NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the members of COROMANDEL ENGINEERING COMPANY LIMITED will be held on Tuesday, the 1st October 2013 at 10.45 A.M. at Rectangular Hall, Dare House, No.2 N.S.C Bose Road, Parrys, Chennai 600001 to transact the following SPECIAL BUSINESS:-

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

"**RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the Authorized Share Capital of the Company be and is hereby increased from Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten only) each amounting to Rs. 10 Crores (Rupees Ten Crores only) and 25,00,000 (Twenty Five Lakhs) Preference shares of Rs. 100/- (Rupees One Hundred only) each amounting to Rs. 25 Crores (Rupees Twenty Five Crores only) to Rs. 65,00,00,000 (Rupees Sixty Five Crores), divided into 400,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten only) each amounting to Rs.40,00,00,000/- (Rupees Forty Crores only) and 25,00,000 (Twenty Five Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each amounting to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) by the creation of new additional Rs.30,00,00,000/- (Rupees Thirty Crores only) Equity Capital divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each.

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

"**RESOLVED THAT** pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) and other applicable laws, the existing Clause V of the Memorandum of Association of the Company, ("**MoA**") relating to the share capital be and is hereby altered by deleting the same and by substituting in place and stead thereof, the following new Clause V as below:

V. The Authorized Share capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores only) divided Into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten only) each amounting to Rs.40,00,00,000/-(Rupees Forty Crores only) and 25,00,000 (Twenty Five Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each amounting to Rs.25,00,00,000/-(Rupees Twenty Five Crores only). The Company shall have power from time to time to increase or reduce its capital and to issue any part of its capital, original or increased, with or without any preferential rights, privileges, conditions or advantages over or as compared with any shares previously issued or to be thereafter issued, whether in respect of dividend or repayment of capital or both and whether with any special rights of voting or without any right of voting and generally on such terms as the Company may from time to time determine, but so nevertheless that in the event of the capital of the Company (including the original capital) being or becoming divided into shares of different classes, the rights or privileges attached to any class may be affected, altered, modified or dealt with only in accordance with the provisions in that behalf contained in the Articles of Association of the Company for the time being subject to the provisions of the Companies Act, 1956.

CERTIFIED TRUE COPY

For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.

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

RESOLVED THAT pursuant to the provisions of Section 31 other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the existing Clause 6(1) of the Articles of Association of the Company be substituted with the following Article:

6 (1) The Authorised Share Capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores only) divided into 400,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 25,00,000 (Twenty Five Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each. The Company shall have powers to increase, consolidate, subdivide, reduce or otherwise alter its share capital subject to the provisions of the Companies Act, 1956. Further, the preference shares issued by the Company from time to time may be convertible or non-convertible, cumulative or non-cumulative, participating or non- participating as may be decided by the Board of Directors of the Company from time to time for each issue.

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

"**RESOLVED THAT** pursuant to the provisions of Section 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "**Act**"), and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, all applicable statutory and regulatory requirements, (including inter alia the relevant date on the basis of which price of the Securities or the resultant shares are determined being in compliance with applicable statutory and/or regulatory parameters), inter-alia including the provisions of the Foreign Exchange Management Act, 2000 ("**FEMA**") as amended and notifications, circulars, rules and regulations issued thereunder, the SEBI (Issue of Capital and Disclosure Requirements Regulations), 2009 as amended,(the "**SEBI ICDR Regulations**"), the Securities Contracts (Regulation) Act, 1956, as amended, the Listing Agreements entered into by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), and, subject to the necessary approvals, permissions and/or consent of the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the Reserve Bank of India ("**RBI**"), the Foreign Exchange Investment Promotion Board ("**FIPB**"), the Government of India and all other concerned statutory and governmental authorities and departments, lenders or other contractual parties, if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed in granting of such approvals, permissions and sanctions by any of the aforesaid authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Rights Issue Committee thereof constituted for this purpose), consent of the shareholders of the Company be and is hereby accorded to create, offer and issue such number of Equity Shares of the Company of the face value of Rs. 10/- (Rupees Ten only) at such price to be determined by the Board ("**Equity Shares**"), by way of a rights offering to the existing shareholders of the Company, eligible renouncees thereof, underwriters, and/or to such other persons (including an offer to third parties in case of an under-subscription of the offering) as may be permitted by applicable law and as may be determined by the Board at its absolute discretion, on a record date to be fixed by the Board/Rights Issue Committee thereof, for an amount not exceeding Rs. 60 Crores (Rupees Sixty Crores only) including Premium (if any, as may be decided) ("**Rights Issue**") or such other sum as may be determined by the Board/ Rights Issue Committee constituted in this regard and on such other terms and conditions as may be mentioned in the Draft Letter of Offer and/or the Letter of Offer to be issued by the Company in respect of the Rights Issue.

