



## **COROMANDEL ENGINEERING COMPANY LIMITED**

(The Company was incorporated as “The Coromandel Engineering Company Limited” on 03/09/1947 under the Indian Companies Act 1913. The name of the Company was then changed to “The Coromandel Engineering Company Private Limited” on 14/04/1956. The Company was converted into a public limited company and the name of the company was changed to “The Coromandel Engineering Company Limited” on 05/11/1975 and subsequently to “Coromandel Engineering Company Limited” on 24/02/2006 and fresh certificate of incorporation consequent to change of name was obtained from the Registrar of Companies, Chennai.)

**Registered Office:** III Floor, Parry House, 43, Moore Street, Parrys, Chennai – 600001.

**Tel:** 044 - 25341513, **Fax No.:** 25342822

**Contact Person:** Mr. P. R. Sundar, Compliance Officer

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## DEFINITIONS AND ABBREVIATIONS

### Conventional / General Terms

The terms “CECL”, “the Company”, “our Company”, “CEC Limited”, “we” or “us”, “our” or “Company” unless the context otherwise requires, refers to Coromandel Engineering Company Limited. Any discrepancy in any table between the total and the sums of amount listed are due to rounding off.

Terms	Description
Act	The Companies Act, 1956 and the amendments made thereto from time to time
AGM	Annual General Meeting
Articles/Articles of Association	Articles of Association of Coromandel Engineering Company Limited
Auditors	The Statutory Auditors of CECL being M/s. Sundaram & Srinivasan., Chartered Accountants
Bankers to the Company	Indian Bank
Board of Directors / Board	The Board of Directors of CECL
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
EGM	Extraordinary General Meeting
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of CECL, unless otherwise specified
EPS	Earnings Per Share
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each unless otherwise specified in the context thereof
FCNR	Foreign Currency Non Resident Account.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
Financial Year/fiscal year/ FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA/Memorandum/Memorandum of Association	Memorandum of Association of CECL
MSE	Madras Stock Exchange Limited
NR	Non Resident
NRI(s)	Non Resident Indian(s)
Overseas Corporate Body / OCB	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly
P/E Ratio	Price/Earning Ratio

<b>Terms</b>	<b>Description</b>
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Registered Office of the Company	III Floor, Parry House, 43, Moore Street, Parrys, Chennai – 600001
RBI	Reserve Bank of India
Reserve Bank of India Act/ RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
ROC	The Registrar of Companies, Tamil Nadu, Chennai
RoNW	Return on Net worth

<b>Terms</b>	<b>Description</b>
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchanges	MSE & BSE
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

### **Certain Conventions - Use of Market Data**

In this Information Memorandum, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared in accordance with Indian GAAP and the Companies Act included elsewhere in this Information Memorandum. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts mentioned are due to rounding-off.

In this Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”. Throughout this Information Memorandum, all figures have been expressed in lacs. Unless otherwise stated, all references to “India” contained in this Information Memorandum are to the Republic of India.

Industry data used throughout this Information Memorandum has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified by the company. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

## **Forward-Looking Statements**

Statements included in this Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expression or variations of such expressions, that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: -

- General economic and business conditions in India and other countries
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.
- The changes in monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices,
- the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political and social conditions in India.
- The Loss or shutdown of operations of our Company at any time due to strike or Labour unrest.
- The Loss of our Key Employees and Staff.
- Our ability to respond to Technological changes.

## Risk Factors

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*

### A. Internal Risk Factors

#### 1. Litigation Summary

The Following litigations are pending against our Company

(Rs in lacs)

Litigations/Defaults	Total No. of Cases	Total Financial Implications (where quantifiable)
<b>Cases against the Company</b>		
Income Tax, Sales Tax & Excise	3	77.60

#### 2. Losses by Group Companies

Some of group Companies have incurred losses in the last three financial years. The details of the amount of losses incurred by these companies are as given below:

(Rs in Lacs)

Particulars	2009	2008	2007
Kadamane Estate Company (Partnership firm)	-	9.47	-
E.I.D. Parry (India) Limited	-	1658.00	-
Thangamalai Tea Factory Private Limited	3.44	6.45	2.05
New Ambadi Investments and Enterprises Private Limited	0.07	0.64	NA
Chola Insurance Services Private Limited	-	-	9.64
Kartik Investments Trust Limited	1.08	9.25	-

**Note:** ‘-’ mentioned in above table indicates no losses made by the Company in that particular Financial Year

#### 3. We have certain contingent liabilities not provided for in respect of the following:

(Rs. In Lacs)

Particulars	2008-09	2007-08
<b>(A) Guarantees issued by Company's Bankers for which the Company has given counter guarantees (Net of guarantees for Rs.40,319,002/- for which liabilities existing in the books of accounts.)</b>	384.52	290.00
<b>(B) Estimated liability on account of certain taxes and duties not provided</b>		
<b>1) Sales Tax</b> Karnataka Sales Tax Asst.Year 1990-91 after adjusting deposit of Rs.112,000/-	-	5.48

<b>2) Excise Duty</b> Demands under dispute pending in appeals before CEGAT	32.38	32.38
<b>3) Employees State Insurance</b> Demand disputed (Net of Rs.120170/-) deposited included in Advances recoverable under Loans and Advances	-	1.19
<b>4) Income Tax</b> For Assessment year 2005-06 the Company has preferred appeal with CIT (Appeals) against some disallowances and addition made by the Assessing officer.	1.90	1.90
<b>5) Andhra Pradesh VAT Tax for the years 2006-07 and 2007-08.</b> The matter is pending before The Appellate Deputy Commissioner (CT)	43.32	-
<b>(C) Estimated amount of Contracts remaining to be executed on Capital Account not provided for.</b>	5.30	22.57
<b>TOTAL</b>	<b>467.42</b>	<b>353.52</b>

**4. Our registered office is a leased office, non renewal of the lease could have a material adverse effect on our business, financial condition and results of operations**

The company is currently operating out of leased premises. The company's registered office is situated at Parry House, 3rd Floor 43, Moore Street, Chennai - 600 001, which have been leased from Parry (India) Limited. In case of non renewal of the lease, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations.

**5. Our profitability and results of operations may be adversely affected in the event of increases in the prices of raw materials, sub contracting costs, and costs of consumables and spares or other inputs, or a delay in the supply of raw materials or said inputs**

The cost of raw materials, sub contracting costs, costs of consumable and spares, and other input costs constitute a significant part of our operating expenses. Our construction operations require various construction raw materials including steel, cement, bricks, building blocks, ready mixed concrete, wood, timber and plywood. For example cost of raw materials, sub contracting costs, costs of consumable and spares, and other input costs constituted 34.68%, 38.77%, 0.06% and 18.49%, respectively, of our total expenditure in the Financial Year 2008-09. Our ability to pass on increases in the purchase price of raw materials and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Under the terms and conditions of fixed-price contracts, we generally agree to provide services for the part of the project contracted to us for a fixed price, subject to contract variations pursuant to changes in the client's project requirements. Our actual expense in executing a fixed-price contract may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated increases in the cost of raw materials, fuel, labour or other inputs;
- unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by local weather conditions; and
- suppliers' or subcontractors' failures to perform.

**6. *Our ongoing and forthcoming projects may be delayed, cancelled or not fully paid for by our clients***

Our ongoing and forthcoming projects does not necessarily indicate future earnings related to the performance of that work but represents business that is considered firm, but cancellations or scope or schedule adjustments may occur. We may also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in project scope and schedule, as a result of exercises of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent a project will be performed. Delays in the completion of a project can lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, the final payments due to us on a project.

**7. *The completion of our projects can be delayed on account of our dependency on our contracted labour force***

The construction industry is labour intensive and continuous access to qualified labour is critical to our business. We rely on sub-contractors to meet our labour requirements. Currently, we share cordial relations with these sub-contractors. However, we cannot assure that the same will continue in the future. Any strained relations, will severely affect our business requirements, as we may not be able to meet any shortage arising due to this. We also cannot assure that the sub contractors will always meet our labour requirements. Additionally, our operations may also be affected by circumstances beyond our control which may be due to work stoppages, labour disputes and or shortage of qualified skilled labour and lack of availability of adequate infrastructure services or even due to local festivities. Thus, the execution of work on all our projects and consequently, payments for such projects will depend upon the adequate supply of qualified labour by our contractors and the adequate performance work by such labour. A deficiency of service on the part of a contractor or inadequacy in the performance of any work, may result in delayed payment.

**8. *Attracting and Retaining Key personnel***

The success of any company depends upon its management team and key personnel and the Company's ability to attract and retain such persons. The resignation or loss of key management personnel may have an adverse impact on its business, future financial performance and the price of its Equity Shares.

## **External risk factors**

### ***1. Adverse weather conditions can delay the implementation of the projects undertaken by the Company***

Implementation of the projects undertaken by the Company may get delayed due to adverse weather conditions, such as heavy rains and floods. Though the Company makes adequate provisions for non-execution during certain seasons like monsoon, any unforeseen vagaries of nature and season may result in failure of its meeting the contractual obligations and affect its business.

### ***2. Demand for construction services in India depends on domestic, regional and global economic growth***

The construction business is dependent on the level of domestic, regional and global economic growth and development and is directly linked to consumer spending on fixed assets. The rate of growth of India's economy and consequently the demand for construction services in India may fluctuate over the years. During periods of strong growth, demand for such services may grow at a rate as great as, or even greater than, that of the GDP. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business and results of operations.

### ***3. Our business is dependent on the performance of the real estate market in India***

Our business is dependent on the performance of the real estate market in India, and our operations could be adversely affected if market conditions deteriorate. Real estate projects take a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and we have to sell our developed projects during weaker economic periods. Further, the real estate market, both for land and developed properties is relatively illiquid, which may limit our ability to respond promptly to market events and our financial results are more sensitive to changes and downturns within our industry than companies with more diversified lines of business.

### ***4. A slowdown in economic growth in India could cause our business to suffer.***

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

### ***5. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.***

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has

changed many times since 1996. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities could change as well. The fallout of the global financial crisis on the Indian economy has been palpable in the industry. At the same time, the Indian economy has shock absorbers that will facilitate early revival of growth. First, the banks are financially sound and well capitalized. The foreign exchange reserves position remains comfortable and the external debt position has been within the comfort zone. While there are indications that the economy may have weathered the worst of the downturn, in part, due to the resilience of the economy and also various monetary and fiscal measures initiated during 2008-09, nevertheless, the situation warrants close watch on various economic indicators including the impact of the economic stimulus and developments taking place in the international economy. In view of the above Indian government coalitions have been advised to continue liberalization

**6. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

**Notes:**

- 1) The net worth of the Company as on 31st March, 2009 is Rs. 1572.99 Lacs.
- 2) The book value of the equity shares of the Company as on 31st March, 2009 is Rs. 47.74 per equity share.
- 3) The promoters of the Company / other Companies in the promoter group, apart from normal commercial transactions and their shareholding in the Company, have no other interests in the Company either by itself or through their interests in other companies in the promoter group.

## INTRODUCTION

*The Industry information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company or any of their respective affiliates or advisors or the sources referred to herein.*

### INDUSTRY SUMMARY

#### Construction Industry

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

Due to fiscal constraints, Government is increasing emphasis on participation of private sector in this field and projects are being carried out in public-private partnership as well as BOT (Build – Operate – Transfer) mechanism. Also some projects undertaken by Government like NHDP (National Highway Development Programme) and PMGSY (Pradhan Mantri Gram Sadak Yojana) are providing necessary momentum to rapid growth of this industry.

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

#### Growth potential in real estate & construction industry

- Several factors are expected to contribute to the rapid growth in Real Estate.
  - Large demand-supply gap in affordable housing, with demand being fuelled by tax incentives and a growing middle class with higher savings.
  - Increasing demand for commercial and office space especially from the rapidly growing Retail, IT/ ITeS and Hospitality sectors.
  - The recently announced JNNURM expected to provide further impetus.
- Investment opportunities exist in almost every segment of the business.
  - Housing: About 20 million new units expected to be built in five years.
  - Office space for IT/ITeS: Five-fold increase in office space requirement over the next 3 years.
  - Commercial space for organised retailing: 200 million sq. ft. by 2010.
  - Hotels & Hospitality: Over 40,000 new rooms in the next 5 years.
- Investment opportunity of over US\$75 billion in the next five years.
- Major foreign institutional investors including Morgan Stanley, Goldman Sachs, Merrill Lynch, AIG, Blackstone and Calpers have invested/are investing in Indian real estate.  
(Source: [www.investmentcommission.in](http://www.investmentcommission.in))

## **New Projects**

- Zuri Group Global is planning to invest about US\$ 247.5 million towards setting up five-star business hotels and luxury residential properties over the next three years.
- An investment of US\$ 627.3 million will be made by industries in the Aerospace and Precision Engineering Special Economic Zone at Adibatla, Andhra Pradesh.
- Unitech will invest US\$ 853.42 million in construction of up to 30 million sq ft of residential and commercial spaces to be launched by next year.
- Real estate developer The 3C Company will develop an affordable housing project over 41 acres of land in Noida at an investment of US\$ 519.93 million.
- A consortium consisting of the Essel Group and Delhi-based Bhushan Steel and Power will develop an amusement, theme and knowledge city over 250 acres at Kharghar in Navi Mumbai. The total value of the transaction is US\$ 454.95 million making it, in absolute terms, one of the largest real estate transactions in India.
- Tata Realty and Infrastructure Limited (TRIL) will develop a US\$ 758.47 million IT Special Economic Zone (SEZ) in Chennai. (Source: [http://www.ibef.org/artdispview.aspx?art\\_id=25260&cat\\_id=381&in=60](http://www.ibef.org/artdispview.aspx?art_id=25260&cat_id=381&in=60))

## **COMPANY SUMMARY**

We belong to the 'Murugappa Group of Companies'. Presently we are engaged in two distinct activities namely:

- **Construction**
- **Property Development**

### **Construction**

We are providers of integrated turn-key construction services and have executed or are executing projects across all states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical and electrical ("M&E"), plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions.

We are a professionally managed company headed by civil engineers, and have constructed significant industrial structures for leading industrial houses and government organizations. Construction of power plants, pre-fabricated buildings, turbo generator foundations and other mass foundations has been a fulfilling experience. We specialize in construction of silos for cement plants and tall tapering structures for T.V.Towers using imported slip form equipment.

As of December 31, 2009, the total value of our order book was Rs. 7916 Lacs. These projects include industrial structures, commercial building & educational institution. Our order book consists of unbilled portions of our ongoing projects and projects for which we have received orders and are yet to commence construction.

## **Property Development**

We are also into the business of property development, with our significant operations in the State of Tamilnadu. Our business focuses on Real Estate Development of Residential and Commercial sector. We have an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

We commenced our property development activity in the year 1987-88. Since then we have developed over 30 residential projects covering approximately 6.54 lacs square feet of Saleable area. Our commercial projects are a mix of office space. We usually follow an “Undivided Land sale & Construction Contract” model for the properties we develop.

Our income from proceeds of contract jobs and merchant sales for the nine months ended December 31, 2009 and for financial year ended March 31, 2009, were Rs. 6,109.86 lacs, Rs.10024.63 lacs, respectively.

## **COMPETITIVE STRENGTHS**

We believe that the following are our primary competitive strengths:

### **• Experienced Management and Employees**

Headed by Civil Engineers, our management team has significant experience in the construction & property development sector. Our management and professional personnel have extensive experience in anticipating market trends, identifying new markets and potential sites for development. Their experience includes relationships with the suppliers from whom we source construction materials and the contractors we engage for construction services, allowing us to better manage the quality, schedule and cost of the materials and construction in our projects. We believe that this experience and expertise will enable us to replicate our business model in other geographic areas of India and for other types of projects.

### **• Established Reputation for Quality Projects and Construction**

Since our incorporation in 1947, we have successfully completed several projects. We have never experienced any significant quality issues nor have we ever been cited for any material deficiencies in construction of our projects. We believe customers identify our projects with quality construction and, as a result, we enjoy customer confidence, enhancing our ability to sell our projects.

### **• Our standardised and documented internal processes.**

Under the guidance of our Management, we have documented our internal processes and methodologies which ensure that each department and each employee of our Company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that we have set for ourselves. This also ensures uniformity in all our processes.

### **• ISO Certification**

Our Company has obtained ISO 9001: 2008 and BS OHSAS 18001: 2007 certificates from the Certifying Body TUV SUD.

