be sent separately.
 - 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.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS: (ITEM NO. 2)

Item No. 2

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) recommends the re-appointment of Mr. M.A.M. Arunachalam (DIN:00202958), Director, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Brief profile of Director

Mr. M.A.M Arunachalam is a graduate in Commerce and has done his Masters in Business Administration from University of Chicago. He has been Director in the Company since 1995. He also holds the post of Director in other Companies like Carborundum Universal Ltd., Parry Enterprises India Ltd, New Ambadi Estates Private Ltd., etc.,

Disclosure of relationships between Directors

Inter-se

Nil

Name of listed entities (other than CEC) in which Mr. M.A.M Arunachalam holds directorship and committee membership - As Annexed

Mr. M.A.M Arunachalam holds 361610 equity shares in the company.

Memorandum of Interest

Except Mr. M A M Arunachalam 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.2 of the Notice.

The Board recommends the resolution set forth in Item no.2 of the Notice for the approval of the members.

Item No 3

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 2018-19 at a remuneration of Rs.75,000/-(Rupees Seventy Five Thousand only) (exclusive of taxes as may be applicable) and reimbursement of out of pocket expenses, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified by the members under the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

Memorandum of Interest

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.3 of the Notice.

The Board recommends the resolution set forth in Item no.3 of the Notice for the approval of the members.

Item No 4

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 2019-20 at a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) (exclusive of taxes as may be applicable) and reimbursement of out of pocket expenses, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified by the members under the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

Memorandum of Interest

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.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

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 Personnel of the Company under Section 203 of the Companies Act, 2013, from 1st May, 2019 to 31st March 2020 on the terms and conditions as mentioned in the notice under item No. 5.

Memorandum of Interest

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.5.

The Board recommends the resolution set forth in Item No.5 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
5. Foreign investments or collaborations, if any - Not applicable

(Rs. in Lakhs)

Parameter	2016-17*	2017-18*	2018-19*
Gross Income	3204.43	3337.72	4649.23
P B T	(785.42)	(1090.97)	(1146.15)
P A T	(767.85)	(1256.89)	(1181.90)
Net worth	2921.39	1668.34	478.08
Dividend on Equity	---	---	---

- Figures for 2016-17, 2017-18 and 2018-19 as per IND AS

II. Information about the appointee:

1. Background details: Worked in Industry for 36 years occupying several senior positions, as given below.
2. Past remuneration : Re-Appointed with effect from 1st May, 2018 and past remuneration as Manager is given below.
3. Recognition or awards : - Nil
4. Job profile and his suitability

Mr. N. Velappan, aged 57 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, Tamil Nadu 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 36 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, the Company had 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 CEC 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 E.I.D. - 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 CEC 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 paid	Amount Proposed
i	Basic	Rs 1,05,125 per month	Rs 1,05,125/- per month till 30 th June 2019 Rs 1,19,755 from 1 st July 2019
ii	Allowances	Rs 1,18,460 per month	Rs 1,18,460/- per month till 30 th June 2019 Rs 1,22,825 per month from 1 st July 2019
iii	LTA	13% of annual basic	13% of Annual Basic
iv	PF/SAF/Gratuity	As per statutory/ trust rules	As per Statutory/trust rules/Company Policy
v	Medical Reimbursement & Hospitalisation	Rs 15,000 per annum	Rs 15,000 each per annum
vi	Car Fuel	Rs 60,000 per annum	Rs 60,000 per annum
vii	Variable pay	Rs 5,81,400 /- linked to performance	RS 6,33,700/- linked to performance

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

Item No.6

Mr. N V Ravi is an architect and he has done his masters in architecture at the University of Michigan Ann Arbor. He was appointed as an Independent Director of the Company at the 66th Annual General Meeting of the Company held on 30th July, 2014 for a term upto the conclusion of the 71st Annual General Meeting of the Company to be held in the calendar year 2019. Based on his skills, experience, knowledge and performance evaluation, it is proposed that Mr. N V Ravi be re-appointed for another term of five consecutive years as Independent Director of the company from 25th July, 2019 to 24th July, 2024 not liable to retire by rotation.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's Report.

The Company has received from Mr. N V Ravi, a declaration in prescribed form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, his consent to act as Director in prescribed form DIR-2 and his disclosure of interest in prescribed form MBP-1.

In the opinion of the Board of Directors, Mr. N V Ravi, the Independent Director proposed to be

re-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. N V Ravi as an Independent Director setting out the terms and conditions would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day up to the date of the 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. N V Ravi as an Independent Director.