RESOLVED FURTHER THAT all the new Equity Shares as aforesaid to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu inter se* in all respects with the existing Equity shares of the Company except as may be otherwise provided pursuant to the terms of the Rights Issue in any of the Issue documents.

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For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.

(m) to do all such necessary acts, deeds or things for listing and trading of the Equity Shares issued in the Rights Issue on the Stock Exchanges;

(n) to finalise the basis of allotment in consultation with the lead manager, registrar, the stock exchange and other stock exchanges where existing shares are listed and issue and allot the Equity Shares in accordance therewith, in one or more tranches, and to do all necessary acts, deeds or things with NSDL / CDSL in connection with admission of the Equity Shares issued in the Rights issue;

(o) to incur necessary expenses such as fees of lead manager, legal advisors, various intermediaries appointed in connection with the Rights Issue, filing fees payable to various agencies to obtain their observation, permission or approval, stamp duty, cost of marketing of issue and printing of various documents and for various other purposes in connection with the Rights Issue etc;

(p) to issue the letters of allotment and share certificates to the proposed allottees either in dematerialised form or in physical form as may be required by the allottees;

(q) to make necessary changes and to enter the names of the renouncees, if they are not members of the Company in the register of members of the Company;

(r) to decide the mode and manner of allotment of Equity Shares if any not subscribed and left / remaining after allotment of Equity Shares and additional Equity Shares applied by the shareholders and renouncees;

(s) to settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issue and allotment of the Equity Shares as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of Equity Shares;

(t) to file necessary returns, make declarations / announcements, furnish information, etc., to the concerned authorities in connection with the Rights Issue;

(u) to sign and execute any other document, agreement, undertaking in connection with the Rights Issue to be submitted to SEBI or other governmental authorities or departments and to the relevant stock exchanges, where the Equity Shares of the Company under the Rights Issue are to be listed and provide clarifications or explanations, if any, required;

(v) to take all such other steps as may be necessary in connection with this Rights Issue; and

(w) to dispose of the unsubscribed portion in such manner as it may think most beneficial to the Company.

RESOLVED FURTHER THAT (i) all monies received out of Rights Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act 1956; (ii) the details of all monies utilised out of the Rights Issue referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and (iii) details of all unutilised monies out of the Rights Issue, if any, referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Rights Issue Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient including the listing and trading of such Equity Shares with the Stock Exchanges, to resolve and settle all questions, difficulties or doubts that may arise in regard to the proposed offer issue or allotment of the Equity Shares, utilization of the issue proceeds, signing of all deeds and documents as may be required and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Rights Issue Committee may in its absolute discretion deem fit without being required to seek any further consent authority, or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution."

Date: 5th September 2013
Place: Chennai

On behalf of the Board
For Coromandel Engineering Company Limited

M M Venkatachalam
Chairman and Managing Director

CERTIFIED TRUE COPY

For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER.

2. Proxies, in order to be effective, should be lodged with the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy Form is annexed herewith.

3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos.1,2,3 and 4 of the Notice is annexed hereto.