## FINANCIAL INFORMATION

### Statement of Assets & Liabilities

(Rs. in lacs)

Particulars	As on		
	31.03.2009	31.03.2008	31.03.2007
<b>Fixed assets</b>			
Gross Block	1520.89	829.32	343.56
Less: Depreciation	220.03	135.55	94.54
Net Block	1300.86	693.77	249.02
Add Capital work-in Progress	53.38	19.72	-
<b>Total Fixed Assets</b>	<b>1354.24</b>	<b>713.49</b>	<b>249.02</b>
<b>Investment</b>	<b>1.25</b>	<b>1.20</b>	<b>1.12</b>
<b>Deferred Tax Asset(Liability)</b>	<b>(47.27)</b>	<b>(12.56)</b>	<b>0.37</b>
<b>Current Assets Loans &amp; Advances</b>			
Interest Accrued	6.72	5.35	4.80
Inventories	1714.65	680.73	551.04
Sundry Debtors	3053.70	2476.07	1,665.06
Cash & Bank Balances	164.55	136.94	138.19
Loans & Advances	2175.36	3502.53	1,570.96
<b>Total</b>	<b>7114.98</b>	<b>6801.62</b>	<b>3,930.05</b>
<b>Total Assets (A)</b>	<b>8423.20</b>	<b>7503.75</b>	<b>4180.56</b>
<b>Liabilities and Provisions</b>			
Secured Loans	3605.87	2297.71	1,293.47
Unsecured Loans	400.00	700.00	651.98
Current Liabilities & Provision	2837.10	3574.76	1,607.23
<b>Total Liabilities (B)</b>	<b>6842.97</b>	<b>6572.47</b>	<b>3552.68</b>
<b>Net Worth</b>	<b>1580.23</b>	<b>931.28</b>	<b>627.88</b>
<b>Represented by</b>			
<b>Equity Share Capital</b>	<b>329.48</b>	<b>164.74</b>	<b>164.74</b>
Reserves & Surplus			
- Capital Reserve	7.24	7.24	7.24
- General Reserve	500.72	315.72	183.13
- Investment Allowance Reserve	77.71	77.71	77.71
- Securities Premium	135.88	—	—
- Balance in Profit & Loss Account	529.20	365.87	195.06
<b>Total Reserves &amp; Surplus</b>	<b>1250.75</b>	<b>766.54</b>	<b>463.14</b>
<b>Less : Miscellaneous Expenses (To the extent not written off)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Worth</b>	<b>1580.23</b>	<b>931.28</b>	<b>627.88</b>

## Summary Statement of Profit & Loss

(Rs. in lacs)

Particulars	For the Financial Year ended		
	31.03.2009	31.03.2008	31.03.2007
<b>Income</b>			
Proceeds on Contract Jobs	10,005.36	6,654.95	4,433.28
Merchant sales	19.28	145.89	69.11
Other Income	37.85	22.87	19.02
<b>Total</b>	<b>10,062.49</b>	<b>6,823.71</b>	<b>4,521.41</b>
<b>Expenditure</b>			
(Increase)/Decrease in work in progress	(598.57)	(153.58)	9.57
Contract Expenses	9,327.17	5,921.29	3,958.04
Cost of Merchant sales	18.68	142.67	68.30
Salaries & Other Benefits	181.49	157.02	96.97
Other Expenses	226.63	125.85	91.48
<b>Total</b>	<b>9155.40</b>	<b>6,193.25</b>	<b>4224.36</b>
<b>Net Profit Before Interest, Depreciation, Tax and Extra-ordinary Items</b>	<b>907.09</b>	<b>630.46</b>	<b>297.05</b>
Depreciation	85.33	42.87	25.14
Interest & Financial Charges	107.54	60.09	20.09
<b>Profit/Loss before Tax and Extra-ordinary items</b>	<b>714.22</b>	<b>527.50</b>	<b>251.82</b>
Current Tax	206.63	81.70	44.85
Deferred tax	34.71	29.62	1.96
Fringe Benefit Tax	5.87	3.31	2.05
<b>Profit/Loss after Tax but before Extra-ordinary Items</b>	<b>467.01</b>	<b>412.87</b>	<b>202.96</b>
Extra-ordinary Income/ (Expenditure)	-	-	-
<b>Profit/Loss after Extra-ordinary Items</b>	<b>467.01</b>	<b>412.87</b>	<b>202.96</b>
<b>Profit available for appropriation</b>	<b>467.01</b>	<b>412.87</b>	<b>202.96</b>
<b>Add / (Less):</b> Taxation relating to earlier years.	(3.04)	-	1.06
<b>Add :</b> Transfer from Subsidiary on Merger			21.98
<b>Less:</b> Proposed Dividend	98.84	65.90	41.18
<b>Less:</b> Tax thereon	16.80	11.17	7.00
<b>Less:</b> Transfer to General Reserve	185.00	165.00	21.00
<b>Add:</b> Balance brought forward from last year	365.86	195.06	38.25
<b>Profit Transferred to B/S</b>	<b>529.19</b>	<b>365.86</b>	<b>195.07</b>

### General Information

<b>Name of the Company</b>	<b>COROMANDEL ENGINEERING COMPANY LIMITED</b>
<b>Changes in the name of the Company</b>	Originally incorporated as "The Coromandel Engineering Company Limited" on 03/09/1947 under the Indian Companies Act 1913. The name of the Company was then changed to "The Coromandel Engineering Company Private Limited" on 14/04/1956. The Company was again converted into a public limited company and the name of the company was changed to "The Coromandel Engineering Company Limited" on 05/11/1975 and subsequently to "Coromandel Engineering Company Limited" on 24/02/2006 and fresh certificate of incorporation consequent to change of name was obtained from the Registrar of Companies, Chennai.
<b>Corporate Identification No.</b>	L74910TN1947PLC000343
<b>Registered Office</b>	Parry House, 3rd Floor 43, Moore Street, Chennai - 600 001.
<b>Registration No.</b>	18-000343
<b>Contact person</b>	Mr. P.R.Sundar, Compliance Officer.
<b>Address of ROC</b>	II Floor, Shastri Bhavan, No 26, Haddows Road, Nungambakkam, Chennai - 600 026

### BOARD OF DIRECTORS

<b>Name of the Director</b>	<b>Designation</b>	<b>Status</b>
Mr.M.M.Venkatachalam	Chairman	Non Executive Director, Chairman
Mr.M.A.M.Arunachalam	Director	Non Executive Director
Mr.J.Srinivasan	Director	Non Executive Independent Director
Mr.V.Venkateswaran	Director	Non Executive Independent Director
Mr. S.S.Rajsekar	Director	Non Executive Independent Director
Mr. K E Ranganathan	Director	Non Executive Director
Mr.Sridhar Ganesh	Director	Non Executive Independent Director
Mr. Jitender Virwani	Director	Non Executive Independent Director

## CAPITAL STRUCTURE OF THE COMPANY

Details as on the date of this Offer Document	Aggregate Nominal Value (Rs.)
<b>A. Authorised Capital</b> 40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
<b>B. Issued, Subscribed &amp; Paid-up Capital</b> 32,94,780 Equity Shares of Rs. 10/- each, fully paid – up	3,29,47,800
<b>C. Share Premium Account</b>	1,64,73,900

### Notes to Capital Structure:

#### 1. Changes in the Authorised Capital of the Company since inception is as follows:

Sr. No.	Details of increase in authorised share capital	Date
1	Incorporation Rs. 7.00 lacs divided into 7,000 equity shares of Rs.100 each	03/09/1947
2	Increased to Rs. 14.00 lacs divided into 14,000 equity shares of Rs. 100 each	28/11/1960
The face value of shares were reduced from Rs. 100/- to Rs. 10/- vide resolution passed at the the Extra ordinary general body meeting dated 16/04/1975		
3	Increased to Rs. 25 lacs divided into 2,50,000 equity shares of Rs. 10/- each	16/04/1975
4	Increased to Rs. 70.00 lacs divided into 7,00,000 equity shares of Rs. 10 each	08/09/1978
5	Increased to Rs. 160.00 lacs divided into 16,00,000 equity shares of Rs. 10 each	29/09/1986
6	Increased to Rs. 400.00 lacs divided into 40,00,000 equity shares of Rs. 10 each	15/04/1992

#### 2. Details of increase in the paid-up Equity Share capital are as follows:

Date of Allotment	Face Value (Rs.)	Issue Price (Rs.)	No. of Shares	Cumulative No. of shares	Nature of allotment	Consideration
04/09/1947	100	100	3,500	3,500	Subscribers to MOA	Cash
15/11/1951	100	100	1,750	5,250	Further issue of shares	Cash
01/10/1953	100	100	1750	7,000	Further issue of shares	Cash
28/11/1960	100	100	2,333	9,333	Further issue of shares	Cash
19/03/1966	100	100	667	10,000	Further issue of shares	Cash

<b>Date of Allotment</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>No. of Shares</b>	<b>Cumulative No. of shares</b>	<b>Nature of allotment</b>	<b>Consideration</b>
21/07/1972	100	100	2,000	12,000	Further issue of shares	Cash
The face value of shares were reduced from Rs. 100/- to Rs. 10/- vide resolution passed at the Extra ordinary general body meeting dated 16/04/1975						
01/10/1975	10	10	40,000	1,60,000	Further issue of shares	Cash
16/13/1979, 26/03/1979 & 29/03/1979	10	10	80,000	2,40,000	Further issue of shares	Cash
14/11/1983	10	Nil	1,44,000	3,84,000	Bonus (Ratio 3:5)	Nil
31/03/1989	10	10	1,295	3,85,295	Further issue of shares to the share holders of Polutech Ltd. (Ratio-1:4) on its amalgamation with CECL	Consideration other than cash
31/08/1989	10	10	3,85,295	7,70,590	Rights Issue (Ratio-1:1)	Cash
31/08/1989	10	10	1,800	7,72,390	Allotted to employees	Cash
24/08/1992	10	10	8,75,000	16,47,390	Further issue of shares to The Share Holders Of Coromandel Prodorite Private Ltd. (Ratio-1:4) on its amalgamation with CECL	Consideration other than cash
14/10/2008	10	20	16,47,390	32,94,780	Rights Issue (Ratio 1:1)	Cash
<b>TOTAL</b>			<b>32,94,780</b>			

<b>Statement Showing Shareholding Pattern as on 31.12.2009</b>					
<b>Category of Shareholder</b>	<b>Number of Shareholders</b>	<b>Total number of shares</b>	<b>No. of shares held in demat form</b>	<b>Total shareholding as a percentage of total number of shares</b>	
				<b>As a percentage of(A+B)<sup>1</sup></b>	<b>As a percentage of (A+B+C)</b>
<b>Shareholding of Promoter and Promoter Group</b>					
<b>Indian</b>					
Individuals/ Hindu Undivided Family	40	20,87,983	18,95,025	63.37	63.37
Central Government/ State Government(s)	0	0	0	0	0
Bodies Corporate	11	3,65,937	3,26,967	11.11	11.11
Financial Institutions/ Banks	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0
<b>Sub Total(A)(1)</b>	<b>51</b>	<b>24,53,920</b>	<b>22,21,992</b>	<b>74.48</b>	<b>74.48</b>
<b>Foreign</b>					
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0
Bodies Corporate	0	0	0	0	0
Institutions	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>51</b>	<b>24,53,920</b>	<b>22,21,992</b>	<b>74.48</b>	<b>74.48</b>
<b>Public shareholding</b>					
<b>Institutions</b>					
Mutual Funds/ UTI	0	0	0	0	0
Financial Institutions / Banks	1	2,400	2,400	0.07	0.07
Central Government/ State Government(s)	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0
Insurance Companies	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0
Any Other (specify)	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>2,400</b>	<b>2,400</b>	<b>0.07</b>	<b>0.07</b>
<b>Non-institutions</b>					
Bodies Corporate	14	32,842	26,230	1.00	1.00
<b>Individuals</b>					
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	693	2,48,146	1,45,890	7.53	7.53
ii. Individual shareholders holding	13	5,57,472	2,31,670	16.92	16.92

<b>Statement Showing Shareholding Pattern as on 31.12.2009</b>					
<b>Category of Shareholder</b>	<b>Number of Shareholders</b>	<b>Total number of shares</b>	<b>No. of shares held in demat form</b>	<b>Total shareholding as a percentage of total number of shares</b>	
				<b>As a percentage of (A+B)<sup>1</sup></b>	<b>As a percentage of (A+B+C)</b>
nominal share capital in excess of Rs. 1 lakh.					
Any Other					
<b>Sub-Total (B)(2)</b>	<b>720</b>	<b>8,38,460</b>	<b>4,03,790</b>	<b>25.45</b>	<b>25.45</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>721</b>	<b>8,40,860</b>	<b>4,06,190</b>	<b>25.52</b>	<b>25.52</b>
<b>TOTAL (A)+(B)</b>	<b>772</b>	<b>32,94,780</b>	<b>26,28,182</b>	<b>100.00</b>	<b>100.00</b>
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>772</b>	<b>32,94,780</b>	<b>26,28,182</b>	<b>100.00</b>	<b>100.00</b>

## **ABOUT THE COMPANY**

*The Industry information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company or any of their respective affiliates or advisors or the sources referred to herein.*

*In this Section, we have relied on and referred to information regarding the industry and competitors from market research reports, and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information.*

## **INDUSTRY OVERVIEW**

### **Construction Industry**

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

Due to fiscal constraints, Government is increasing emphasis on participation of private sector in this field and projects are being carried out in public-private partnership as well as BOT (Build – Operate – Transfer) mechanism. Also some projects undertaken by Government like NHDP (National Highway Development Programme) and PMGSY (Pradhan Mantri Gram Sadak Yojana) are providing necessary momentum to rapid growth of this industry.

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

### **Real Estate Sector**

The Indian real estate sector plays a significant role in the country's economy. The real estate sector is second only to agriculture in terms of employment generation and contributes heavily towards the gross domestic product (GDP). Almost five per cent of the country's GDP is contributed to by the housing sector. In the next five years, this contribution to the GDP is expected to rise to 6 per cent.

Faster economic growth in Brazil, Russia, India and China (BRIC) could result in the property markets of those nations recovering at a faster rate than the UK and US real estate markets. It has also been expected that India's property sector could begin to improve from late 2009 and may attract up to US\$ 12.11 billion in real estate investment over a five-year period.

Almost 80 per cent of real estate developed in India is residential space, the rest comprises of offices, shopping malls, hotels and hospitals. According to the Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million

housing dwelling units will have to be constructed with a majority of them catering to middle- and lower-income groups.

Moreover, India leads the pack of top real estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute, a global non-profit education and research institute.

Residential properties are viewed as more promising than other sectors and Mumbai, Delhi and Bangalore top the pack in the hotel 'buy' prospects as well. The study is based on the opinions of over 270 international real estate professionals, including investors, developers, property company representatives, lenders, brokers and consultants.

Apart from the huge demand, India also scores on the construction front. The average profit from construction in India is 18 per cent, which is double the profitability for a construction project undertaken in the US.

The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). The REITs would have the potential to hold at least 5 per cent share of the total global real estate market by 2010, the size of which would reach US\$ 1,400 billion in the next three years. The paper titled, 'Indian REITs; Are We Prepared', says that by 2010, REITs alone would hold a market size of US\$ 70 billion of the total real estate market as its concept is gaining ground in countries like India and other developing nations.

According to the Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian real estate sector is likely to experience consolidation wherein bigger players may opt for outright buy of smaller firms or forge joint ventures or business alliances with them.

Foreign direct investment (FDI) into India in the real estate sector for the fiscal year 2008-09 has been US\$ 12.62 billion approximately, according to the latest data given by the Department of Policy and Promotion (DIPP).

Moreover, buoyed by positive market sentiment and demand revival in housing, four real estate companies—Emaar MGF Land, Lodha Developers, Sahara Prime City and Ambience Ltd—are looking to mop-up over US\$ 2.35 billion through public offerings. (Source: [http://www.ibef.org/artdispview.aspx?art\\_id=25260&cat\\_id=381&in=60](http://www.ibef.org/artdispview.aspx?art_id=25260&cat_id=381&in=60))

### **Growth potential in real estate & construction industry**

- Several factors are expected to contribute to the rapid growth in Real Estate.
  - Large demand-supply gap in affordable housing, with demand being fuelled by tax incentives and a growing middle class with higher savings.
  - Increasing demand for commercial and office space especially from the rapidly growing Retail, IT/ ITeS and Hospitality sectors.
  - The recently announced JNNURM expected to provide further impetus.
- Investment opportunities exist in almost every segment of the business.
  - Housing: About 20 million new units expected to be built in five years.
  - Office space for IT/ITeS: Five-fold increase in office space requirement over the next 3 years.
  - Commercial space for organised retailing: 200 million sq. ft. by 2010.
  - Hotels & Hospitality: Over 40,000 new rooms in the next 5 years.
- Investment opportunity of over US\$75 billion in the next five years.

- Major foreign institutional investors including Morgan Stanley, Goldman Sachs, Merrill Lynch, AIG, Blackstone and Calpers have invested/are investing in Indian real estate. (Source: [www.investmentcommission.in](http://www.investmentcommission.in))

### **New Projects**

- Zuri Group Global is planning to invest about US\$ 247.5 million towards setting up five-star business hotels and luxury residential properties over the next three years.
- An investment of US\$ 627.3 million will be made by industries in the Aerospace and Precision Engineering Special Economic Zone at Adibatla, Andhra Pradesh.
- Unitech will invest US\$ 853.42 million in construction of up to 30 million sq ft of residential and commercial spaces to be launched by next year.
- Real estate developer The 3C Company will develop an affordable housing project over 41 acres of land in Noida at an investment of US\$ 519.93 million.
- A consortium consisting of the Essel Group and Delhi-based Bhushan Steel and Power will develop an amusement, theme and knowledge city over 250 acres at Kharghar in Navi Mumbai. The total value of the transaction is US\$ 454.95 million making it, in absolute terms, one of the largest real estate transactions in India.
- Tata Realty and Infrastructure Limited (TRIL) will develop a US\$ 758.47 million IT Special Economic Zone (SEZ) in Chennai. (Source: [http://www.ibef.org/artdispview.aspx?art\\_id=25260&cat\\_id=381&in=60](http://www.ibef.org/artdispview.aspx?art_id=25260&cat_id=381&in=60))

### **Government Initiatives**

The government has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels. The stimulus package announced by the government, coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector, is likely to impact the Indian real estate sector in a positive way. RBI has decided to extend exceptional concessional treatment to the commercial real estate exposure which are restructured, up to June 30, 2009.

- 100 per cent FDI allowed in realty projects through the automatic route.
- In case of integrated townships, the minimum area to be developed has been brought down to 25 acres from 100 acres.
- Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) repealed by increasingly larger number of states.
- Minimum capital investment for wholly-owned subsidiaries and joint ventures stands at US\$ 10 million and US\$ 5 million, respectively.
- Full repatriation of original investment after three years.
- 51 per cent FDI allowed in single-brand retail outlets and 100 per cent in cash-and-carry through the automatic route.

The 2009-10 budget has also given sops to the realty sector. Developers of affordable housing projects (units of 1,000-1,500 sq ft) have been granted a tax holiday on profits from projects initiated in the financial year 2007-08. Such projects would have to be completed before March 1, 2012.

At the same time, the finance minister allocated US\$ 207 million to grant a 1 per cent interest subsidy on home loans up to US\$ 20,691, provided the cost of the home is not more than US\$ 41,382. This subsidy is expected to give a further boost to the housing sector. (Source: [http://www.ibef.org/artdispview.aspx?art\\_id=25260&cat\\_id=381&in=60](http://www.ibef.org/artdispview.aspx?art_id=25260&cat_id=381&in=60))

## **Road Ahead**

According to the Confederation of Real Estate Developers' Associations of India (CREDAI), the affordable housing segment is set to play an important role in India's real estate sector in 2010 on the back of an uptick in demand.