Memorandum of Interest

Except Mr. N V Ravi being an appointee, none of the other Directors 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 for the approval of the members.

Item No 7 and 8

In order to raise funds to meet the repayment of debts and also augment working capital requirements, the Board at its meeting held on 18th June 2019 approved the proposal to increase the authorised preference share capital of the Company by the infusion of Capital in the form of issuance of Preference Shares on a Private Placement basis.

The existing Authorised Preference Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores) divided into 25,00,000 (Twenty Five Lakhs) Preference Shares of Rs.100 (Rupees One Hundred) each. /-.

In order to accommodate the further issue of Cumulative Non –Participating Redeemable Preference Shares, it is proposed to increase the Authorised Preference Share Capital from Rs. 25,00,00,000 (Rupees Twenty Five Crores) to Rs 32,00,00,000 (Rupees Thirty Two Crores) comprising of 7,00,00,000 (Rupees Seven Crores) divided into 7,00,000 (Seven Lakhs) Preference Shares of Rs.100/- each.

The aforesaid increase in the Authorised Preference Share Capital by way of induction of the Cumulative Non-Participating Preference Share Capital will also require amendment to the capital clause of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 13 and 61 of the Companies Act 2013, the alteration of the memorandum of association requires the approval of the members of the company by way of passing an ordinary resolution to that effect. Accordingly, the approval of the members is sought to increase the authorised share capital, introduce preference share capital as well as consequently alter the capital clause of the memorandum of association. A draft of the modified Memorandum of Association is available for inspection by the members of the company at its Registered Office during the normal business hours on any working day of the company up to the date of AGM.

Memorandum of Interest

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 & 8 of the Notice.

The Board recommends the ordinary resolution set forth at item no 7 and 8 of the notice for the approval of the members.

Item No.9

In terms of Sections 42 and 55 of the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, a company making an allotment of Preference Shares on private placement basis is required to obtain the approval of the members by way of a Special Resolution, for each of such offer or invitation.

It is proposed to obtain approval of the members under Sections 42, 55 and other applicable provisions, if any, of the Act, read together with the rules made thereunder (to the extent applicable), to enable the Company (hereinafter also called “Issuer”) to make a private placement offer of Cumulative Non-Participating Redeemable Preference Shares (“CNPRPS”) for an amount not exceeding 23 crores on the terms and conditions set out hereunder.

As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, the material facts relating to the aforesaid issue of Cumulative Non-Participating Redeemable Preference Shares (the “CNPRPS Issue”) are as follows:

(a)	The size of the issue and number of Preference share(s) to be issued and nominal value of each share.	23,00,000 (Twenty Three Lakhs) CNPRPS of nominal value of Rs 100 each aggregating to Rs 23 Crores (Twenty Three Crores).
(b)	The nature of such shares i.e. cumulative or non-cumulative, participating or non participating, convertible or non-convertible	The CNPRPS will be cumulative, non-participating and non – convertible.
(c)	The objectives of the issue.	The Proceeds of the issue will be primarily towards repayment of Debt and augment the working capital requirements.
(d)	The manner of issue of shares.	The CNPRPS will be issued on a Private Placement basis.
(e)	The price at which such shares are proposed to be issued	The CNPRPS are proposed to be issued at a nominal value of Rs 100 each.
(f)	The basis on which the price has been arrived at.	The CNPRPS will be issued at par. An Independent valuation report has been used to arrive at this price.

(g)	The terms of issue, including terms and rate of dividend on each share, etc.	The CNPRPS are proposed to be issued for a period not exceeding 20 years from the date of allotment and shall be fully redeemed at par on maturity. Dividend on CNPRPS is payable at 7% p.a.
(h)	The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion.	The CNPRPS may be redeemed early at the option of the Company either in full or in part in accordance of Section 55 of the Companies Act 2013 read with relevant rules thereunder. The CNPRPS are non-convertible and will be redeemed at par value.
(i)	The manner and mode of redemption.	The CNPRPS shall be redeemed in accordance of the Companies Act 2013 read with the relevant rules.
(j)	The current shareholding pattern of the Company.	The Shareholding Pattern of the Company as on March 31, 2019 is annexed to this Notice (Annexure A).
(k)	The expected dilution in equity share capital upon conversion of preference shares.	Not Applicable since the CNPRPS are proposed to be issued on non-convertible basis.

