



Coromandel Engineering Company Limited
ISO 9001:2015 & BS OHSAS 18001:2007 Certified company
Registered and corporate office:
Parry House, V Floor, 43, Moore Street, Chennai 600 001, India
P.B. No. 1698, Tel: 25301700
CIN No.: L74910TN1947PLC000343
E-Mail: coromandelengg@cec.mrugappa.com
Website: www.coromandelengg.com

25th September, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 533167

Sub: Intimation on the outcome of the Board Meeting held on 25th September, 2021 pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015

We refer to our letter dated 09th September, 2021, intimating you of convening of the meeting of the Board of Directors of our Company. In this regard, we wish to inform you that at the meeting of the Board of Directors held today i.e. September 25, 2021, the Board approved the following:

Considered, reviewed and approved a draft scheme for reduction of the entire preference share capital of the Company by cancelling and extinguishing the total issued, subscribed and paid-up preference share capital of the Company, comprising of 28,35,630 number of 7% Cumulative Redeemable Preference Shares, each Rs. 100/- fully paid up amounting to a total preference share capital of Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only) pursuant to Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and in compliance with other applicable Rules and regulations, if any.

The aforesaid scheme is subject to approval of Preference shareholders, approval of the Equity shareholders, SEBI, Stock Exchange and confirmation by the Hon'ble National Company Law Tribunal ("NCLT") and such other approvals as may be required in this regard.

Pursuant to SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, the scheme was reviewed and recommended to the Board of Directors of the Company by the Audit Committee of the Company at its meeting held today prior to the Board Meeting. Further, pursuant to the aforesaid circular, the Independent Directors at their meeting



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The disclosure with respect to the Scheme in accordance with Regulation 30 and Para A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated 09th September, 2015 is enclosed herewith as Annexure – 1.

The Meeting commenced at 10.00 AM and concluded at 11.22 AM.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For COROMANDEL ENGINEERING COMPANY LIMITED

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|---|---|---|
| | | <p>up preference capital.</p> <p>The Board of Directors of the Company based on the recommendation of the Audit Committee and the Independent Directors, at their meeting held on 25th September, 2021 has approved proposal for the Capital Reduction, subject to the approval of Preference shareholders, Equity shareholders, SEBI, Stock Exchange and subject to all other statutory approvals. Article 4.4 of the Articles of Association of the Company provides for the reduction of share capital of the Company. Under the mandate of the Act, it is necessary to obtain the approval of the preference shareholders and equity shareholders of the Company by passing a resolution for the Capital Reduction under Section 66 of the Act and such reduction of capital would have to be confirmed by the National Company Law Tribunal, Chennai Bench ("NCLT") as provided under Section 66 of the Companies Act, 2013 read Rules made thereunder.</p> <p>Subject to the receipt of the requisite approval of the preference shareholders and confirmed by the equity shareholders of the Company and further confirmation by the Hon'ble National Company Law Tribunal ("NCLT") and such other approvals as may be required, it is proposed to reduce the issued, subscribed, paid-up preference share capital of the Company, by cancelling and extinguishing the paid-up preference share capital of the Company, comprising of 28,35,630 number of 7% cumulative redeemable preference shares, each Rs. 100/- fully paid up amounting to a total preference share capital of Rs. 28,35,63,000/- (<i>Rupees Twenty Eight Crores Thirty Five Lakhs and Sixty Three Thousand Only</i>).</p> |
| 2 | Qualitative/ quantitative effect of restructuring | The paid-up preference share capital of the Company comprising of 28,35,630 number of 7% Cumulative Redeemable Preference Shares, each Rs. 100/- fully paid up amounting to a total preference share capital of Rs. 28,35,63,000/- (<i>Rupees Twenty Eight Crores Thirty Five</i> |

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|---|--|
| | <p><i>Lakhs and Sixty Three Thousand Only</i>) shall be cancelled and extinguished and the remaining issued, subscribed, paid-up preference share capital of the Company after the Reduction shall be NIL.</p> <p>There will be no change or reduction in the number of equity shares issued by the Company, and hence, the proportion of the equity shares held by the existing members of the Company will remain intact and no prejudice will be caused to the shareholders of the Company by the aforesaid reduction in the preference share capital.</p> <p>The Capital Reduction will not cause any prejudice to the employees/ creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no payout to the members of the Company nor a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.</p> |
| 3 | <p>Details of benefit, if any, to the Promoter/ Promoter Group/ Group Companies from the proposed reduction of preference share capital</p> <p>The entire preference share capital proposed to be reduced is held by Promoter / Promoter Group. And as per the proposed scheme, no consideration or payment whatsoever will be made to the Relevant Preference Shareholders towards the extinguishment of all payments that were hitherto payable to be made to the Relevant Preference Shareholders including but not limited towards outstanding dividends, share premiums, if any, and redemption amount or exit consideration (whether such consideration is the nominal value of the shares or higher). Hence, no benefits accrue to the Promoter/ Promoter Group/ Group Companies from the Scheme.</p> |
| 4 | <p>Brief details of change in shareholding pattern of the Company</p> <p>(a) Capital Structure – Pre and post reduction of capital</p> |



4 Brief details of change in shareholding pattern of the Company

(a) Capital Structure - Pre and post reduction of capital

| Particulars | Share capital prior to capital reduction | | | | Share capital after the capital reduction | | | |
|--------------------------------|--|------------------------|------------------|-------------------------|---|------------------------|------------------|-------------------------|
| | EQUITY | | PREFERENCE | | EQUITY | | PREFERENCE | |
| | Number of shares | Amount (Rs. 10/- each) | Number of shares | Amount (Rs. 100/- each) | Number of shares | Amount (Rs. 10/- each) | Number of shares | Amount (Rs. 100/- each) |
| Authorized Capital | 40,000,000 | 400,000,000 | 3,200,000 | 320,000,000 | 40,000,000 | 400,000,000 | 3,200,000 | 320,000,000 |
| Issued Capital | 33,277,278 | 332,772,780 | 2,835,630 | 283,563,000 | 33,277,278 | 332,772,780 | NIL | NIL |
| Subscribed and paid up capital | 33,233,598 | 332,335,980 | 2,835,630 | 283,563,000 | 33,233,598 | 332,335,980 | NIL | NIL |

(b) Shareholding pattern of preference shares - Pre and post reduction of capital

| Particulars | Prior to capital reduction | | After capital reduction | |
|-----------------------------|----------------------------|--------------|-------------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Promoter and promoter group | 28,35,630 | 100% | NIL | NIL |
| Public | NIL | NIL | NIL | NIL |
| Non Promoter non public | NIL | NIL | NIL | NIL |
| Total | 28,35,630 | 100% | NIL | NIL |

Thanking you,
Yours faithfully,
For COROMANDEL ENGINEERING COMPANY LIMITED

C. Parvathi Nagaraj

C PARVATHI NAGARAJ
Company Secretary