Moreover, 2010 is expected to be a positive year for the real estate sector. The revival is expected to be driven by infrastructure growth, which, in turn, can accelerate real estate activities both in the residential as well as commercial spaces. (Source: [http://www.ibef.org/artdispview.aspx?art\\_id=25260&cat\\_id=381&in=60](http://www.ibef.org/artdispview.aspx?art_id=25260&cat_id=381&in=60))

## **BUSINESS OVERVIEW**

We were incorporated in the year 1947 and belong to the 'Murugappa Group of Companies'. Today, modern management technique has propelled the company's stature to a level of excellence. In the field of civil engineering construction the company strives for perfection and inspires trust. At present it has 2 distinct activities namely:

- **Construction**
- **Property Development**

### **Construction**

We are providers of integrated turn-key construction services and have executed or are executing projects across all states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical and electrical ("M&E"), plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions.

We, ever since our origin in 1947, true to the spirit of the Murugappa Group, are in the fields of pile foundations, constructions, civil and sanitary.

Over the past six decades, we have presented to the world of today a variety of buildings and industrial structures working right from the foundation to the final interior finishing. We have pioneered the technique of pneumatic caisson, kick atomization diesel pile drivers, use of tubular scaffolding and Pre-Engineered Metal Buildings.

We are professionally managed company headed by civil engineers, and have constructed significant industrial structures for leading industrial houses and government organizations. Construction of power plants, pre-fabricated buildings, turbo generator foundations and other mass foundations has been a fulfilling experience. We are one of companies specialized in construction of silos for cement plants and tall tapering structures for T.V.Towers using imported slip form equipment.

As of 1<sup>st</sup> January , 2010 the total value of our order book in civil construction is Rs 7916 Lacs These projects include industrial structures, commercial building & educational institution. Our order book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction.

## **Property Development**

We are also into the business of property development, with our significant operations in the State of Tamilnadu. Our business focuses on Real Estate Development of Residential and Commercial sector. We have an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

We commenced our property development activity in the year 1987-88. Since then we have developed over 30 projects covering approximately 6.54 Lakhs square feet of saleable area. Our commercial projects are a mix of office space. We usually follow a “Undivided Land sale & Construction Contract” model for the properties we develop.

## **SOME OF THE PRESTIGIOUS CONSTRUCTION PROJECTS UNDERTAKEN BY US ARE**

### **1. Pylon , Vijayawada Thermal Power Station**

A 450 MT Steel crown girder supported on 4 RCC Pylons of 5 M X 5 M at a height of 70 Mtrs. The boiler is hung from the crown girder. Each of the Pylon has foundation using well sinking method upto a depth of 28 Mtrs. below ground level in hard and soft soil rock. The Pylon was constructed using Slip Form Technique and all four Pylon were slipped simultaneously. At one stroke the 450 MT fabricated steel was lifted to the height of 70 Mtrs. without crane and using hydraulic jacks and pre-stressed wires.

### **2. Forebay and Circulatory Pump House System, Tuticorin Thermal Power Station**

On the seashore, doing excavation upto (-) 9 M from the ground level and making 144 nos. rock anchors of 100 MT. each to support the base slab at (-) 9 Mtrs. by drilling holes upto (-) 31 Mtrs. using Well Point Water System for De-watering to construct Forebay & Pump House to bring in raw water from sea to pump house.

### **3. RCC TV Tower, Shimoga**

Erection of 150 Mtr high tower with 106 Mtrs. RCC tapered structure built using Slip Form Technique 44 Mtrs. above RCC – Galvanised structural steel tower.

### **4. Blending Silo, India Cements Ltd., Tirunelveli**

Two large pre-stressed RCC silos of 28 Mtr. Dia and 32 Mtrs height and 22 Mtrs dia with a height of 90 Mtrs. using Slip Form Method.

### **5. Coal Storage Building, India Cements Ltd., Tirunelveli**

88 Mtrs. Dia steel cover without any intermediate support.

### **6. Ford India Building, Chennai**

First PEMBS (Pre -Engineered Metal Building System) building in India using butler system. Spread 10,000 Sq.Mtr.

### Other projects undertaken by us:

<ul style="list-style-type: none"><li>• DCW Ltd., Tuticorin</li><li>• India Cements Ltd</li><li>• Raj Lubricants</li><li>• Bank of Baroda Ltd., Coimbatore,</li><li>• L.I.C building Chennai, Mauritius</li><li>• First National City Bank</li><li>• Church of South India, Bangalore</li><li>• Godown for Voltas Ltd., Teynampet ,</li><li>• Multi sotry building for Grnadlay Bank, Ltd., Madras,</li><li>• Kovai Medical Centre and Hospital,</li><li>• HotelTrident,</li><li>• Karumuthu Centre,</li><li>• TIAM House</li><li>• Aarupadai Veedu Institute of Technology College,</li><li>• NSN School, Chromepet,</li><li>• Thiagaraja Engineering College Premises, Madurai,</li><li>• Constlruction of Educational Institution for Aadarsh Vidhyalaya Mat. School</li><li>• Sri Ramaswamy Mudaliar School</li><li>• Hindustan Motors Ltd., Thiruvallur</li><li>• AMCO Batteries Ltd., Bangalore</li><li>• Tea Plant Building for TATA Tea Ltd., Munnar</li></ul>	<ul style="list-style-type: none"><li>• S.V. Sugars India Ltd.</li><li>• Thiagaraja College of Engineering, Madurai</li><li>• Alagappa University, Karaikudi.</li><li>• Silk Road Sugars Pvt Ltd.</li><li>• Leaf Tobacco Factory at Chirala for ITC Ltd.</li><li>• Factory building for E I D Parry (I) Ltd., Ennore, Perundurai.Nellikuppam</li><li>• Chitrakoot Steel Power Plant Factory Building</li><li>• Factory expansion for India Cements Ltd., Vishnupuram, Chilamkur</li><li>• India Tobacco Ltd., Bangalore</li><li>• Hindustan Photo Films Ltd., Ooty</li><li>• Sugar Godown for Kauvery Sugars (I) Ltd.,</li><li>• Switch Yard and Control Room for Siemens</li><li>• Structural Engineering Research Centre Projects, Chennai</li><li>• Ashok Leyland Ltd</li><li>• E.I.D.Parry India Ltd</li><li>• Indian Overseas Bank</li><li>• T.I.Cycles</li><li>• A.M.M. Educational Foundation</li><li>• Wartsila India Ltd., Bangalore</li><li>• Vistreon Automative Systems India P. Ltd</li><li>• Neyveli Lignite Corporation Ltd. and many more...</li></ul>
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### COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

- **Experienced Management and Employees**

Headed by Civil Engineers our management team has significant experience in the construction & property development sector. Our management and professional personnel have extensive experience in anticipating market trends, identifying new markets and potential sites for development. Their experience includes relationships with the suppliers from whom we source construction materials and the contractors we engage for construction services, allowing us to better manage the quality, schedule and cost of the materials and construction in our projects. We believe that this experience and expertise will enable us to replicate our business model in other geographic areas of India and for other types of projects.

- **Established Reputation for Quality Projects and Construction**

Since our incorporation in 1947, we have successfully completed several projects. We have never experienced any significant quality issues nor have we ever been cited for any material deficiencies in construction of our projects. We believe customers identify our projects with

quality construction and, as a result, we enjoy customer confidence, enhancing our ability to sell our projects.

- **Quality of our Construction**

We believe that the quality of our construction differentiates us from other real estate developers. We place a special emphasis on ensuring that our quality standards are adhered to at every stage of a project and for every product provided to a client. Our quality standards are documented and our work force is trained to ensure our quality standards are met.

- **Access to skilled labour**

Our well-trained and skilled workforce is a key strength. Our ability to recruit, train and retain skilled labour and tradesmen is critical for us to meet our growth plans and also to meet any immediate need for skilled labour in the future. In addition, we also lay a strong emphasis on our in-house human resource initiatives, by focusing on hiring and retaining talent.

- **Our standardized and documented internal processes.**

Under the guidance of our Management, we have documented our internal processes and methodologies which ensure that each department and each employee of our Company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that we have set for ourselves. This also ensures uniformity in all our processes.

## **OUR STRATEGY**

- **Making CECL one of the most preferred contractor.**

We intend to make CECL one of the most preferred contractor. To achieve this, we intend to continue to promote and expand our brand. We will do so by continuing to focus on quality and innovation in our projects, and providing strong after-sales support and services. We believe that delivering value to our customers and enhancing their overall satisfaction with our products will enable us to strengthen our brand further.

- **Get into the Rs.5 – 20 Crores segment where the number of reliable Contractors are less.**

We intend to take up orders ranging 5 to 20 crores for better utilization of our infrastructure. Nonetheless any repeat order of our existing clientele of lesser value will also be taken up to keep our customer relation. We also expect quality competitors in this range.

- **Quote for projects with reasonable margins.**

In order to endure the competition, pricing of the project plays a significant role. We therefore intend to price our projects at a competitive rate, which shall also earn reasonable margin for us. Also, where we enter into contracts primarily through a competitive bidding process, contractors for major projects are selected by clients based on certain pre-qualification parameters including past experience in the execution of similar projects, technical ability and performance, reputation for quality, safety standards, financial strength and the price competitiveness of the bid. We intend to leverage our existing experience as well as our financial position to enhance our chances at the pre-qualification stage and win bids on contracts for larger scale projects.

## ORDER BOOK

Our Order Book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction. While our order book is indicative of the projects that will execute in the future and is also indicative of the revenues that may be generated from such projects, the orders in our order book may not fructify as they are subject to cancellation and modification by our clients.

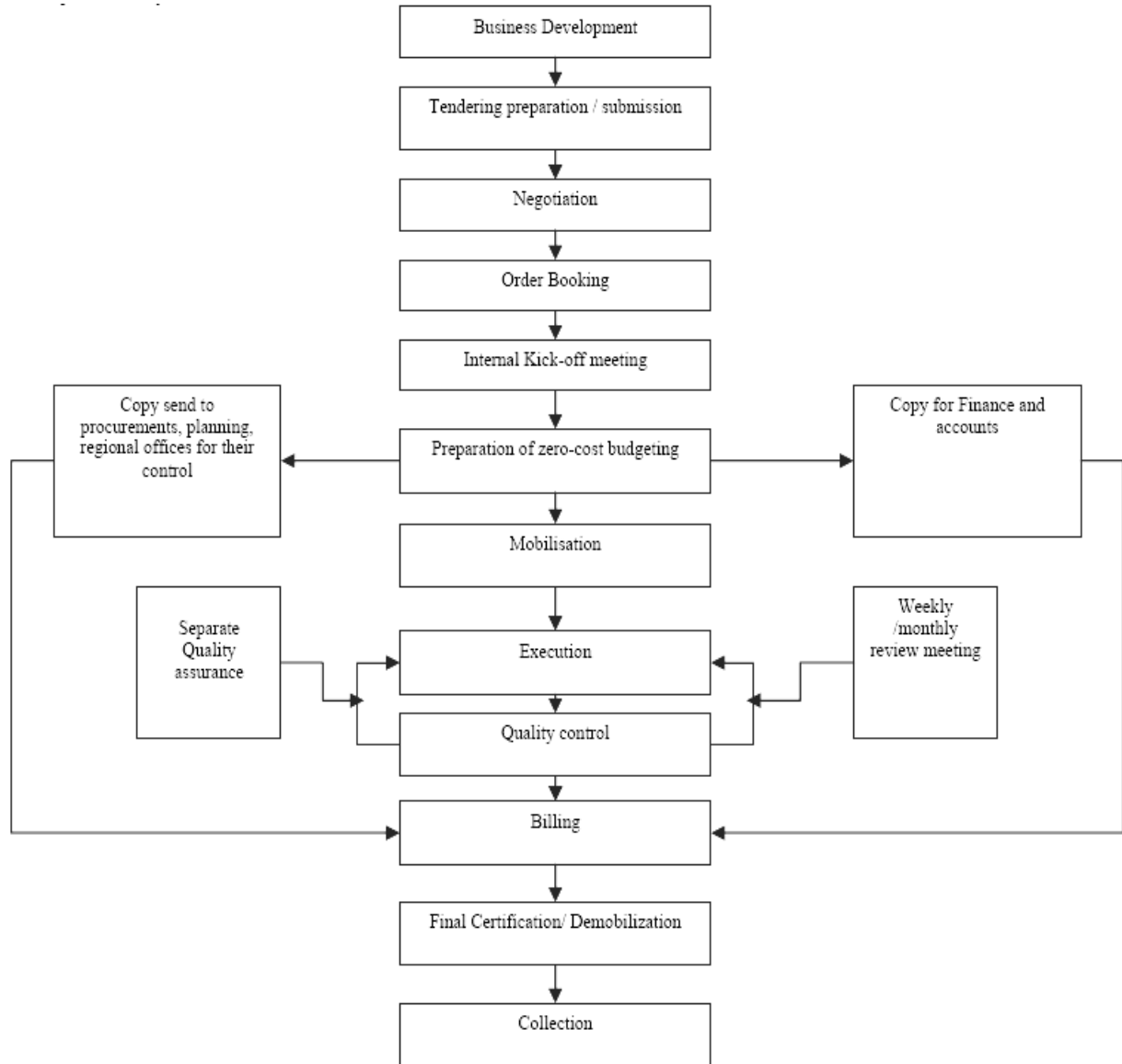
As of 31<sup>st</sup> December 2009, the total value of our order book constituting of Civil construction is Rs.7916.18 Lakhs. The details of which are as given below:

Project	Location	Original Order Value (Rs. in lacs)	Balance Order Value as on 31/12/2009 (Rs. in lacs)	Nature of Construction	Schedule Time of Completion
SSPL, Kakinada	Kakinada, Andhrapradesh	7500.00	436.00	Industrial	April 2010
Kanthimathi Sriram Residence	Mylapore, Chennai	119.78	31.28	Residential	March 2010
Castwel Autoparts Pvt Ltd	Thirumudivakkam, Tamilnadu	1209.75	280.42	Industrial	March 10
Allison Transmission India Pvt Ltd	Oragadam, Tamilnadu	763.78	238.50	Industrial	March 10
Parry Roca Perundurai	Perundurai, Tamilnadu	580.00	42.56	Industrial	April 2010
Madras Cements Ltd.	Alathiyur, Tamilnadu	155.27	80.72	Industrial	April 2010
Madras Cements Ltd. (Silos)	R R Nagar, Tamilnadu	587.55	558.11	Industrial	August 2010
Mrs. K. Radha	Egmore, Tamilnadu	650.00	650.00	Commercial	March 2011
Apt Power Engg. Ltd	Tuticorin, Tamilnadu	385.00	214.01	Industrial	April 2010
Jayashree Chemicals Limited	Gunjam, Orissa	1437.00	1358.44	Industrial	August 2010
Chinamaya Educational Trust	Anna Nagar, Tamilnadu	210.00	204.00	Educational	June 2010
TI Metal Forming	Ahmedabad, Gujarat	680.92	680.92	Industrial	August 2010
Thermax Instrumentation Ltd	Gudur, Andhra Pradesh	1210.00	1210.00	Industrial	December 2010
Thyssenkrupp Industries India P. Ltd	Tirunelveli, Tamilnadu	1125.00	1125.00	Industrial	December 2010
TI Metal Forming	Laskar, Uttranchal	151.97	151.97	Industrial	April 2010
St. Xaviers College of Engg	Nagercoil, Tamilnadu	654.23	654.23	Educational	March 2011
<b>TOTAL</b>		<b>17420.25</b>	<b>7916.16</b>		

Property Development Projects with own Land or Joint Venture agreement entered:

<b>Name of the Property</b>	<b>Description</b>	<b>Project Location</b>	<b>Period</b>	<b>Value (Rs. in Lacs)</b>	<b>JV Proportion (CECL : OWNER)</b>
“Coral Cascade”	Own Land (acquired for purpose of development & sale)	Chennai	24 months	3,500.00	NA
“Coral GK”	Joint Venture	Coimbatore	48 months	17,030.00	64:36
“Coral Roselin”	Joint Venture	Coimbatore	24 months	706.00	60:40
“Coral Nestle”	Joint Venture	Coimbatore	24 months	1,304.00	65:35
“Coral Ennar”	Joint Venture	Coimbatore	36 months	4,392.00	70:30
“Coral Emperor”	Joint Venture	Mysore	48 months	11,300.00	Flats- 73:27 Row Houses :68:32
<b>Total</b>				<b>38,232.00</b>	

## PROJECT LIFECYCLE



### Technical and Financial Agreements

We have not entered into any technical and/or financial agreement.

### UTILITIES

- **Raw material**

Our construction operations require various construction raw materials including Steel, Cement, Brick, River Sand, B.G. Metal, Ready Mix Concrete, Plywood, Runners & Plank, Sanitary Fittings, Tiles and Paint

- **Electricity**

Our offices require supply of electricity, which is supplied by the regional electricity supplying Company.