Further, as required under Rule 14 (1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, additional disclosures for issue of preference shares on private placement basis are as follows:

(a)	Particulars of the offer including date of passing of Board resolution.	The Board of directors at the meeting held on 18 th June 2019 approved the issuance of 7% CNPRPS on a private placement basis for an amount not exceeding Rs 23 Crores.
(b)	Kinds of securities offered and the price at which security is being offered	The Company proposes to issue Cumulative Non-Participating Redeemable Preference Shares (CNPRPS) at a nominal value of Rs 100 per share.
(c)	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made.	The CNPRPS will be issued at par. An Independent valuation report has been used to arrive at this price.
(d)	Name and address of valuer who performed valuation.	CA. Sujal Anil Shah SSPA & Co, Chartered Accountants 1 st Floor 'Arjun', Plot No 6A V.P. Road, Andheri (West) Mumbai – 400 058, India.
(e)	Amount which the Company intends to raise by way of such securities.	The Company intends to raise Rs 23 Crores by way of issue of CNPRPS.
(f)	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities.	The Company proposes to issue Cumulative Non-Participating, Non-Convertible Redeemable Preference Shares at a nominal value of Rs 100 each on a private placement basis The CNPRPS are proposed to be issued for a period not exceeding 20 years from the date of allotment The CNPRPS may be redeemed early at the option of the Company either in full or in part in accordance of Section 55 of the Companies Act 2013 read with relevant rules thereunder. The CNPRPS are non-convertible and will be redeemed at par value. The Proceeds of the issue will be primarily towards repayment of Debt and augment the working capital requirements.

Memorandum of Interest

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. 9 of the Notice.

The Board of Directors recommends the Special Resolution set forth at Item No. 9 of the Notice for the approval of the Members.

ANNEXURE A

SHAREHOLDING PATTERN

COROMANDEL ENGINEERING COMPANY LTD				
Shareholding Pattern as on 31 st March 2019				
S NO	DESCRIPTION	NO. OF SHAREHOLDERS	TOTAL SHARES	% EQUITY
1	TRUSTS	1	4800	0.01
2	RESIDENT INDIVIDUALS	4394	7199736	21.66
3	PROMOTERS	26	2099253	6.32
4	NON RESIDENT INDIANS	9	68740	0.21
5	CLEARING MEMBERS	3	3348	0.01
6	PROMOTER COMPANIES	20	21092874	63.47
7	DIRECTORS	3	929650	2.80
8	NON RESIDENT INDIAN NON REPATRIABLE	10	7627	0.02
9	BODIES CORPORATE	65	528528	1.59
10	NBFC	3	29500	0.09
11	DIRECTORS AND THEIR RELATIVES	10	535630	1.61
12	I E P F	1	18838	0.06
13	H U F	230	575744	1.73
14	PROMOTER TRUST	5	139330	0.42
	Total:	4780	33233598	100.00

**PREFERENCE SHAREHOLDING PATTERN AS ON THE DATE OF THIS NOTICE
(7% CUMULATIVE REDEEMABLE PREFERENCE SHARES)**

S.NO	DESCRIPTION	NO OF SHAREHOLDERS	NO OF SHARES HELD	% OF SHAREHOLDING
1.	BODIES CORPORATE	3	7,00,000	100
	TOTAL	7,00,000	7,00,000	100.00

On Behalf of the Board

M.M. VENKATACHALAM

(DIN: 00152619)

Chairman

Place: Chennai

Date: 18th June, 2019

DETAILS AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS REGULATIONS 2015) CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETING

Name of Director	M A M Arunachalam
DIN	00202958
Date of Birth	18/06/1967
Date of Appointment (initial)	06/09/1995
Qualification	Bachelors in Commerce and an MBA from University of Chicago
Expertise in specific functional areas	He has held senior positions covering various functions in the Murugappa Group of Companies spanning a period of two and a half decades.