Annexure to the Notice

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

Item Nos. 1, 2 and 3:

The Present Authorized Share Capital of the Company consists of Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each amounting to Rs. 10 Crores (Rupees Ten Crores only) and 25,00,000 Preference shares of Rs. 100/- (Rupees One Hundred only) each amounting to Rs. 25 Crores (Rupees Twenty Five Crores only). The Board of Directors at their Meeting held on 5th September 2013 have unanimously decided to infuse funds into the business by way of Rights issue of Equity Shares to the existing members of the Company. Since the present Authorised Equity Share Capital is inadequate for proposed quantum of Rights Issue, the Board decided to increase the authorized share capital of the Company.

Alterations proposed in the Memorandum of Association and Articles of Association of the Company are only consequential to reflect the proposed increase in the authorized share capital of the Company.

The existing and proposed Memorandum and Articles of Association of the Company after incorporating the necessary alterations referred to in the resolutions will be open for inspection at the Registered Office of the Company on any working day between 10 a.m. to 5.30 p.m. till the date of the meeting.

Accordingly, the Board recommends the Resolutions in Item Nos. 1, 2 and 3 of the Notice for approval of the members of the Company.

Interest of Directors

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 4:

The Board intends to offer, issue and allot Equity Shares of the Company on a Rights basis to existing shareholders of the Company, eligible renouncees thereof, underwriters, and/or to such other persons (including an offer to third parties in case of an under-subscription of the offering) as may be permitted by applicable laws and as may be determined by the Board at its discretion, on a record date to be fixed by the Board / the Rights Issue Committee thereof for an amount not exceeding Rs. 60 Crores (Rupees Sixty Crores only)(including the premium, if any, as may be decided) and further subject to the prevailing market conditions and other relevant considerations.

The Board intends to deploy the net proceeds from the Rights issue for inter-alia funding any one or more of the following: Repayment of borrowings, redemption of capital instruments, meeting the working capital requirements, making capital expenditure or for meeting any other corporate initiative.

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For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.

Accordingly, the Board recommends the resolution in Item No. 4 of the Notice for approval of the Members of the Company.

Interest of Directors

None of the Directors of the Company is concerned or interested in this Resolution except to the extent of their shareholding in the Company and their entitlement, if any, in the proposed Rights Issue.

Date: 5th September 2013
Place: Chennai

On behalf of the Board
For Coromandel Engineering Company Limited

M M Venkatachalam
Chairman and Managing Director

CERTIFIED TRUE COPY

For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.

COROMANDEL ENGINEERING COMPANY LTD

murugappa

[ISO 9001:2008 & BS OHSAS 18001:2007 Certified Company]
Registered Office: Parry House, III Floor, 43, Moore Street, Chennai 600 001

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

FOLIO NO. / CLIENT ID# / DP ID# ..... NO. OF SHARES .....
Name of the attending Member (in Block letters) : .....

I/We hereby record my presence at the EXTRAORDINARY GENERAL MEETING to be held at: Rectangular Hall, 'Dare House', No.2, N.S.C. Bose Road, Chennai 600 001 at 10.45 a.m. on Tuesday, the 1st day of October 2013.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE MEMBER / PROXY*
.....	.....

Applicable for investors holding Shares in electronic form
*Strike out whichever is not applicable

PROXY FORM

I/We ..... of ..... being a Member/Member of COROMANDEL ENGINEERING COMPANY LIMITED hereby appoint ..... of ..... or failing him/her..... Of ..... or failing him/her ..... Of ..... as my/ our Proxy to attend and vote for me/us in the matter indicated below on my/our behalf at the Extraordinary General Meeting of the Company to be held at Rectangular Hall, 'Dare House', No.2, N.S.C. Bose Road, Chennai 600 001 at 10.45 a.m on Tuesday, the 1st day of October 2013 and at any adjournment thereof.

Dated this ..... day of 2013

Revenue Stamp

Signed by the said .....

1. In the case of a Corporation, this Proxy shall be either given under the Common Seal or Signed on its behalf by an Attorney or Officer of the Corporation.
2. Proxies to be valid must be deposited at the Registered Office of the Company at Parry House, No.43, Moore Street, Chennai – 600 001 not later than 48 hours before the time for the meeting. The Proxy need not be a member.

CERTIFIED TRUE COPY

For COROMANDEL ENGG. CO. LTD,

Authorised Signatory.