• **Water**

The requirement of water in the Offices is nominal and is supplied by the local water supply authorities

**SUPPLIERS**

<b>Material</b>	<b>Supplier</b>
Reinforcement Steel / Structural Steel	<ul style="list-style-type: none"> <li>• Tulsyan Nec Ltd, Chennai</li> <li>• Rashtriya Ispat Nizam Ltd., Visakhapatnam</li> <li>• Steel Authority of India Limited, Kolkata</li> <li>• Bawa Steel Corporation, Thiruchirapalli, etc</li> <li>• Kanishk Steel Industries Limited, Chennai, Tamil Nadu,</li> <li>• Mahamaya Steel Industries Limited, Raipur, Chhattisgarh</li> <li>• P.S.Krishnamurthy Steels Pvt Ltd, Chennai, Tamilnadu.</li> </ul>
Cement	<ul style="list-style-type: none"> <li>• Madras Cements Limited, Chennai</li> <li>• Kolley Cement Syndicate, Hooghly, West Bengal</li> <li>• ACC Limited, Dehradun, Uttaranchal</li> <li>• Ultratech Cement Limited, Ahmedabad, Gujarat.</li> </ul>
Bricks	<ul style="list-style-type: none"> <li>• Bala Agencies, Chennai</li> <li>• ARS Traders, Chennai, etc</li> <li>• Meher Enterprises, Chennai, TamilNadu,</li> <li>• UV Associates,</li> <li>• Uma Enterprises, Chennai, Tamil Nadu.</li> </ul>
River Sand	<ul style="list-style-type: none"> <li>• Sri Venkatesh Agencies, Chennai</li> <li>• Sivasakthi Agencies, Chennai</li> <li>• Swamy Depot, Chennai, etc</li> <li>• UV Associates, Chennai, Tamil Nadu,</li> <li>• S.Karunanithi, Chengalpattu, Tamil Nadu,</li> <li>• Uma Enterprises, Chennai, Tamil Nadu,</li> </ul>
B.G. Metal	<ul style="list-style-type: none"> <li>• Indo Engineering Traders, Chennai</li> <li>• ARS Traders, Chennai</li> <li>• S.M. Agencies, Chennai, etc</li> <li>• UV Associates, Chennai, Tamil Nadu,</li> <li>• S.Karunanithi, Chengalpattu, Tamil Nadu,</li> <li>• Uma Enterprises, Chennai, Tamil Nadu.</li> </ul>
Ready Mix Concrete	<ul style="list-style-type: none"> <li>• Larson &amp; Toubro Ltd., Chennai</li> <li>• Consolidated Construction Consortium Ltd., Chennai, etc</li> <li>• Raymix Concrete Chennai, Tamil Nadu,</li> <li>• Hariharan Foundations Private Limited, Chennai, Tamil Nadu,</li> <li>• RMC Readymix (India) Pvt Ltd, Chennai, Tamil Nadu,</li> </ul>
Plywood	<ul style="list-style-type: none"> <li>• Uro Veneers and Boards (P) Ltd., Chennai</li> <li>• JBC Overseas, Hyderabad, etc</li> <li>• Bhagwan Dass &amp; Sons (India) Pvt Ltd., Chennai, Tamil Nadu,</li> <li>• Rama Woodcraft, Satna, Madhya Pradesh,</li> <li>• Ram Kumar Suresh Kumar, Hyderabad, Andhra Pradesh.</li> </ul>

<b>Material</b>	<b>Supplier</b>
Runners & Planks	<ul style="list-style-type: none"> <li>• The South India Saw Mill, Trichy</li> <li>• JBC Overseas, Hyderabad, etc</li> <li>• Geetha Timber Depot, Dindigul, Tamil Nadu,</li> <li>• Sri Lakshmi Tiles, Kovilpatti, Tamil Nadu,</li> <li>• Silverwood Traders, Chennai, Tamil Nadu,</li> </ul>
Sanitary Fittings	<ul style="list-style-type: none"> <li>• Parryware Roca Private Limited, Chennai</li> <li>• See Kay See Combines, Chennai</li> <li>• Candy Hardwares, Chennai, etc</li> <li>• Shah Sanitary Stores, Chennai, Tamil nadu.</li> <li>• Lavanya Sanitary Centre, Kanyakumari, Tamil Nadu,</li> <li>• M.G.Enterprises, Chennai, Tamil Nadu,</li> </ul>
Tiles	<ul style="list-style-type: none"> <li>• H &amp; R Johson (India) Limited, Chennai</li> <li>• S.E.V. Tiles Company, Chennai</li> <li>• Decolight Ceramics Limited, Chennai</li> <li>• Dhanush Enterprises, Chennai, etc</li> <li>• Vaigai Sanitation Private Limited, Chennai, Tamil Nadu,</li> <li>• Smart Ceramics Pvt Ltd, Chennai, Tamil Nadu,</li> <li>• Loyal Sanitation Pvt Ltd, Chennai, Tamil Nadu.</li> </ul>
Paint	<ul style="list-style-type: none"> <li>• Shalimar Paints Limited, Chennai</li> <li>• Indec Coatings, Chennai, etc</li> <li>• Asian Paints Limited, Chennai, Tamil Nadu,</li> <li>• Tamilnad Traders, Chennai, Tamilnadu.</li> <li>• Deva Agencies, Chennai, Tamilnadu.</li> </ul>

## **CUSTOMERS**

- APT Power Engineering Limited
- Thermax Instrumentation Limited
- St.Xaviers Catholic College of Engineering.
- Chinmaya Vidhyalaya Secondary School.
- Thyssenkrupp Industries India Private Limited
- Parryware ROCA Pvt Ltd
- Ramco Industries Limited
- Madras Cements Limited
- ATC Tires Pvt Ltd.
- Jayshree Chemicals Limited
- Allison Transmission India Pvt Ltd

## MANPOWER

As of 31/12/2009, we have approximately 326 employees employed in our Company. We do not count any manpower employed by our sub-contractors as our employee. We expect that with the growth of our business, human resources and employee recruitment activities will increase. Break-up of the present manpower in the Company

Sr. no	Name of the Department	Number of Employees
1.	Technical - HO	51
2.	Site (HO + Admn.)	240
3.	Accounts & Admin (HO)	35
	<b>Total</b>	<b>326</b>

### Recruitment Strategy

Manpower Planning is done as part of Business Plan and reviewed quarterly. Depending upon the position/vacancies recruitment is done through campus interviews, employee referrals and periodic recruitment advertisements. The selection process consists of panel interview and merit rating as may be required.

### Training

The Company provides an induction/onboard training programme to all its new recruits.

Training for capability development:

- Training to potential staff to shoulder higher responsibilities
- Competency mapping middle and senior level executives and adequate training to bridge the skill gap
- Planning to create competitive edge

Programme title	Programme for
Organisational Growth Strategies	Senior Managerial Team
Performance Excellence	Graduate Engineer Trainees – Future Managers
Management of Site Operations	Project Heads, Engineers and Supervisors
Role Effectiveness	Administrative and Support staff

### Retention Strategy

- Periodic review of compensation package to match the industry median.
- Review of employee Performance, based on their achievement on the defined tasks, at the end of the year, rating is awarded based on the normalization process.
- We offer family accommodations and suitable site allowances for staff posted at site away from their family.
- Liberalized compensation package.
- Welfare measures, including defined policy on medical reimbursement, medical insurance for self and family, personal accident cover.
- All employees are covered by the group gratuity scheme with risk cover managed by Life Insurance Corporation of India.

## **Competition**

The real estate development industry in India, while fragmented, is highly competitive. We expect to face competition from large domestic as well as international property development and construction companies as a consequence of, among other things, the relaxation of the FDI policy for the real estate sector, rising government expenditures on infrastructure and various other policy initiatives. Below are some of our competitors with context to the similarity in business:

**Civil Construction:** Ganesan Builders, Consolidated Construction Consortium Ltd., URC Construction P. Ltd., Arunachalam & Co., Subramanian & Co., etc.

**Property Development:** Jain Housing & Constructions Ltd., Ceebros Ltd., Chaitanya, Akshaya Homes, True Valley Homes (I) Pvt. Ltd., Shrivari Constructions Ltd., Spring Field Shelters Pvt. Ltd., May Flower Enterprises Pvt.Ltd., Royal Shelters, etc.

## **1. History**

Our Company was formed in the year 1947 in the name of “The Coromandel Engineering Company Limited“. The name of our Company was then changed to “The Coromandel Engineering Company Private Limited" on 14/04/1956. Our Company was again converted into a public limited company and the name was changed to “The Coromandel Engineering Company Limited" on 05/11/1975 and subsequently to “Coromandel Engineering Company Limited” on 24/02/2006. We belong to the Murugappa Group of Companies and are into the business of Construction and Property development.

During the financial year 2006-2007, Coromandel Holdings and Minerals Limited (‘CHML’), our subsidiary Company was merged with our Company w.e.f. 01/04/2006 pursuant to order of Hon’ble High Court of Judicature at Madras dated 09/03/2007.

## **Scheme of Merger**

The High Court of Judicature at Madras, vide its order dated 19/03/2007 in respect of the company petition (C.P. No: 192 and 193 of 2006) approved the scheme of amalgamation/merger between the Company and Coromandel Holdings and Minerals Limited (‘CHML’), and which at the time of amalgamation was our promoter group company, with effect from 01/04/2006 (“Scheme”).

## **Salient features of the Scheme:**

The principal terms of the Scheme, as sanctioned by the High Court of Judicature at Madras, are set forth below:

- The whole of the undertaking of CHML comprising its business, all assets was transferred to our Company w.e.f. 01/04/2006.
- CHML being a wholly owned subsidiary of our Company, entire shareholding of CHML was held by us and our nominees. Hence no shares of CHML were allotted in respect thereof. The entire equity share capital of CHML stood cancelled and there was no allotment of equity shares to the holders of CHML was made.
- All the employees in the service of CHML became employee of our Company w.e.f. 01/04/2006. The services of such employees shall not be treated as having been broken shall not be treated as having been broken or interrupted for the purpose of Provident fund or

Gratuity or superannuation or other statutory purpose and for all purposes will be reckoned from the date of their respective appointments with CHML.

- CHML was dissolved without being wound up.

### Major events in the History of the Company

Year	Event
1947	Incorporation of the Company and was engaged in the activities of Civil construction line for construction of factory and other buildings
1959	Built 14 storey, LIC Building on Anna Salai, Chennai which is one of the tallest buildings in South India
1975	Converted into public limited
1987-88	Ventured into the business of property development
1989	Issue of 3,85,295 equity shares of Rs. 10/- each for cash at par on Rights basis
2006	Coromandel Holdings and Minerals Limited ('CHML') was merged with our Company.
2008	Issue of 1647390 equity shares on Rights Basis.
2009	Certification for ISO 9001:2008 and OHSAS 18001:2007 received from TUV SUD.

### Changes in Registered Office of the Company

Date of change	Address Changed	
	from	to
1958/1959	106, Armenian Street, George town, Madras	52/53 Jehangir Street, Madras -1
16/04/1979	52/53 Jehangir Street, Madras - 1	Regina Mansion, 46 Second line beach, Madras – 600 001
15/09/1986	Regina Mansion, 46 Second line beach, Madras – 600 001	“Tiam House Annexe” No.2, Jehangir street, Madras-600 001
01/06/1992	“Tiam House Annexe” No.2, Jehangir street, Madras-600 001	Dare House Annexe, No.44, Moore street, Madras-600 001
04/09/1995	Dare House Annexe, No.44, Moore street, Madras-600 001	Parry House”4 <sup>th</sup> floor, No. 43 Moore street, Chennai-600 001
01/11/2003	Parry House”4 <sup>th</sup> floor, No. 43 Moore street, Chennai-600 001	Parry House” 3 <sup>rd</sup> Floor, No.43 Moore street, Chennai-600 001

### MAIN OBJECTS OF THE COMPANY

The main objects of the company are as follows:

1. To carry on the businesses of Builders and Engineers in all their branches.
2. To carry on business as Engineers, Civil, Structural, Mining, Sanitary, Mechanical, Waterworks, Electrical, Marine, Automobile, Salvage, Air- Conditioning, Refrigerating, Ventilating, and other classes of Engineers; Architects, Designers, Planners ; Builders and Contractors and as Consulting Engineers.
3. To carry on the business of iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery ; toolmakers, brass-founders, metal-workers, boilermakers, mill-wrights, machinists, iron and steel converters, smiths, wood-workers,

- builders, painters, metallurgists, electrical engineers, water supply engineers, gasengineers, farmers, printers, carriers, and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, implements, rolling-stock and hardware of all kinds.
4. To undertake and execute constructional and engineering and allied contracts and works of all kinds.
  5. To construct, execute, carry out, equip, improve, work, develop, administer, manage, and control public works and conveniences of all kinds, which expression, in this Memorandum, includes railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric light and power supply works, telephonic and telegraphic works, hotels ware-houses, markets and public buildings, and all other works or conveniences of public utility.

#### **SUBSIDIARIES OF THE COMPANY**

Presently we do not have any subsidiary company.

#### **SHAREHOLDERS' AGREEMENTS**

There is no subsisting shareholders' agreement.

#### **OTHER AGREEMENTS**

We have not entered into any Strategic or Financial agreement

## **Regulations and Policies**

We are engaged in the business of construction and real estate development. Since our business involves the acquisition of land in several states, it is subject to central and state legislation which regulates substantive and procedural aspects of the acquisition of, development and transfer of land. Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws. While the real estate development industry remains largely unregulated, we are subject to land acquisition, town planning and social security laws. We are also subject to the regulations and policies governing SEZs. The following is an overview of the important laws and regulations which are relevant to our business as a real estate developer.

### **CENTRAL LAWS**

#### **Laws relating to land acquisition**

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the limits to urban areas that can be acquired by a single entity. It has, however, been repealed in some states and union territories under the Urban Land (Ceiling and Regulation) Repeal Act, 1999. Further, land holdings are subject to the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the central government or appropriate state government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and has the right to compensation.

#### **Shops and Establishments legislations in various states**

We are governed by the various Shops and Establishments legislations, as applicable, in the states where we have our branches. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

#### **Laws regulating transfer of property**

##### ***Transfer of Property Act, 1882***

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 (**T.P. Act**). The T.P. Act establishes the general principles relating to the transfer of property, including, among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

##### ***Registration Act, 1908***

The Registration Act, 1908 (**Registration Act**) has been enacted with the object of providing public notice of the execution of documents affecting the transfer of an interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is

compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

### ***The Indian Stamp Act, 1899***

There is a direct link between the Registration Act and the Indian Stamp Act, 1899 (**Stamp Act**). Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

### ***The Easements Act, 1882***

The law relating to easements is governed by the Easements Act, 1882 (**'Easements Act'**). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law, an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

### **Laws relating to employment**

The employment of construction workers is regulated by a wide variety of generally applicable labor laws, including the Contract Labor (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Payment of Wages Act, 1936.

### **Industrial parks**

The GoI has notified the Industrial Park Scheme (the **'Scheme'**) on April 1, 2002 in relation to the establishment of industrial parks. Proposals to establish industrial parks which meet the criteria set out in the Scheme are accorded automatic government approval by the SIA. Proposals not meeting such parameters require the prior sanction of the 'Empowered Committee' set up in the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, GoI.

### ***Objectives of industrial parks***

Any project, being an industrial park, is required to aim at setting up (a) an industrial model town for development of industrial infrastructure for carrying out integrated manufacturing activities, including research and development by providing plots or sheds and common facilities within its precincts, (b) an industrial park for development of infrastructural facilities or built-up space with common facilities in any area allotted or earmarked for the purposes of specified industrial uses, or (c) a growth centre under the growth centre scheme of the GoI.

### ***Tax exemptions***

Under the Scheme, a developer who has established an industrial park before March 31, 2009 is granted tax exemptions for a period of ten years in the form of deduction of 100% of business profits earned from the development, operation and maintenance of the industrial park. The tax benefits under the I.T. Act can be availed only after the number of units indicated in the application to the GoI, are located in the industrial park.

## **STATE LAWS**

### **Urban development laws**

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages. For instance, in certain states such as Haryana, for developing a residential colony, a license is required from the relevant local authority. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved by the concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities depending on the nature, size and height of the projects. The approvals granted by the authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion/occupancy certificate upon completion of the project.

### **Agricultural development laws**

The acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state exceeding this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the state government free of all encumbrances. When local authorities declare certain agricultural areas as earmarked for townships, lands are acquired by different entities. After obtaining a conversion certificate from the appropriate authority with respect to a change in the use of the land from agricultural to non-agricultural for development into townships, commercial complexes etc., such ceilings are not applicable. While granting licenses for development of townships, the authorities generally levy development/ external development charges for provision of peripheral services. Such licenses require approvals of layout plans for development and building plans for construction activities. The licenses are transferable on

permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

Tamil Nadu Acts and Rules relating to Buildings :

Following are the acts and rules which normally cover our activities:

1. The Tamil Nadu Town and Country Planning Act, 1971
2. The Tamil Nadu Survey and Boundries Act, 1923
3. The Tamil Nadu Public Buildings (Licencing) Act, 1965
4. The Tamil Nadu District Municipalities Building Rules 1972
5. The Multi-Storeyed and Public Buildings Rules 1973
6. The T.N. Apartment Ownership Act 1994
7. The T.N. Apartment Ownership Rules 1997
8. The Tamil Nadu Lifts Act 1997
9. The Tamil Nadu Lift Rules 1997.