Directorships in other Companies /Memberships in Board Committees of other Companies

Name of the Company	Board	Audit Committee	Stakeholders Relationship Committee	Other Committees
Carborundum Universal Limited	Director	-	Member	-
Coromandel Engineering Company Limited	Director	Member	Chairman	Corporate Social Responsibility Committee – Member
Ambadi Investments Limited	Director	-	-	-
New Ambadi Estates Private Limited	Director	-	-	-
Parry Enterprises India Limited	Managing Director	-	-	Member – Nomination & Remuneration Committee
AR Lakshmi Achi Trust	Director	-	-	-
MA Murugappan Holdings LLP	Designated Partner	-	-	-

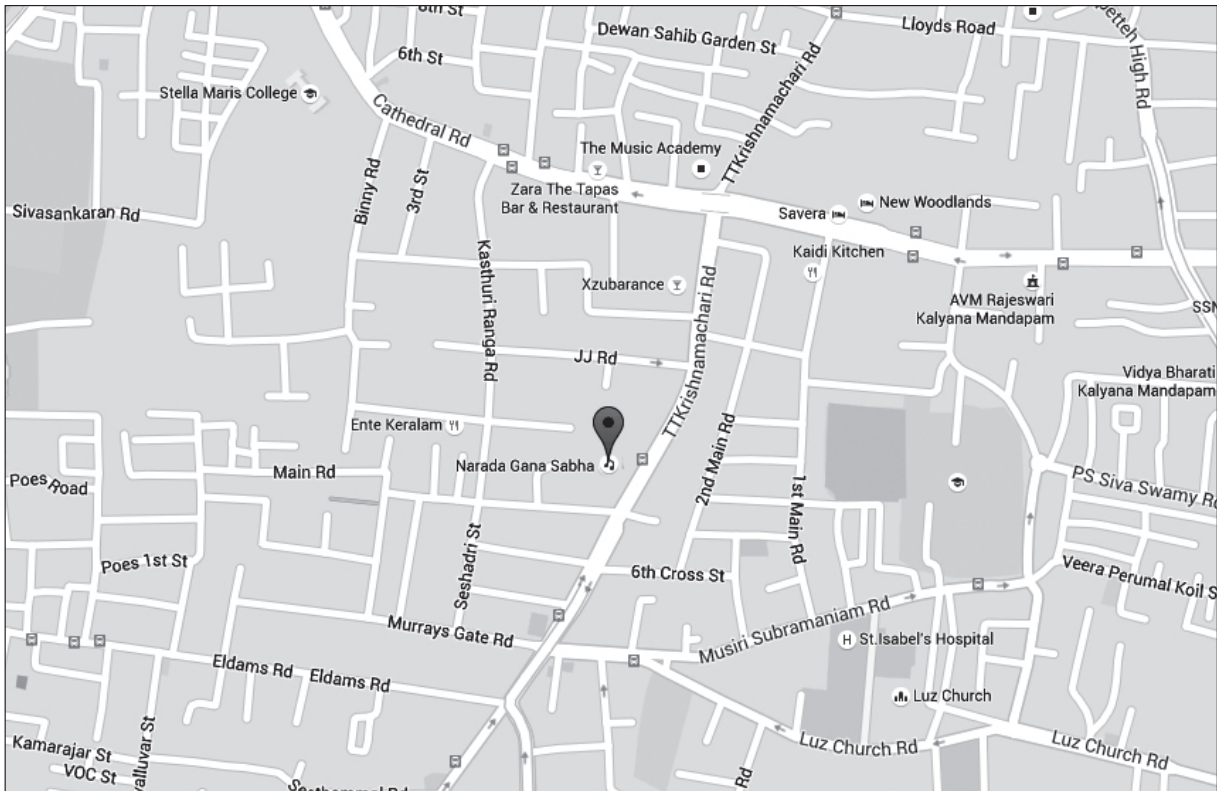
Note : For Further details please refer the Corporate Governance Report Section of the Annual Report

No of Shares held in the Company	361610
Inter Se Relationship with any other Directors of KMP of the Company	NIL

Name of Director	N V Ravi
DIN	00165666
Date of Birth	23/08/1955
Date of first appointment on the Board	28/07/2012
Qualification	Masters in Architecture from University of Michigan Ann Arbor.
Expertise in specific functional areas	Architecture & Civil Engineering
Number of Board Meetings attended during the year	4
List of Directorship held in other Companies	NIL
Membership/ Chairmanship of committees of the Board	1. Audit Committee - Member 2. Nomination and Remuneration Committee - Chairman
Shareholding in the Company	NIL
Relationship with other Director/KMP	NIL

ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING

VENUE: No 315, Mini Hall, Narada Gana Sabha, Alwarpet, Chennai – 600 018.





If undelivered please return to:

COROMANDEL ENGINEERING COMPANY LIMITED

Registered Office :

Parry House, V Floor, 43, Moore Street, Chennai - 600 001

Ph: +91-44-25301700 | www.coromandelengg.com