## MANAGEMENT

The details of the board of directors of the company are given below:

Name, Age, Designation, Son of, Address and Occupation	Date of Appointment	Qualification	No of shares held	Remuneration	Other Directorships
Mr.M.M.Venkatachalam 51 years Chairman S/o. M.M.Muthiah, 20/1, Valliammai Achi Road, Kotturpuram, Chennai - 600 085 Occupation: Industrialist	31/07/2009	B. Agri, MBA	2,01,610	Nil	<ul style="list-style-type: none"> <li>• Laserwords Pvt Ltd.</li> <li>• M M Muthiah Sons Pvt Ltd.</li> <li>• New Ambadi Estates Private Ltd.</li> <li>• Parry Murray and Company Furnishings &amp; Floor Covering (India) Pvt Ltd.</li> <li>• Parry Enterprises India Limited.</li> <li>• Ramco Systems Limited</li> <li>• Parry Agro Industries Limited</li> <li>• Cholamandalam Factoring Ltd.</li> <li>• Polutech Ltd.</li> <li>• Parry Murray &amp; Co. Ltd,U.K</li> <li>• Ambadi Enterprises Ltd.</li> <li>• USV Limited</li> <li>• Coromandel Fertilisers Limited</li> </ul>
Mr. M.A.M. Arunachalam (42 Years) Director, S/o. Late M.A.Murugappan “The Laurels” No.4 Chittaranjan Road, Chennai – 600 018 Occupation: Industrialist	06/09/1995	B.Com, M.B.A	2,01,610	Nil	<ul style="list-style-type: none"> <li>• New Ambadi Estates P. Ltd.</li> <li>• Placon (India) Pvt. Ltd.</li> <li>• A.M.M.Arunachalam &amp; Sons Pvt. Ltd.</li> <li>• Parry Enterprises India Limited.</li> </ul>
Mr. S. S. Rajasekar (55 Years) Director, S/o. Late. C. Subramanian “River-View” Kotturpuram, Chennai – 600 085 Occupation: Industrialist	28/10/2005	B.Tech	Nil	Nil	<ul style="list-style-type: none"> <li>• Chennai Consultancy Services P. Ltd.</li> <li>• Chidbhava Constructions And Properties P. Ltd.</li> <li>• Super Sakthi Animation P. Ltd.</li> <li>• Super Veda Innovations P. Ltd.</li> </ul>
Mr.J.Srinivasan 70 years Director S/o. S.Jagannathan ‘Gayatri’, Flat 1B No.12, Sriram Nagar South Street, Chennai – 600 018 Occupation: Industrialist	31/07/2008	B.A., B.com, FCS	Nil	Nil	<ul style="list-style-type: none"> <li>• SSL-TTK Limited.</li> <li>• TTK Health Care Limited.</li> <li>•</li> </ul>

Name, Age, Designation, Son of, Address and Occupation	Date of Appointment	Qualification	No of shares held	Remuneration	Other Directorships
Mr.V.Venkiteswaran 63 years Director S/o.Veeraraghavan D1, Subbu Apartments, No.10 GD Road, Race Course, Coimbatore – 641018. Occupation: Industrialist	31/07/2008	B.E. AMP (Harvard )	Nil	Nil	<ul style="list-style-type: none"> <li>• TATA Tea Incorporated, U.S.A.</li> <li>• Zhejiang Tata Tea Exztracts Co. Ltd, China</li> </ul>
Mr. K E Ranganathan 47 Years Director S/o K.E. Varadhan F5, “Sri Padmam” Apartment No.18, Bagirathi Ammal Street, T.Nagar, Chennai – 600 017 Occupation: Company Executive	31/07/2009	B.Com, ACA, ACS	Nil	Nil	<ul style="list-style-type: none"> <li>• Parry Infrastructure Company Pvt Ltd</li> <li>• Parry Agro Industries Ltd.</li> <li>• Parry Enterprises India Limited.</li> </ul>
Mr.Sridhar Ganesh 58 years. S/o.Mr.Subbier Ganesh No.25, Arch Bishop Mathias Avenue, R A Puram, Chennai -600 028. Occupation: Company Executive	30/10/2009	B.Sc, MBA	Nil	Nil	<ul style="list-style-type: none"> <li>• Carborundum Universal Limited</li> <li>• Laserwords Pvt Ltd</li> <li>• Parry Enterprises India Limited</li> <li>• Parry Agro Industries Limited</li> <li>• Ambadi Enterprises Limited</li> </ul>
Mr. Jitendra Virwani 44 years Director S/o. Mr.Mohan Virwani, Apart No. 341, “Embazzy Woods” No. 6A, Cunningham Road, Bangalore – 560 052. Occupation: Industrialist	25/01/2010	B.Com	Nil	Nil	<ul style="list-style-type: none"> <li>Concord India Private Limited</li> <li>D.M.Estates Private Limited</li> <li>D.S.R.K.Holdings Pvt Ltd.</li> <li>Ditrita Developers Pvt Ltd.</li> <li>E.C.D.P.L.</li> <li>Embassy Leasing Pvt Ltd.</li> <li>Embassy Finvest Pvt Ltd.</li> <li>Embassy Home Inv. Pvt Ltd.</li> <li>Embassy Hs. Fin &amp; Dev. Pvt Ltd.</li> <li>Embassy Realtors Pvt Ltd.</li> <li>Embassy Shelters Pvt Ltd.</li> <li>M.D.Properties Pvt Ltd.</li> <li>Maoj Investments Pvt Ltd</li> <li>Magarath Properties Pvt Ltd</li> <li>Nam Estates Pvt Ltd</li> <li>Nam Investments Pvt Ltd</li> <li>Narpat Holdings Pvt Ltd</li> <li>Oakwood Developers Pvt Ltd</li> <li>Oasis Home Holdings Pvt Ltd</li> <li>Pet Properties &amp; Consts.Pvt</li> </ul>

Name, Age, Designation, Son of, Address and Occupation	Date of Appointment	Qualification	No of shares held	Remuneration	Other Directorships
					Ltd. Raffle Square Dev. Corpn. Pvt Ltd. Infantry holdings Pvt Ltd. Sapphire Realtors Pvt Ltd. Solomon David Holdings Pvt Ltd. Swire Holdings Pvt Ltd Udhyaman Investments Pvt Ltd Dynasty Developers Pvt Ltd. Embassy Projects Pvt Ltd Embassy Management Consultants Pvt Ltd Golf Link Embassy Business Pak Management Services Pvt Ltd Swire Investments Pvt Ltd More-Finanshare Investments Pvt Ltd Dynasty Properties Pvt Ltd Golflinks Software Park Pvt Ltd Saltire Developers Pvt Ltd Pune- Dynasty Projects Pvt Ltd Pune Embassy Projects Pvt ltd Guruprasad Hotels Pvt Ltd DSRK Holdings (Chennai) Pvt Ltd Embassy Knowledge Infrastructure Projects Pvt Ltd Udhay-JVG Realty Pvt Ltd. Udhay-VJ Realty Pvt Ltd JV Holdings Pvt Ltd Swire Tech – Park Pvt Ltd. Stonehill Education Foundation. RGE Constructions and Development Pvt Ltd. Starwood Properties Pvt Ltd. LJ-Victoria Properties Pvt Ltd. Polywood Properties Pvt Ltd.

### **Mr.M.M.Venkatachalam, Chairman**

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

### **Mr M.A.M. Arunachalam, Director**

Mr. M.A.M. Arunachalam, aged 42 years has done his Bachelors in Commerce and Masters in Business Administration. He is an Industrialist and has an experience of 22 year in the field of varied industrial activities. He is the Managing Director of Parry Enterprises India Limited. and drives business development initiatives for the company by identifying opportunities for its divisions - General Marketing Division (GMD), Parry Travels and Tuflex India. His hobbies include playing squash, tennis and golf. He also takes keen interest in motor sports. He has been on the board of CECL, since 06/09/1995.

### **Mr. S.S.Rajasekar, Director**

Mr. S.S.Rajasekar aged 55 years is a Chemical Engineer (B. Tech) from Anna University. He is an Industrialist, and holds directorship in. various companies. He has an experience of 32 years in the field of Business Management. He is also an executive member of Andhra Chamber of Commerce, Chennai Kendra.

### **Mr.J.Srinivasan, Director**

Mr. J. Srinivasan, aged 70 years holds a Bachelor's Degree in Economics – Political Science – Commerce combination of the University of Delhi. He is also a Fellow of the Institute of Company Secretaries of India. Has been in Industry for over 52 years in different capacities. Presently, he is the Mentor Director of the TTK Group. Till October 31, 2006 he was concurrently acting as CEO of both TTK-LIG Limited and SSL-TTK Limited. He was with the Tube Investment, since November 1957 till 1972. After a short stint at Agrocargo Transport he joined Mysore Paper Mills in 1975 as its Secretary. After 4 years each with MPM and Garwares, in 1982, he joined the TTK Group, as its Group Secretary. In 1989 he took over as Managing Director of TTK LIG. He is also associated with a few NGOs in Chennai, like VHS, TTK-VHS-Rotary Blood Bank, TTK Hospital of TT Ranganathan Foundation, Spastics Society of Tamil Nadu.

### **Mr. V Venkiteswaran, Director**

Mr V Venkiteswaran, aged 63, has business experience of over 39 years in diverse areas of operations. He is a Mechanical Engineer from the University of Madras and worked over 36 years with Tata Tea Limited, initially overseeing the technical aspects of large tea plantations before attaining the position of GM. He held several key management positions in diverse operations like heading a subsidiary Company in the US, the Tata Tetley JV at Cochin and was responsible for a number of green field projects in India and abroad. All this culminated in his position as Executive Director of TTL between 2002 and 2006, after which he was a consultant for specific overseas projects till August, 2007.

### **Mr. K E Ranganathan, Director**

Mr. K. E. Ranganathan, Aged 47 years, is a young industrialist who is a Graduate in Commerce from Madras University, an Associate member of Institute of Chartered Accountants of India (ICAI) and an Associate member of the Institute of Company Secretaries of India (ICSI). Had held various key responsibilities in Finance, Accounting, Business Planning and Secretarial in Companies like Sundaram-Clayton Ltd, TVS Whirlpool Ltd and TVS Electronics Ltd. Joined Murugappa group in 1994 and in 2006 was appointed as the Managing Director of the prestigious Joint Venture Company of Parryware and ROCA of Spain.

Currently he is the Managing Director of Parry Infrastructure Co. Pvt. Ltd., a company recently formed to signal the Group's foray into infrastructure space. He is also the CEO for the newly formed 'Diversified Business Group' within Murugappa Group comprising of companies like Parry Agro Industries Ltd., Parry Enterprises India Ltd., Coromandel Engineering Co.Ltd.etc.

### **Mr. Sridhar Ganesh, Director**

Mr. Sridhar Ganesh aged 58 years is a Graduate in Physics and an alumnus of IIM Calcutta with special interests in the areas of strategy, Leadership Development, People Engagement and Coaching. With a career that spans over 35 years, he has worked across the HR function in organizations of repute. His initial years in industry were spent getting valuable Employee Relations experience at Guest Keen Williams Ltd and with Metal Box in Calcutta. Joined Berger Paints as their Head of Personnel and was responsible for shaping the HR direction towards helping a strong Performance Driven Organisation. In 1993, he took over as the Vive President (later redesignated as Director) HR of Cadbury India Limited in Bombay. In the mid 2001, he took over as the Regional HR Director for the Africa India Middle East Region of Cadbury Schweppes PLC and moved to the UK in early 2002. Prior to his return to India in early 2007, he was the Learning and Development Director for EMEA at Cadbury Schweppes. He took up the current role as Director HR with the Murugappa Group in February 2007. He is also the Lead Director for the Diversified Business in the Group.

He has a good experience in the areas of developing people strategy, building organization culture, leadership development and coaching for performance. He is a practicing Coach and a certified MBTI Trainer. He is also an accredited coach of the Coaching federation of India. He is a member of- The Advisory Council of Loyola Institute of Business Administration (LIBA) and the CII National Committee on skills & Human Resources. He is the Chairperson of the CII Southern Region Task Force on HR, Skills, Employability, Affirmative Action & ITI-IMC. Is also associated with the Junior Achievement Organisation promoting employability amongst high school students in Madras.

### **Mr. Jitendra Virwani, Director**

Mr. Jitendra Virwani aged 44 years is the Chairman of Embassy Group, engaged in the business of property development. Over the last 25 years, Embassy Group has developed 20 million Sq.Ft. commercial and residential spaces in India and Overseas.

Mr. Virwani joined the property development business in 1985 at the age of 19 years, from 1993 he has been at the helm of affairs of the Group and seen his vision for a world class property development organization, both in terms of size and excellence, transform into reality. Starting his career as the liaison executive in the organization, and having charted the

destiny of the company during the most challenging and exciting periods in the history of the industry, his expertise and experience permeate the entire spectrum of the property development scenario in India.

He is committed to the development of Tarahunse village, Doddajala, Bangalore-562 157 by providing employment to almost every family. He has developed a community hall and upgraded the village temple. A brand new Government School to accommodate 500 children is nearing completion.

Mr. Virwani is a committed equestrian who also owns and maintains an international standard riding academy at Bangalore. The school provides training in equestrian sports & is proud of a highly competent equestrian team currently training to qualify and compete in the Asian Games.

Mr. Virwani build Stonehill International School in 2008. This is the first school in South India to offer IB curriculum in all grades and a highly trained international faculty that consist of 11 nationalities.

### **Borrowing Powers of the Directors**

The Articles of Association of the company authorized the board to borrow, the extract of which is as follows:

The present borrowing power of the board is upto Rs. 75 Crores Rupees. Seventy Five Crores Only) excluding the short term, working capital and cash credit arrangement which has been approved by the members in the Annual General Meeting held on 31<sup>st</sup> July 2009

Article 107-A (i) provides that the Directors may by a resolution at a meeting of the Board, delegate the above power to borrow money otherwise than on debentures to a Committee of Directors, or the Managing Director, if any, within the limits prescribed or otherwise as provided in Sec 292 of the Act.

The Board at its meeting held on 25.01.2010 had delegated the power to borrow to some of the Directors and officers of the Company.

### **Corporate Governance**

The core principle of Corporate Governance is that Management must have the executive freedom to drive the enterprise forward and the freedom of Management should be exercised with a framework of checks and balances with accountability towards performance and progress. The company's Governance Principle is the establishment of a set of systems or process whereby the directors are entrusted with responsibilities and duties of corporate affairs. Maximization of shareholders' wealth is the corner stone of the governance. It hinges on total transparency, integrity and accountability of the management, which includes non-executive directors. It is about commitment to values and ethical business conduct and a high degree of transparency.

### **Details of various committees are as follows:**

#### **i) Audit Committee**

Terms of Reference of the Audit Committee are as per statutory guidelines that inter-alia, include overseeing financial reporting processes, reviewing Quarterly, Half yearly

and Annual financial results, adequacy of internal control systems, internal audit function, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditors on any significant findings and also to investigate any activity within its terms of reference and to seek any information it requires from any employees and to secure the attendance of outsiders with relevant experience and expertise, where considered necessary. .

Members of Audit Committee	Designation	Nature of Directorship
Mr.J.Srinivasan	Chairman	Independent Director
Mr.M.A.M.Arunachalam	Member	Non Executive Promoter Director
Mr.S.S.Rajsekar	Member	Independent Director

## ii) Shareholders and Investor Grievances Committee

The Committee was constituted by the Board in their meeting of 8<sup>th</sup> April 2008 with Mr.M.A.M.Arunachalam, Mr.K.T.Kumar, Mr.S.S.Rajsekar as the members of this committee. Mr.J.Srinivasan was appointed as Member of the said Committee in the place of Mr.K.T.Kumar. Mr.M.A.M.Arunachalam is the Chairman of the Committee since its constitution. Mr.P.R.Sundar was appointed as the Compliance Officer with effect from 23<sup>rd</sup> January 2009. The committee attends to the investors/shareholders, correspondence and share transfers expeditiously and usually reply is sent within a period of 15 days of receipt, except in those cases, which are disputed, and sub-judice. The company furnishes necessary documents/ information to the shareholders.

The Members of the Committee are as under:

Members of Remuneration Committee	Designation	Nature of Directorship
Mr.M.A.M.Arunachalam	Chairman	Non Executive Promoter Director
Mr.J.Srinivasan	Member	Independent Director
Mr.S.S.Rajsekar	Member	Independent Director

### *Disclosure by Senior Management in accordance with Clause 491V(F) (ii) of the Listing Agreement*

The senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions with the Company that may have potential conflict with the interests of the Company at large.

The Company has well established internal control systems and procedures which in certain cases are in the process of being further documented and updated.

### Shareholding of the Directors

Sr. No.	Name	No. of Equity Shares
1.	Mr. M A M Arunachalam	2,01,610
2.	Mr. M M Venkatachalam	2,01,610

## **Our Promoters and their Background Individual Promoters**

### **PROMOTERS**

#### ***Mr. M V Murugappan***

Mr M V Murugappan aged 75 years, is an Honours Graduate in Civil Engineering. He was associated with the Company during the period 1957 to 2005 and was on the Board from 1959 to 2005. He was the Managing Director from 1974 to 1979 and was Chairman of the Board from 1979 to 2005. Several land mark buildings including LIC of India in Chennai and Mauritius, Hotel Chola Sheraton, Hotel Trident, Karumuthu Centre, Grindlays Centre, TIAM House in Chennai apart from construction of several industrial buildings were carried out during his tenure. He joined Carborundum Universal Limited (CUMI) in 1979. As a Managing Director of CUMI from 1979 – 2000 he was instrumental in CUMI's rapid expansion and diversification, including CUMI's entry into the power sector. He was a Director of CUMI from 1979 to 2004 and was Chairman from 1995 to 2004. He was a Managing Committee member of ASSOCHAM for several years

**Driving Licence No. :** D/TN/07X/014975/2007

**PAN Number:** AAFPM1998N

**Voter ID No. :** TN/02/010/0376002

#### ***Mr. M V Subbiah***

Mr M V Subbiah, aged 71, holds a diploma in industrial administration from University of Aston, UK. Has attended the advanced Management programme of the Harvard Business School. He was the Director of the Company from 1965 to 1974. He was the Chairman of the Board of Cholamandalam DBS Finance Limited from October 1997 to July 2001. He has won the national HRD award in the year 1988. The All India Management Association had bestowed upon Mr Subbiah, the JRD Tata corporate leadership award 2001 for his outstanding industry leadership. He has been the president of AIEI (a forerunner of CII)

**Driving Licence No. :** R/TN/007/018642/2004

**PAN Number:** ABBPS0231K

**Voter ID No. :** Not available

#### ***Mr. M.A. Alagappan***

Mr. M.A. Alagappan, aged 66, is a graduate in Commerce and has undergone a course in Management studies in the University of Aston, U.K. He was a Director of the Company during the period May 2004 to October 2006 and was also occupying the position of Chairmanship. He was associated with the Cholamandalam DBS Finance Limited since incorporation in 1978 till October 2000 as a Director and Vice-Chairman and Managing Director between 1994 and 1999. He joined the Board of Cholamandalam DBS Finance Limited again as a non-executive Director from July 2001 and was the Chairman of the Board from October 2001 till October, 2006. He is also a committee member of Federation of Indian Chamber of Commerce and Industry (FICCI) and Southern India Chamber of Commerce and Industry (SICCI) and is an honorary counsel for Hungary in India, Southern Region.

**Driving Licence No. :** R/TN/004/008272/2002

**PAN Number:** AACPA9628C

**Voter ID No. :** Not available

**Mr. A Vellayan**

Mr. A Vellayan, aged 57 holds diploma in Industrial administration from the University of Aston, UK and Masters degree in Business Studies from University of Warwick Business school, UK. He is presently the Chairman of the Murugappa Corporate Board. Mr. Vellayan has been the Vice President of the Federation of Indian Exports Organisations and a member of the National Export Committee of the Confederation of Indian Industry. He was the President of All India Cycle Manufacturers' Association Indian Chapter, ICC India. He is the Executive Committee member of FICCI, and the Vice president of SICCI.

**Driving Licence No. :** R/TN/007/002578/2003

**PAN Number:** AACPV2231L

**Voter ID No. :** Not available

**PROMOTER GROUP COMPANIES**

**DETAILS OF LISTED COMPANIES WITHIN THE PROMOTER GROUP COMPANIES**

**1. E.I.D. Parry (India) Limited (EID)**

E.I.D. Parry (India) Limited (EID), was incorporated as a public limited company on September 22, 1975, under the provisions of the Companies Act, 1956 with Registrar of Companies, Tamil Nadu.

The Corporate Identification number of the Company (CIN) is L24211TN1975PLC006989. The registered office of EID is situated at 'Dare House' 234, N.S.C Bose Road, Parrayy Corner, Chennai – 600 001. The main business activity of the company is manufacture and sale of sugar, chemicals, generation of power and bio products consisting of bio-pesticides and nutraceuticals.

<b>Board of Directors</b>	Mr. A. Vellayan, Mr. K. Raghunandan, Mr. Anand Bhatia, Mr.V. Manickam, Mr. R. A. Savoor , Mr. M.B.N.Rao and Mr.V. Ravichandran .
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The Shareholding pattern of EID (as on 31/12/2009) is as follows:

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>% of total Equity holding</b>
<b>Shareholding of Promoter and Promoter Group</b>		
Individuals/ HUF	44,67,380	5.17
Bodies Corporate	364,70,375	42.25
Trusts	47,715	0.06
<b>Foreign</b>	0.00	0.00
<b>Total shareholding of Promoter and Promoter Group</b>	<b>4,09,85,470</b>	<b>47.48</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Mutual Funds / UTI	1,03,95,994	12.04
Financial Institutions / Banks	29,602	0.03

Particulars	No. of Equity Shares	% of total Equity holding
Insurance Companies	85,74,861	9.93
Foreign Institutional Investors	52,30,616	6.06
<b>Sub Total</b>	<b>2,42,31,073</b>	<b>28.07</b>
<b>Non-Institutions</b>		
Bodies Corporate	28,88,469	3.35
Individuals	1,67,82,751	19.44
Non Resident Indians	5,29,747	0.61
Overseas corporate bodies	5,39,380	0.62
Trusts	49,821	0.06
Foreign members	1,38,150	0.16
Clearing Members	50,928	0.06
<b>Sub Total</b>	<b>2,09,79,246</b>	<b>24.30</b>
<b>Total Public shareholding</b>	<b>4,52,10,319</b>	
<b>Shares held by Custodians against which Depository Receipts have been issued</b>	<b>1,30,965</b>	<b>0.15</b>
<b>Grand Total</b>	<b>8,63,26,754</b>	<b>100</b>

#### Financial Performance

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	1,722	1,785	1,785
Reserves & Surplus	95,210	49,429	51,884
Net Sales	75,557	61,645	55,172
Other Income	92,215	10,306	15,546
Total Income	1,67,772	71,951	70,718
Profit / (Loss) After Tax	69,196	(1,658)	12,742
Earning Per Share	77.80	(1.86)	14.28

EID is listed on Bombay Stock Exchange Limited (BSE), Madras Stock Exchange Limited (MSE) and National Stock Exchange of India Limited (NSE). Quotations for last six months at BSE and NSE are as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
August 2009	357.50	293.55	358.50	271.55
September 2009	346.90	310.00	346.75	307.00
October 2009	339.00	289.00	339.00	289.80
November 2009	342.00	298.10	342.00	298.35
December 2009	371.90	325.00	371.00	324.55
January 2010	419.00	354.00	419.00	352.00

#### Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs. 402.85/ Rs. 300.00 NSE: Rs. 419.00/ Rs. 289.80
Market price as on 09/02/2010 (Rs)	BSE: Rs. 338.80/- NSE: Rs. 339.30/-

Public / rights issue during last three years- In the year 1993, the company came out with a right issue of 35,37,200 15% partly convertible debentures of Rs.150/- each aggregating to Rs.53.55 crores. EID is not a Sick Industrial Company within the meaning of the SICA.

## 2. Coromandel International Limited (CIL)

Coromandel Fertilisers Limited was incorporated on October 16, 1961 with Registrar of Companies, Andhra Pradesh, Hyderabad under Registration No. 892. CFL was later converted into a public company on April 16, 1964 and obtained a fresh certificate thereafter. The name of the Company was changed to Coromandel International Ltd. w.e.f. 23.09.2009. The Corporate Identification Number (CIN No.) of the Company is 'L24120AP1961PLC000892'. CFL is engaged in the business of manufacturing and marketing complex fertilizers of different grades, single super phosphate and pesticides. The registered office of CFL is situated at 'Coromandel House', 1-2-10, Sardar Patel Road, Secunderabad – 500 003, India.

<b>Board of Directors</b>	Mr. A Vellayan, Mr. V Ravichandran, Mr. M K Tandon, Mr. M M Venkatachalam, Mr. K Balasubramanian, Dr. B V R Mohan Reddy and R.A. Savor
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The Shareholding pattern of CFL (as on 31/12/2009) is as follows:

Particulars	No. of Equity Shares	% of total Equity holding
<b>Shareholding of Promoter and Promoter Group</b>		
Individuals/ HUF	18,71,169	1.34
Bodies Corporate	8,83,60,580	63.05
Others	12,570	0.01
<b>Total shareholding of Promoter and Promoter Group</b>	<b>90,244,319</b>	<b>64.40</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Mutual Funds / UTI	92,60,841	6.61
Financial Institutions / Banks	67,353	0.05
Insurance Companies	51,38,933	3.67
Foreign Institutional Investors	45,73,639	3.26
Foreign Financial Institutions/ Banks	920	0.00
<b>Sub Total</b>	<b>1,90,41,686</b>	<b>13.59</b>
<b>Non-Institutions</b>		
Bodies Corporate	23,39,514	1.67
Individuals	2,20,65,274	15.75
Foreign Nationals	47,905	0.03
Foreign Corporate Bodies	250	0.00
Overseas Corporate Bodies	49,69,530	3.55
Trusts	50,654	0.04
Non Resident Indians	13,29,931	0.95
Clearing Members	52,123	0.04
<b>Sub Total</b>	<b>3,08,55,181</b>	<b>22.02</b>

Particulars	No. of Equity Shares	% of total Equity holding
<b>Total Public shareholding</b>	<b>4,98,96,867</b>	<b>35.60</b>
<b>Grand Total</b>	<b>14,01,41,186</b>	<b>100</b>

### Financial Performance

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	2,797.94	2,797.94	2,557.20
Reserves & Surplus	1,09,916.11	76,645.56	48,686.21
Net Sales	2,15,528.78	2,16,845.35	1,36,734.68
Government Subsidies	7,21,969.27	1,58,888.69	69,814.36
Income from Business assistance Agreement	15859.41	-	-
Other Income	13,423.08	4,277.03	1,873.49
Total Income	9,66,780.54	3,80,011.07	2,08,422.53
Profit After Tax	49,637.80	20,976.00	10,073.65
Earning Per Share (Rs.) (Face ValueRs.2/-)			
- Basic	35.48	14.99	7.93
- Diluted	35.42	14.94	7.88

CFL is listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). Quotations for last six months at BSE and NSE are as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
August 2009	188.00	160.00	189.00	159.00
September 2009	292.00	169.65	293.00	169.60
October 2009	292.00	200.30	293.00	195.00
November 2009	292.00	200.30	293.00	195.00
December 2009	292.00	219.05	293.00	219.25
January 2010	292.00	235.95	293.00	231.10

### Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs. 280.05/ Rs. 170.35 NSE: Rs. 281.30/ Rs. 176.60
Market price as on 09/02/2010 (Rs)	BSE: Rs. 265.55/- NSE: Rs. 266.90/-

CFL has not made any rights / public issue during last three years. CFL is not a Sick Industrial Company within the meaning of the SICA.

### 3. Tube Investments of India Limited ('TIIL')

Tube Investments of India Limited ('TIIL') was incorporated on September 9, 1949 with Registrar of Joint Stock Companies, Madras. The CIN No. of the Company is L35921TN1949PLC002905. The main business activity of TIIL is to manufacture and sale of bicycles/components, precision tubes and metal forming. TIIL's registered office is situated at 'Dare House' 234, N.S.C Bose Road, Chennai 600 001.

<b>Board of Directors</b>	Mr. M M Murugappan, Mr. L Ramkumar, Mr. Amal Ganguli, Dr. D Jayavarthanavelu, Mr. Pradeep Mallick, Mr. R Srinivasan, Mr. S Sandilya, Mr N Srinivasan and Eppen Jacob Kochehkan
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The Shareholding pattern of TIIL (as on 31/12/2009) is as follows:

Particulars	No. of Equity Shares	% of total Equity holding
<b>Shareholding of Promoter and Promoter Group</b>		
Individuals/ HUF	1,75,06,115	9.47
Bodies Corporate	7,21,42,145	39.04
Trusts	58,00,500	3.14
<b>Total shareholding of Promoter and Promoter Group</b>	<b>9,54,48,760</b>	<b>51.66</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Mutual Funds / UTI	1,00,47,379	5.44
Financial Institutions / Banks	8,94,669	0.48
Insurance Companies	72,89,055	3.94
Foreign Institutional Investors	69,80,393	3.78
<b>Sub Total</b>	<b>2,52,11,496</b>	<b>13.64</b>
<b>Non-Institutions</b>		
Bodies Corporate	1,41,17,656	7.64
Individuals	3,64,03,471	19.70
Non Resident Indians	7,67,447	0.42
Trusts	1,94,551	0.11
Clearing Members	3,77,369	0.20
Foreign Bodies – DR	16,95,290	0.92
<b>Sub Total</b>	<b>5,35,55,784</b>	<b>28.98</b>
<b>Total Public shareholding</b>	<b>7,87,67,280</b>	<b>42.63</b>
GDR holders' depository	1,05,63,960	5.72
<b>Grand Total</b>	<b>18,47,80,000</b>	<b>100</b>

### Financial Performance

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	3,695	3,695	3,695.60
Reserves & Surplus*	70,000	68,102	61,890
Net Sales	2,06,109	1,74,386	1,61,504
Other Income	7,585	2,596	9,274

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Total Income	2,13,694	1,76,982	1,70,778
Profit After Tax	7218	5,650	15,578
Earning Per Share (Rs.) (Face Value Rs.2) – Basic and Diluted	3.91	3.06	8.43**

\* Net of revaluation reserves and miscellaneous expenditures not written off

\*\* On post split basis. Effective June 8, 2006, 1 equity share of Rs. 10 each was sub-divided into 5 equity shares of Rs. 2 each.

TIIL is listed on BSE, NSE and MSE. There has been no trading in the shares of the Company in MSE in the last six months. Quotations for last six months at BSE and NSE are as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
August 2009	65.00	56.05	67.40	57.00
September 2009	75.05	56.50	75.15	56.50
October 2009	71.40	58.30	71.25	58.50
November 2009	64.60	51.35	64.65	50.10
December 2009	72.50	57.60	72.50	58.30
January 2010	89.40	68.30	89.70	68.50

#### Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs. 88.10/ Rs. 54.10 NSE: Rs. 89.70/ Rs. 53.55
Market price a on 09/02/2010 (Rs)	BSE: Rs. 73.05/- NSE: Rs. 73.20/-

TIIL has not made any rights / public issue during last three years. TIIL is not a Sick Industrial Company within the meaning of the SICA.

#### 4. Carborundum Universal Limited ('CUMI')

Carborundum Universal Limited ('CUMI') was incorporated on April 21, 1954, with Registrar of Joint Stock Companies, Madras. The CIN Number of the Company is L29224TN1954PTC000318. The main business activity of CUMI is to manufacture abrasives, industrial ceramics, electro minerals, power tools and super refractories. CUMI's registered office is situated at Parry House, 43, Moore Street, Chennai 600 001.

<b>Board of Directors</b>	Mr. M.M. Murugappan, Mr. K. Srinivasan, Mr. Subodh Kumar Bhargava, Mr. T.L. Palani Kumar, A Vellayan, Mr. Sridhar Ganesh, Mr.Muthuswamy Lakshminarayan and Mr. Shobhan Madhukant Thakore
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The Shareholding pattern of CUMI (as on 31/12/2009) is as follows:

Particulars	No. of Equity Shares	% of total Equity holding
<b>Shareholding of Promoter and Promoter Group</b>		
Individuals/ HUF	65,12,862	6.98
Bodies Corporate	3,37,39,477	36.14
<b>Total shareholding of Promoter and Promoter Group</b>	<b>4,02,52,339</b>	<b>43.12</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Mutual Funds / UTI	71,26,818	7.63
Financial Institutions / Banks	25,748	0.03
Insurance Companies	78,73,072	8.43
Foreign Institutional Investors	94,42,689	10.11
<b>Sub Total</b>	<b>2,44,68,327</b>	<b>26.21</b>
<b>Non-Institutions</b>		
Bodies Corporate	34,32,503	3.68
Individuals	2,42,93,772	26.02
Clearing Members	29,831	0.03
Trusts	17,537	0.02
NRI	8,59,691	0.92
<b>Sub Total</b>	<b>2,86,33,334</b>	<b>30.67</b>
<b>Total Public shareholding</b>	<b>5,31,01,661</b>	<b>56.88</b>
<b>Grand Total</b>	<b>9,33,54,000</b>	<b>100.00</b>

#### Financial Performance

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	1,867.10	1,867.10	1,867.08
Reserves & Surplus	37,218.50	33,320.40	25,530.20
Net Sales	65,190.00	58,301.00	46,455.60
Other Income	5,738.70	8,847.40	2,142.10
Total Income	70,928.70	67,148.40	48,597.70
Profit After Tax	5,971.70	9,717.00	5,866.10
Earning Per Share (Rs.) (Face Value Rs.2)	6.40	10.41	6.28

CUMI is listed on BSE, NSE and MSE. There has been no trading in the shares of the Company in MSE. Quotations for last six months at BSE and NSE are as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
August 2009	145.00	124.10	145.00	115.00
September 2009	164.00	134.00	167.95	128.00
October 2009	159.00	136.05	158.75	136.25
November 2009	149.00	135.10	149.20	132.00
December 2009	189.00	143.05	188.00	132.70
January 2010	204.30	154.60	204.65	154.35

## Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs. 204.30/ Rs. 134.00 NSE: Rs. 204.65/ Rs. 128.00
Market price as on 09/02/2010 (Rs)	BSE: Rs. 180.10/- NSE: Rs. 178.80/-

CUMI has not made any rights / public issue during last three years. CUMI is not a Sick Industrial Company within the meaning of the SICA.

## 5. Cholamandalam DBS Finance Limited ('CDFL')

Cholamandalam DBS Finance Limited ('CDFL') was incorporated as a public limited company under the name Cholamandalam Investment and Finance Company Limited on August 17, 1978 with Registrar of Companies, Tamil Nadu, Chennai. The name of the Company was changed to Cholamandalam DBS Finance Limited on April 12, 2006. The CIN Number of the Company is U65993TNN1978PLC007576. CDFL is a registered Non-banking finance company (NBFC) in terms of Section 45 IA of the Reserve Bank of India Act, 1934. CDFL's registered office is situated at 'Dare House' No. 2, N.S.C Bose Road; Parys, Chennai – 600 001; Tamil Nadu.

<b>Board of Directors</b>	Mr.M.A.Alagappan, Mr. V.P Mahendra, Mr. R.V. Kanoria, Mr. Indresh Narain, Mr. R Krishnamurthy, Mr. N. Srinivasan, Mr. Pranam Wahi and Mr. Wong Ann Chai.
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The Shareholding pattern of CDFL (as on 31/12/2009) is as follows:

Particulars	No. of Equity Shares	% of total Equity holding
<b>Shareholding of Promoter and Promoter Group</b>		
<b>Indian</b>		
Individuals/ HUF	34,33,347	5.17
Bodies Corporate	2,14,55,136	32.31
<b>Foreign</b>		
Bodies Corporate	2,48,88,473	37.48
<b>Total shareholding of Promoter and Promoter Group</b>	<b>4,97,76,956</b>	<b>74.96</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Mutual Funds / UTI	100	0.00
Financial Institutions / Banks	10,200	0.02
Foreign Institutional Investors	6,92,357	1.04
<b>Sub Total</b>	<b>7,02,657</b>	<b>1.06</b>
<b>Non-Institutions</b>		
Bodies Corporate	40,08,914	6.04
Individuals	1,12,29,153	16.91
Overseas corporate bodies	1,735	0.00

Particulars	No. of Equity Shares	% of total Equity holding
Non Resident Indians	6,05,931	0.91
Trusts	50,000	0.08
Clearing Members	30,988	0.05
<b>Sub Total</b>	<b>1,59,26,721</b>	<b>23.98</b>
<b>Total Public shareholding</b>	<b>1,66,29,378</b>	<b>25.04</b>
<b>Grand Total</b>	<b>6,64,06,334</b>	<b>100</b>

### Financial Performance

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	6,647.17	5,224.18	3,801
Reserves & Surplus	41,453.94	50,638.60	28,833.81
Income from operations	1,11,520.34	89,128.27	40,744
Other Income	542.78	44.53	169
Total Income	1,12,063.12	89,172.80	40,913
Profit After Tax	4,274.90	5,936.76	3,559
Earning Per Share (Rs.) (Face Value Rs.10)			
Basic	7.05	12.88	8.17
Diluted	6.83	12.23	8.17

CDFL is listed on BSE, NSE and MSE. There has been no trading in the shares of the Company in MSE. Quotations for last six months at BSE and NSE are as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
August 2009	63.20	53.50	62.95	52.45
September 2009	84.40	56.50	84.90	56.85
October 2009	71.45	54.50	71.90	54.60
November 2009	62.85	49.25	62.00	49.40
December 2009	69.70	55.60	69.95	55.95
January 2010	79.35	58.00	79.70	57.00

### Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs.84.40/ Rs.49.25 NSE: Rs. 84.90/ Rs. 49.40
Market price as on 09/02/2010 (Rs)	BSE: Rs. 61.00/- NSE: Rs. 61.05/-

Rights / public issue during last three years - In the year 2007, the company came out with a Rights issue of 14,229,929 equity shares of Rs.10/- at a premium of Rs. 130/- per equity share, aggregating upto Rs. 199.22 crores.

CDFL is not a Sick Industrial Company within the meaning of the SICA.

## DETAILS OF THE FIVE LARGEST UNLISTED COMPANIES WITHIN THE PROMOTER GROUP COMPANIES

### 1. Murugappa Management Services Limited

Muragappa Management Services Limited was incorporated on 12/12/1999 with Registrar of Companies, Tamil Nadu, Chennai. Registration No. of the company is 6192 and the CIN Number. U74140TN1972PLC006192. Muragappa Management Services Limited is engaged in providing in-house services to various companies within the Murugappa Group. Muragappa Management Services Limited's registered office is situated at 'Dare House', 234, NSC Bose Road, Chennai – 600 001.

Board of Directors	Mr. P. Nagarajan, Mr. K. Balasubramanian, Mr. V. Ramesh, Mr. V. Suryanarayanan, Mr. P. Gopalakrishnan
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The Shareholding pattern of Murugappa Management Services Limited as on 31/12/2009 is as follows:

Sr. No	Category	No. of shares held of Rs. 100/- each	% of total share capital
1	Bodies Corporates	229464	99.99
2	Others	4	0.001
	<b>Grand Total</b>	<b>229468</b>	<b>100.00</b>

### Financials

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	129.26	129.26	129.26
Reserves & Surplus	28.78	48.71	71.46
Income	3832.61	3085.26	2667.58
Other Income	13.61	0.84	5.31
Total Income	3846.22	3086.10	2672.89
Profit / (Loss) After Tax	(19.93)	16.20	19.83
No. of equity shares	129264	129264	129264
Earning Per Share (Rs.) (Face ValueRs.10)	-15.41	12.53	15.34

Rights/public issue in the last 3 years - In the year 2009, the company came out with a Rights issue of 1,00,204 equity shares of Rs.100/- at a premium of Rs. 350/- per equity share, aggregating upto Rs. 4.51crores.

Muragappa Management Services Limited is not a Sick Industrial Company within the meaning of the SICA.

### 2. Ambadi Enterprises Limited (AEL)

AEL was incorporated on 18/11/1941 The Murugappa Agencies Limited with the registrar of Companies, Chennai. The name of the company was changed to Ambadi Enterprises

Private Limited on 13/12/1961. The company was subsequently was converted into a public limited company and the name of the company was changed to Ambadi Enterprises Limited as on 10/04/1992. The Registration No. of the company is 43 of 1941-1942 (CIN No. U65991TN1941PLC001437) AEL is engaged in the exports of floor coverings and furnishing fabrics. AEL's registered office is situated at Parry House, 5<sup>th</sup> floor, 43 Moore Street, Chennai- 600 001.

Board of Directors	Mr. A. Venkatchalam, Mr. M. M. Venkatchalam, Mr. P. B. Jayakumar, Mr. J. Sahni, Mr. R.Eswaran and Mr.Sridhar Ganesh.
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The Shareholding pattern of AEL as on 31/12/2009 is as follows:

Sr. No	Category	No. of shares held of Rs. 10/- each	% of total share capital	
1	Directors	63,092	13.14	
2	Others	4,16,908	86.86	
	<b>Total</b>	<b>4,80,000</b>	<b>100.00</b>	<b>(In Lacs.)</b>
Particulars		Financial Year Ended 31 <sup>st</sup> March		
		2008-09	2007-08	2006-07
Equity Share Capital		48.00	48.00	48.00
Reserves & Surplus		2300.98	2240.57	1999.26
Sales		5995.07	5069.48	4966.28
Other Income		913.88	621.47	557.57
Total Income		6908.95	5690.95	5523.85
Profit After Tax		116.57	311.38	194.85
Earning Per Share (Rs.) (Face ValueRs.10)		24.29	64.87	40.59

AEL has not made any capital issue during last three years. AEL is not a Sick Industrial Company within the meaning of the SICA.

### 3. Parry Murray Co. Ltd., U.K (PMCL)

Parry Murray Co. Ltd. (PMCL) is a subsidiary of Ambadi Enterprises Limited. PMCL was incorporated on 13/12/1929. PMCL is engaged in the imports of fabrics and floor coverings. PMCL's registered office is situated at 3<sup>rd</sup> floor, Simpson House, 6 Cherry Orchard Road, Croydon – CRO6BA

Board of Directors	Mr. M.M. Venkatachalam, Mr. R.A. Chanmertain, Mr. P.C. Byrom, Mr. A.V.A. Kumar and Mr. Sridhar Ganesh
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The Shareholding pattern of PMCL as on 31/12/2009 is as follows:

Sr. No	Category	No. of shares held of PDS 1/- each	% of total share capital
1	Ambadi Enterprises Limited	80,000	80.00
2	AMM Firm, Malaysia	20,000	20.00
	<b>Grand Total</b>	<b>100000</b>	<b>100.00</b>

## Financials

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	73.29	79.34	85.53
Reserves & Surplus	2885.24	2732.92	2808.64
Sales less discounts	4970.20	4430.47	4224.31
Other Income	117.17	84.67	96.17
Total Income	5087.37	4515.14	4320.48
Profit After Tax	354.11	325.89	290.86
Earning Per Share (Rs.) (Face Value Pds.1/-)	354.11	325.89	290.86

PMCL has not made any capital issue during last three years. PMCL is not a Sick Industrial Company within the meaning of the SICA.

#### 4. New Ambadi Estates Private Limited

New Ambadi Estate Private Limited was incorporated on 22/05/1942 with Registrar of Joint Stock Companies, Trivandrum. The CIN Number of the Company is UO1116TN1942PTC003659. New Ambadi Estate Private Limited is engaged in Production and Supply of Raw Rubber, S.S.Latex, Cenex and P.V.Latex. The registered office is situated at Parry House, 5<sup>th</sup> Floorm 43 Moore Street, Chennai – 600 001.

Board of Directors	Mr. M. V Murugappan, Mr. M A Alagappan, Mr. M M Murugappan, Mr. M M Venkatachalam, Mr. M A M Arunachalam and Mr. N K Rowley
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The Shareholding pattern of New Ambadi Estate Private Limited as on 31/12/2009 is as follows:

Sr. No	Category	No. of shares held of Rs. 10/- each	% of total share capital
1	Promoter & Promoter group (including their family members)	15,25,122	86.54
2	Public	2,37,182	13.46
	<b>Grand Total</b>	<b>1762304</b>	<b>100.00</b>

## Financials

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	176.23	176.23	176.23
Reserves & Surplus	15577.40	15127.67	6998.77
Sales	1344.08	752.53	1020.55
Misc. Income	1321.27	8842.64	1447.70
Total Income	2665.35	9595.17	2498.25
Profit After Tax	579.81	8269.19	900.85
Earning Per Share (Rs.) (Face ValueRs.10)	32.90	469.22	49.74

New Ambadi Estate Private Limited has not made any capital issue during last three years. New Ambadi Estate Private Limited is not a Sick Industrial Company within the meaning of the SICA.

#### 5. A.M.M Arunachalam & Sons Pvt. Limited

A.M.M Arunachalam & Sons Pvt. Limited was incorporated on 16/10/1980 with Registrar of Companies, Tamil Nadu. The Registration Number of the Company is 8445 of 1980. A.M.M Arunachalam & Sons Pvt. Limited is engaged in Investment Business. The registered office is situated at Parry House, 5<sup>th</sup> Floor, 43, Moore Street, Chennai – 600 001.

Board of Directors	Mr. M. A. Alagappan, Mr. M. A. M. Arunachalam, Mr. Arun Alagappan, Ms. Alagappan Alagammai, Ms. Meyammai Murugappan
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The Shareholding pattern of A.M.M Arunachalam & Sons Pvt. Limited as on date is as follows:

Sr. No	Category	No. of shares held of Rs. 10/- each	% of total share capital
1	Mr.M.A.Alagappan	29,400	25.56
2	Mr.A.R.Lakshmi Achi	600	0.52
3	Mrs. A.A.Alagammai	9,450	8.22
	Mr.Arun Alagappan	18,350	15.96
	Mr.M.A.M.Arunachalam	57,200	49.74
	<b>Grand Total</b>	<b>1,15,000</b>	<b>100.00</b>

#### Financials

(In Lacs.)

Particulars	Financial Year Ended 31 <sup>st</sup> March		
	2008-09	2007-08	2006-07
Equity Share Capital	115.00	115.00	115.00
Reserves & Surplus	341.99	350.40	263.77
Income	79.85	120.78	199.28
Other Income	0.00	0.00	0.00
Total Income	79.85	120.78	199.28
Profit After Tax	(8.58)	105.32	161.00
Earning Per Share (Rs.) (Face ValueRs.100/-)	(0.07)	91.58	140.00
Net Asset Value (NAV)	397.38	404.70	329.37

A.M.M Arunachalam & Sons Pvt. Limited has not made any capital issue during last three years. A.M.M Arunachalam & Sons Pvt. Limited is not a Sick Industrial Company within the meaning of the SICA.

## LEGAL AND OTHER INFORMATION

### Outstanding Litigations and Defaults

Save as stated hereunder, our Company has not defaulted in meeting any of its statutory or institutional dues and have made all payments/refunds on fixed deposits or no proceedings have been initiated against our Company, for any of the offences specified in paragraph 1 of Part I of Schedule XIII of the Companies Act, 1956. Further, there are no disputes/litigations towards tax liabilities or criminal prosecutions against us and our Directors for any offence, economic or otherwise civil litigations against our Company and its Directors, there are no material disputes/legal actions other than those disclosed below.

There are no pending proceedings initiated for economic offences against us. No disciplinary action/ investigation have been taken by the SEBI against us, our group companies. The promoters, their relatives, Coromandel Engineering Company Ltd., group companies, associate companies are not detained as wilful defaulters by RBI/Government authorities and there are no violations of securities laws committed by them in part or pending against them.

### CONTINGENT LIABILITIES OF THE COMPANY

The details of contingent liabilities not provided for as per the Balance Sheet as on 31/03/2009 is as follows:

Particulars	2008-09	2007-08
<b>(A) Guarantees issued by Company's Bankers for which the Company has given counter guarantees</b> (Net of guarantees for Rs.40,319,002/- for which liabilities existing in the books of accounts.)	384.52	290.00
<b>(B) Estimated liability on account of certain taxes and duties not provided</b>		
<b>1) Sales Tax</b> Karnataka Sales Tax Asst.Year 1990-91 after adjusting deposit of Rs.112,000/-	-	5.48
<b>2) Excise Duty</b> Demands under dispute pending in appeals before CEGAT	32.38	32.38
<b>3) Employees State Insurance</b> Demand disputed (Net of Rs.120170/-) deposited included in Advances recoverable under Loans and Advances	-	1.19
<b>4) Income Tax</b> For Assessment year 2005-06 the Company has preferred appeal with CIT (Appeals) against some disallowances and addition made by the Assessing officer.	1.90	1.90
<b>5) Andhra Pradesh VAT Tax for the years 2006-07 and 2007-08.</b> The matter is pending before The Appellate Deputy Commissioner (CT)	43.32	-
<b>(C) Estimated amount of Contracts remaining to be executed on Capital Account not provided for.</b>	5.30	22.57
<b>TOTAL</b>	<b>467.42</b>	<b>353.52</b>

## **Pending litigations against the company**

### **Cases filed against our Company**

Save and except as stated below, there are no outstanding litigations, disputes, penalties against our company, including tax liabilities, economic offences, criminal or civil prosecutions launched against the company, for any offence irrespective of whether or not specified in Paragraph 1 of Part I of Schedule XIII of the Companies Act, 1956.

#### **1. Litigation involving criminal cases**

There are no criminal cases filed against our Company.

#### **2. Litigation involving civil cases**

There is no civil case pending against our Company.

#### **3. Litigations involving Consumer Case:**

There are no consumer cases pending against our company.

#### **4. Litigations involving Suits or Writs:-**

No suits or write offs are pending against our company.

#### **5. Litigation involving Statutory Disputes**

### **Details of pending Income Tax , Sales Tax, Excise Duty and E.S.I. in respect of investment allowance:**

<b>Sr. No</b>	<b>Assessment year</b>	<b>Nature of dispute</b>	<b>Tax amount (Rs. in lacs)</b>	<b>Latest position</b>
1	2005-06	Valuation of WIP in respect of unsold flats and sundry creditors more than two years	1.90	Appeal pending before the Commissioner of Income Tax Chennai.
2	Central Excise: 1988-89	Nature of execution	32.38	Appeal by Department of Customs, Excise and Service Tax Appellate Tribunal against the order passed by Office of Commissioner of Central Excise, Tirunelveli in company's favour – Matter is pending.
3	2006-07 and 2007-08.	Andhra Pradesh VAT Tax for the years 2006-07 and 2007-08.	43.32	The matter is pending before The Appellate Deputy Commissioner (CT)

## 6. Litigations involving Labour Laws

There are no cases pertaining to Labour disputes, pending against our company.

## 7. Defaults

The company has not defaulted in the payment of interest and repayment of principal to other Companies, Financial Institutions, deposit holders etc. The company has not defaulted in meeting statutory dues, institutional dues and dues towards instrument holders like debentures, fixed deposits, and other arrears.

Other than the above there are no disputes /litigation towards tax liabilities or any criminal or civil prosecutions against our company for any offence, economic or otherwise.

### Cases filed by CECL

Nil

## OUTSTANDING LITIGATIONS AGAINST GROUP COMPANIES

### 1. Outstanding litigations/ disputes against top five listed group companies

#### i. Carborundum Universal Limited (CUMI)

#### Outstanding litigations filed against CUMI

Contingent liabilities of CUMI:

(Rs. in lacs)

Particulars	Amount
Excise Duty	50.04
Service Tax	135.04
Sales Tax	128.91
Income Tax	985.20

#### Outstanding litigations filed against CUMI

*By Government/ Statutory bodies:* There are 5 cases related cases pending at various stages before Hon' High Court of various states in respect of different types of disputes for amounts aggregating approximately Rs. 727 lakhs.

*Property Tax:* There are 2 property tax related disputes for amounts aggregating approximately Rs. 178 lacs.

*Labour Cases:* CUMI is involved in 31 labour disputes pending at various stages before various authorities/ courts in respect of different types of disputes especially regarding reinstatement of workmen with back wages, compensation claims by legal heirs of the deceased workman, etc.

*Intellectual Property:* There is a case file against CUMI related to Intellectual Property rights which is still pending. The amount of the same is not quantifiable.

*Shares & Deposits:* There are 2 cases filed against CUMI which are shares & Deposits, pending before various authorities. The claim amount is not quantifiable.

*Motor Vehicle accident cases:* There are 6 motor vehicle accident cases filed against CUMI before the Motor Accident Claims Tribunal at various places for claims amounting to approximately Rs. 34.25 lacs and pending for disposal.

*Other cases:* M/s. Ajay Marketing Agencies has filed a suit against CUMI for restraining from initiating cheque dishonor action before the District Court, Kanpur and the same is pending.

### **Cases filed by CUMI**

<b>Particulars</b>	<b>No. of cases</b>	<b>Amount (Rs. in lacs)</b>
Criminal Cases:	8	45.16
Civil	4	21.44
Intellectual Property	4	Not quantifiable

*Against Government:* An Appeal against the order of the Kerala High Court which upheld the fixation of pre 1992 tariff by Kerala Electricity Board to industries which suffered power cut of more than 50% is pending before the Supreme Court of India. The disputed amount is Rs. 110 lakh

## **ii. EID Parry (India) Limited (EID)**

### **Outstanding litigations filed against EID**

*Income Tax:* As on 31/12/2009 there are 4 cases relating to Income tax, pending against EID aggregating to Rs. 1872.31 Lacs.

*Industrial relation cases:* There are 9 cases against the Company/ its management which are pending with various authorities/ courts in respect of different types of disputes.

*Others:* By an Order dated 17.08.2009, Single Judge of the Calcutta High Court confirmed the demand of Rs. 31.16 lacs of the Kolkata Port Trust (KOPT) towards damages for the unauthorized occupation of the leased Godown on the ground of non-renewal of the lease beyond 31.03.1999.. EID has filed Writ Appeal before the Division Bench of the Calcutta High Court and as per the directions of the High Court, EID has deposited Rs.31.16 Lacs on 01.12.2009. Writ Appeal Pending.

## **Cases filed by EID**

*Tamil Nadu Tax on Consumption or Sale of Electricity Act 2003 (Act 12 of 2003)*: The High Court of Madras dismissed the batch of Writ Petitions and also the Writ Appeals regarding the Generation Tax challenged by many industries including EID. Against this Writ Appeal SLP has been filed in the Supreme Court. SLP was allowed in EID's favour and Sugar industries continue to avail the exemption already granted. Pursuant to the Supreme Court Judgment the Tamil Nadu Government passed an Amendment Act which brought it into force the said tax with retrospective effect. Though EID is not governed by the Amended Act, the TNEB has sent demand notice for its Nellikuppam , Pettavathalai and Thyagavalli factories. EID filed a Writ Petition against this demand and obtained stay. The claim amount is Rs. 216 lacs.

Johnson Pedder Limited was merged with EID Parry (India) Limited in the year 1999. Consequent to amalgamation lands belonging to Johnson Pedder Limited was transferred to EID Parry. The Registrar of Property sent a notice requesting EID to furnish the details of value of the land to ascertain the stamp duty. EID filed a Writ No.628/ 2003 before the Hon'ble High Court, Madhya Pradesh against the Registrar seeking an order restraining the registrar from imposing stamp duty since the transfer was due to amalgamation. The matter is pending disposal.

A writ no. 629/ 2003 was filed by EID before the Hon'ble High Court , Madhya Pradesh seeking an order restraining the Registrar from claiming the Stamp duty charges for transfer of assets from Johnson Peddar to EID Parry consequent to amalgamation. The claim amount is Rs. 32 lacs.

Cauvery Sugars and Chemicals Limited (CSCL), now merged with EID Parry (India) Limited, filed a case before the Arbitral Tribunal against Star Grain Shipping Company , for recovery of money amounting to approximately Rs. 900 lakhs for sugar supplied to it. The Tribunal passed an order in favour of CSCL. The Star Grain Shipping Company has preferred an appeal no OP 374/ 2005 before Hon'ble High Court, Madras seeking damages alleging breach of contract. Claim amount Rs. 9 crores.

The Tamil Nadu State Government issued a demand notice against EID demanding arrears of water charges, for drawing water from the Palar River, a government resource. EID Parry filed Writ Petition no's . 35070 & 35071/ 2003 before the Hon'ble High Court, Madras. Writ Petition admitted and stay granted. The total demand raised by the Department is Rs. 39.69 lacs Pending disposal of the Writ Petitions, EID has on 20.02.2009 deposited Rs. 12.57 lacs towards the water charges ...

Case relates to recovery of Stamp duty and registration fee of Rs.90 lacs under Rajasthan Stamp Act, 1988 for the property, transferred to EID from M/s Falcon Gulf Ceramics Ltd pursuant to the Scheme of Amalgamation approved by the Rajasthan High Court. Writ Petition filed and the High Court by its Order dated 23.11.2007 has granted Interim Stay of recovery.

### iii. Coromandel International Limited

#### Disputes Pertaining to Tax

Particulars	Amount (Rs. In Lacs)
Income Tax against Coromandel & its I.T.Department.	2609.93
Sales Tax / VAT	212.82
Central Excise	396.19
Service Tax	25.62
Customs	10.84

#### Others

Litigations / Defaults	Total No. of Cases	Total Financial Implications (Rs. In Lakhs)
<b>Cases filed against the Company</b>		
Civil / Consumer Forum cases	15	856.97
Cases under Insecticides Act	9	-
Cases under Fertilizers Control Order	63	-
<b>Sub- total</b>	<b>87</b>	<b>856.97</b>
<b>Cases filed by the Company</b>		
Civil (including appeals)	29	813.00
Criminal (including appeals)	129	763.00
<b>Sub total</b>	<b>158</b>	<b>1576.00</b>
<b>Grand Total</b>	<b>245</b>	<b>2432.97</b>
In respect of cases filed under insecticides Act and Fertiliser Control Order, amount is not quantifiable.		

### iv. Cholamandalam DBS Finance Limited

#### Cases filed by the Company

Sl.No.	Type of Case	No of cases	Amount Involved (Rs. In Lakhs.)
1.	Civil	249	2172.88
2.	Arbitration	8498	Unascertainable
3.	Criminal	57298	48748.50
4.	Income Tax	10	1278.43
5.	Sales Tax Appeals	20	532.86

#### Cases filed against the Company

Sl.No.	Type of Case	No of cases	Amount Involved (Rs. In Lakhs.)
1.	Civil	405	Unascertainable
2.	Consumer	252	Unascertainable
3.	Criminal	52	Unascertainable
4.	Labour	1	Unascertainable

## v.Tube Investments of India Limited

### Cases/Suits filed against the Company

Sl. No.	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (In Lakhs)	Status
1	National Wind Mill Employees Union Vs TII and others	High Court, Madras	Writ filed against TNEB and TII for removal of the defective wind mills.	WP 14183/05	Nil	The matter is pending before the High Court.
2	Sundaravadivel. A, Partner, Deivanai Agencies	DMT, Tiruchirapali, TN	Legal proceedings were initiated against Mr.Sundaravadivelu for collection of trade dues. He has filed an injunction suit restraining TIIIL from interfering with his business.	OS 214/05	Nil	The case is pending before the civil court.
3	The Board of Trustees of the Port of Bombay Vs TII	High Court, Mumbai	Amount claimed for Port Trust Charges in respect of consignment not lifted by TIIIL.	Suit No.1014 of 2001	5.43	The case pending before the Mumbai High Court
4	Shivani Enterprises Vs TII	Civil Judge, Delhi	One of our C&F Agent filed a suit claiming a sum of Rs.99, 462 in respect of the settlement of account.	Suit No.3507 of 1985	Nil	The case is pending before Civil Court
5	Cynosure Investments P Ltd Vs Das Lagerway Ltd (DLWL) and others including TII	Company Law Board, Chennai	This is a complaint by one of the shareholder of DLWL for oppression and mismanagement. They have impleaded TIIIL also as a party as DLWL had done the windmill project for TIIIL.	CP No.55 of 2002	Nil	TIIIL have filed a petition before High Court, Madras and obtained a stay of the CLB proceedings against TIIIL.

*Labour cases:* There are 29 labour cases pending against the Company with various authorities/courts. The claim amount for the same is unascertainable.

**Cases/Suits filed against the Company pertaining to Income tax**

**(Rs. In lacs)**

SI No.	Appeal No.	Asst. Year	Particulars of Additions / Disallowances	Amount	Tax/Int.	Co./Dept Appeal
<b>Before High Court</b>						
1	TC No.1/2007	1996-97	Expenditure on Exchange Rate Fluctuation	771.51	354.89	Co.
			Expenditure on Bonus Issue	2.35	1.08	Co.
2	TC No.389/2007	1997-98	80HHC Calculation	28.73	12.35	Co.
	"	"	Advances written off as bad	50.00	21.50	Co.
3	TC No.524/2007	1997-98	80HHC Calculation - inclusion of ED / Closing stock in turnover			Dept.
4	TC No.233/2008	1998-99	Interest on CWIP of Bawal plant	53.21	18.62	Co.
5	TC No.233/2008	1998-99	Benefit of Grant u/s 28(iv) , Off set credit and allowance of electricity expenditure	9332.04	3266.21	Dept.
6	TC No.566/2009	2001-02	Deduction u/s 10B	72.21	28.55	Co.
7	TC No.606/2009	2001-02	Levy of interest u/s 234D		54.01	Dept.
8	TC No.427/2009	2002-03	Levy of interest u/s 234D		19.96	Dept.
			<b>TOTAL</b>	<b>10310.05</b>	<b>3777.17</b>	

*Sales Tax/ Entry Tax:* There are 8 disputes relating to Sales/ Entry tax for amounts aggregating approximately Rs. 163.87 lacs. In addition to this there is a case pertaining to refund claim amounting to Rs. 6.07 lacs arising out of post manufacturing expenses which is pending with the High Court of Madras where erstwhile TIDC India Ltd. is involved.

*Status on Legal Cases - Income Tax relating to erstwhile TIDC India Ltd since amalgamated with Tube Investments of India Ltd.*

**(Rs. In lacs)**

SI No.	ITA No.	Asst. Year	Particulars of Additions / Disallowances	Amount	Tax/Int.	Co./Dept Appeal
<b>Before High Court</b>						
1	239/2005	1993-94	Disallowance of 80HHC Deduction	7.13	3.69	Dept.
2	240/2005	1994-95	"			Dept.
3	241/2005	"	"	11.90	6.16	Dept.
4	2481/2006	1998-99	Int u/s 234B&C after MAT Credit			Dept.
<b>Before Supreme Court</b>						
5	TC No. 1568/2007	1998-99	Disallowance u/s 43B(b) - ESI, PF &			Dept.

Sl No.	ITA No.	Asst. Year	Particulars of Additions / Disallowances	Amount	Tax/Int.	Co./ Dept Appeal
			FPF			
			<b>TOTAL</b>	<b>19.03</b>	<b>9.85</b>	

*Status of legal cases filed by Tube Investments of India*

There are 32 legal cases aggregating to Rs 331.83 lacs. The cases include both civil & criminal cases which are pending against various firms/individuals/ authorities in various courts.

**OUTSTANDING LITIGATIONS/ DISPUTES AGAINST TOP FIVE UNLISTED GROUP COMPANIES**

**1. Murugappa Management Services Limited**

There are no pending litigations against the Company

**2. Ambadi Enterprises Limited**

**(Rs. In lacs)**

Litigations / Defaults	Total No of Cases	Total Financial Implication (where quantifiable)
Cases against the Company		
Civil	2	1.00
Cases filed by the Company		
Criminal cases	15	587.00
Civil Cases	6	75.00

**3. Parry Murray Co Ltd, UK**

There are no pending litigations against the Company

**4. New Ambadi Estates Pvt Limited**

Contingent liabilities:

Sr. No	Particulars	No. of cases/ Disputes	Amounts involved (where Quantifiable) (Rs. In lacs)
1	High Courts (Labour)	1	Not quantifiable
2	Tribunal (Land Dispute)	4	Not quantifiable

**5. A M M Arunachalam & Sons Private Limited**

There are no pending litigations against the Company

### Main Provisions of Articles of Association

<b>LIEN</b>		
Company's lien on shares.	Article 20	The Company shall have a first and paramount lien upon all the shares (including fully paid shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements solely or jointly with any other person due to or made with the Company whether the period for the payment, fulfilment or discharge thereof shall have actually arrived at or not and such lien shall extend to all dividends from time to time declared or accrued in respect of such shares. The Directors may however at any time declare any shares to be wholly or partly exempt from the provisions of this Article.
As to enforcing lien by sale	Article 21	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, or the person, if any entitled by transactions to the shares, and default shall have been made by him or them in the payment of such moneys called or payable at a fixed time, for seven days after such notice.
Authority to Transfer.	Article 22	To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in the reference to the sale.
Application of proceeds of sale.	Article 23	(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
Application of any money due to a shareholder.	Article 24	Any money due from the Company to a shareholder, may without the consent of such shareholder be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company in respect of calls or otherwise.
<b>TRANSFER AND TRANSMISSION OF SHARE</b>		
Board's right to refuse registration of transfer.	Article 31	The Directors may, at their absolute discretion decline to recognise any transfer of shares or register the same and shall not be bound to assign any reasons for their refusal.

	Article 32	<p>(i) The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 68 of the Act.</p> <p>(iii) The Directors shall not accept application for transfer of less than 10 (Ten) shares of the Company, provided however, the said prohibition shall not apply to :</p> <p>(a) The transfer of shares made in pursuance of a statutory provision or an order of a Court of Law :</p> <p>(b) The transfer of the entire shares by an existing share holder of the Company holding less than 10 (Ten) shares by a single transfer to single or joint names :</p> <p>(c) The transfer of more than 10 (Ten) shares in the aggregate in favour of the same transferee under two or more transfer deeds out of which one or more relate/s to the transfer of less than 10 (Ten) shares.</p>
	Article 33	<p>An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless, the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p>
	Article 34	<p>(i) For the purpose of Article 33, notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.</p> <p>(ii) Nothing in clause (1) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.</p> <p>(iii) Nothing in this Article shall prejudice the power of the Board to refuse to register the transfer of any shares to a transferee, whether a member or not.</p>
	Article 35	<p>The shares in the Company shall be transferred by an instrument in writing in the prescribed form, duly stamped, and in the manner provided under the provisions of Section 108 of the Act and any modification thereof, and the rules</p>

		prescribed thereunder.
	Article 36	<p>(i) Subject to the provisions of Section 111 of the Act, the Board may at any time in their absolute discretion and without assigning any reason decline to register any transfer of or transmission by operation of law of the right to a share, whether fully paid-up or not, and whether the transferee is a member of the company or not, and may also decline to register any transfer of shares on which the Company has a lien. Provided further that the registration of transfer shall not be refused on the ground of the transfer or being alone, or either jointly with any other person or persons indebted to the Company on any account except a lien on the shares.</p> <p>(ii) If the Board refuses to register any transfer or transmission of right, they shall within 2 months from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.</p> <p>(iii) In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 111</p> <p>(iv) The provisions of this Article shall apply to transfer of stock. also.</p>
	Article 37	<p>The Board of Directors may also decline to recognise any instrument of transfer unless.</p> <p>(a) the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of the transfer to make the transfer; and</p> <p>(b) the instrument of transfer is in respect of only one class of shares.</p>
	Article 38	<p>(i) In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of transfer and the name of the transferee and other particulars on the existing share certificate and authorise any Director or Officer of the Company to authenticate such endorsement on behalf of the company, or direct the issue of a fresh share certificate in lieu of and in cancellation of the existing certificate in the name of the transferee, and unless otherwise directed by the Board, all such endorsements may be made by the Managing Director of the Company, if any.</p> <p>(ii) In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate, he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.</p>

	Article 39	Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following viz : (a) for registration of transfers of shares and debentures or for transmission of shares and debentures; (b) for sub-division and consolidation of shares and debentures certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading ; (c) for sub-division of renounceable letters of Right; (d) for issue of certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. (e) for registration of any power of attorney, probate, letters of administration or similar other documents.
	Article 40	The Company shall keep a book to be called the Register of Members; and herein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the Act to be entered in such Register.
	Article 41	The instrument of transfer shall after registration remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of six years or more.
	Article 42	The Board may after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situate, close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year, but not exceeding 30 days at any one time.
	Article 43	The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares the survivor or the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares. Provided that if the member should have been a member of the joint Hindu family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his. name in fact belonged to the joint family, may recognise the survivors of the Karta thereof as having title to the shares registered in the name of such member, provided further in any case it shall be lawful for the Board In its absolute discretion to dispence with the production of probate or letters of administration or other legal representation upon such terms as

		to indemnity or otherwise as the Board may deem just.
	Article 44	Nothing in Article 43 shall release the estate of deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons.
	Article 45	<p>(i) any person becoming entitled to a share in consequence of death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either :</p> <p>(a) to be registered himself as a holder of the share ; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as they would have had if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
	Article 46	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the shares.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> <p>(iv) A person becoming entitled to a share by reason of the death or insolvency, the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.</p>
	Article 47	The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares not with standing that the Company may have had notice of such

		right or referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it by any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.
<b>FORFEITURE OF SHARES</b>		
If call or instalment not paid, notice may be given	Article 48	If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter during such time as any part such a call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board of Directors may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed the surrender of any share liable to forfeiture and so far as the law permits of any other shares.
Form of notice of forfeiture.	Article 49	The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) for payment on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day named, the shares in respect of which the call was made will be liable to be forfeited.
Board's right to forfeit if requirements of notice are not complied with.	48	If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a Resolution of the Board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
Sale of forfeited shares.	Article 51	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.
Liability after forfeiture	Article 52	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay and shall forthwith pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company

		received payment in full of the nominal amount of shares whether legal proceedings for the recovery of the same had been barred by limitation or not.
Declaration of forfeiture	Article 53	A declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) no shall his title to the share be affected by way of irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
Non-payment of sums payable at fixed times.	Article 54	The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount, of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
Remission of forfeiture.	Article 55	The Directors may in their discretion remit or annual, the forfeiture of any shares within six months from the date thereof upon the payment of all moneys due to the Company from the late holder, or, holders of such share or shares, and all expenses, incurred in relation to such forfeiture, together with such further sum of money by way of redemption money for the deficit, as they shall think fit, not being less than five per cent on the amount of the sums wherein default in payment has been made, but no share bona fide sold or reallocated, or otherwise disposed of under these articles here of shall be redeemable after sale or disposal.
<b>COMMON SEAL</b>		
Common seal.	Article 134	The Board shall provide a common seal for the company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the common seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director.
Seal how affixed.	Article 135	The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by one

		Director at least in whose presence the seal shall have been affixed and countersigned by a Managing Director, Secretary or such other person as may from time to time be authorised by the Managing Director or by the Board provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same; provided also that the countersignature of the Managing Director, Secretary or other authorised person shall not be necessary in the case of instruments executed in favour of the Managing Director, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.
<b>DIVIDEND AND RESERVE</b>		
Right to declare dividend.	Article 136	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid. (2) Any shares may be issued on the terms that dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
Advance calls carrying interest not entitled to dividend.	Article 137	Where capital is paid up on any share in advance of calls, upon the footing that the same shall carry interest, such capital shall not, whilst, carrying interest confer a right to participate in profits.
Declaration of dividends.	Article 138	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
Interim dividends.	Article 139	The Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company.
Dividends to be paid out of profits only.	Article 140	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Sections, 205 and 208 of the Act.
Reserve funds.	Article 141.	(1) The Board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalising dividends or for

		<p>purpose of Article 104 (b) and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.</p> <p>(2) The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as Reserve.</p>
Deduction for arrears.	Article 142	The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Adjustment of dividends against calls.	Article 143	Any General Meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and themselves be set off against the call.
Bonus or dividend.	Article 144	<p>(1) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.</p> <p>(2) Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees, as may seem expedient to the Board.</p>
Payment by cheque or warrant	Article 145	<p>(1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post direct to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(2). Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
Receipt of joint holders.	Article 146	Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.
Dividends not to bear interest.	Article 148	No dividend shall bear interest against the Company.

Unclaimed dividends.	Article 149	All dividends remaining unclaimed for one year after having been declared and sent by post or otherwise as required by Section 207 of the Act may be made use of by the Directors for the benefit -of the Company, and all dividends unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company.
Transfer of shares not to pass prior dividends.	Article 150	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
<b>CAPITALISATION OF PROFITS</b>		
Capitalisation of profits.	Article 151	<p>(1) The Company, in General Meeting, may on recommendation of the Board resolve:</p> <p>(a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss accounts or otherwise available for distribution; and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) either in or towards;</p> <p>(i) Paying up any amounts for the time being unpaid on shares held by such members respectively.</p> <p>(ii) Paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid ; or</p> <p>(iii)Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>3) A share premium account and a capital redemption reserve fund may, for the purpose of this regulation only be applied in the paying up of issued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>4) The Board shall give effect to the resolutions passed by the Company in pursuance of this regulation.</p>
Powers of Directors for declaration of bonus.	Article 152	<p>(1) Whenever such a resolution as aforesaid,shall have been passed the Board shall:</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised there by and all allotments and issues of fully paid shares or debentures if any, and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power:</p> <p>(a) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in</p>

		<p>fraction; and also</p> <p>(b) to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p>
<b>WINDING UP</b>		
Winding up.	Article 179	<p>If the Company shall be wound up and the asset available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or deemed to be paid up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up, the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the capital paid up or deemed to be paid up at the commencement of the winding up on the shares held by them respectively. Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall be exclude and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid together with interest at the rate agreed upon, the provisions of this Article shall be subject to any special right or liabilities attached to any special class of shares forming part of the capital of the Company.</p>
Division of Assets among contributories	Article 180	<p>If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company, and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.</p>
Division of assets	Article	The liquidators may with the sanction of a special resolution

of the Company in specie among members.	181	divide amongst the members in specie the whole or any part of the assets of the Company.
<b>INDEMNITY AND RESPONSIBILITY</b>		
Directors' and others' right to indemnity.	Article 182	(a) Subject to the provisions of Section 201 of the Act the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties. (b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary, or other Officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.
Not responsible for acts of others	Article 183	Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposition or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune what-ever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.
<b>SECRECY CLAUSE</b>		
Secrecy	Article 184	No member shall be entitled to inspect the company's office of works without the permission of the Directors or Managing Director, or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the

		Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.
Duty of officers to observe Secrecy.	Article 185	Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transaction of the Company and the state of Accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and except so for as may be necessary in order to comply with any of the provisions of these Articles or Law.

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