



CARBORUNDUM UNIVERSAL LIMITED

CIN: L29224TN1954PLC000318

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murugappa

NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty first Annual General Meeting (AGM) of the members of the Company will be held at 3.00 p.m. IST on Monday, 3rd August 2015 at T T K Auditorium (Main Hall), The Music Academy, New No. 168, T T K Road, Royapettah, Chennai 600 014 to transact the following business:

ORDINARY BUSINESS

Item No.1 - Adoption of financial statements

a. To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT the Audited Standalone financial statements for the year ended 31st March 2015 and the Reports of the Board and Auditors thereon be and are hereby considered, approved and adopted.

b. To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT the Audited Consolidated financial statements for the year ended 31st March 2015 and the Auditors Report thereon be and are hereby considered, approved and adopted.

Item No. 2 - Declaration of Dividend

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT a final dividend of ₹ 0.50 per equity share of ₹ 1/- each be declared for the financial year ended 31st March 2015 and that the same be paid out of the profits of the Company for the financial year ended 31st March 2015 to those shareholders whose names appear in the Register of Members as on 3rd August 2015 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 3rd August 2015 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in the electronic form.

RESOLVED FURTHER THAT the interim dividend of ₹ 0.75 per equity share of ₹ 1/- each already paid for the financial year ended 31st March 2015 be and is hereby confirmed.

Item No.3 - Re-appointment of Mr. M M Murugappan, Director retiring by rotation as a Director

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT Mr. M M Murugappan holding DIN 00170478, who retires by rotation and being eligible for re-appointment,

be and is hereby re-appointed as a Director of the Company.

Item No. 4 - Ratification of appointment of Statutory Auditors

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm registration no.008072S), as Statutory Auditors of the Company to hold office from the conclusion of the 61st AGM until the conclusion of the 62nd AGM on a remuneration of ₹ 42,00,000/- for the financial year 2015-16 including the out of pocket expenses incurred by them in connection with the audit and excluding the applicable service tax be and is hereby ratified.

SPECIAL BUSINESS

Item No. 5 - Appointment of Mrs. Bharati Rao as an Independent Director

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Bharati Rao holding DIN 01892516 who was appointed as an Additional Director on 1st November 2014 pursuant to section 161(1) of the Act and who holds office up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 4 (four) consecutive years from the date of this AGM.

Item No. 6 - Re-appointment of Mr. K Srinivasan as Managing Director

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and applicable Rules of the Companies Act,

2013, Mr. K Srinivasan holding DIN 00088424 be and is hereby re-appointed as the Managing Director of the Company for a term commencing from 1st February 2015 till 22nd November 2017 on the following terms:

(i) Salary

₹ 4,00,490 per month. The Nomination & Remuneration Committee may decide the increments, from time to time, subject to a maximum of ₹ 5,40,000 per month.

(ii) Allowances/Perquisites/Commission/Incentive

- (i) In addition to salary, Mr. K Srinivasan will be entitled to;
- allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/ or any other allowance;
 - perquisites such as furnished / unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits, amenities;
 - commission / incentive;
 - ESOPs in accordance with the Company's ESOP Scheme; as may be approved by the Nomination & Remuneration Committee from time to time.

(iii) Retirement benefits

- Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund / Scheme in force from time to time.
- Encashment of leave as per rules of the Company in force from time to time.

(iv) General

- In the event of absence or inadequacy of profits in any financial year, Mr. K Srinivasan, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.
- Perquisites shall be valued in terms of income tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as a perquisite.
- The aggregate remuneration (including salary, allowances, perquisites, incentive/commission and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013.
- Mr. K Srinivasan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

- Mr. K Srinivasan will be subject to all other service conditions as applicable to any other employee of the Company.

Item No. 7 - Ratification of Cost Auditor's Remuneration:

To consider and if deemed fit to pass the following as an Ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 4,00,000 p.a. payable to M/s. S Mahadevan & Co., Cost Accountants, Chennai, (Firm Registration No. 00007) appointed by the Board of Directors to conduct the audit of the cost accounting records of the Company for the financial years 2014-15 and 2015-16, excluding the applicable service tax and out of pocket expenses incurred by them in connection with the cost audit be and is hereby ratified and confirmed.

Item No. 8 - Approval of offer/invitation to subscribe to Non-convertible Debentures on Private Placement basis.

To consider and if deemed fit to pass the following as a Special resolution:

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the applicable SEBI Regulations, guidelines, circulars as amended from time to time and subject to such other approvals as may be required, consent of the shareholders of the Company be and is hereby accorded to offer, issue and allot in one or more series or tranches, secured/ unsecured Redeemable Non-convertible Debentures (NCDs), on private placement basis, during the period from the conclusion of 61st AGM till the conclusion of 62nd AGM to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/ provident funds, individuals as the case may be, in such manner and wherever necessary or required, in consultation with merchant bankers/ and or advisors or others, on such terms and conditions beneficial to the Company including rate of interest, tenure, security cover and for such purposes of the Company as the Board may, in its absolute discretion, decide at the time of issue of the NCDs, provided that the total amount so raised through issuance of such NCDs (including premium thereon, if any, as may be decided by the Board), shall not exceed an aggregate sum of ₹ 2500 million, within the overall borrowing limits of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings, as may be necessary or proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body/ies and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred

herein to any Committee of the Directors or any Director(s) or Officer(s) of the Company to the extent permitted under the Act and the Rules thereunder.

By Order of the Board

Chennai
1st May 2015

Rekha Surendhiran
Company Secretary

Notes:

- A Member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and the proxy need not be a Member. The proxy form in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authorisation, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member. The proxy form for the AGM is enclosed.**

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member is entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 days advance notice in writing is given to the Company.

- The Board at its meeting held on 23rd June 2015 had considered the proposal to borrow by issue of NCDs and approved inclusion of the resolution contained in item no.8 in the Notice convening the meeting.
- The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under item nos. 3 to 8 (though not required for item nos. 3 and 4) of the Notice to be transacted at the AGM is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd July 2015 to Monday, 3rd August 2015 (both days inclusive) for determining the entitlement of the members to the final dividend for year ended 31st March 2015.
- The dividend warrants in respect of the final dividend of ₹ 0.50 for the year ended 31st March 2015 recommended by the Board of Directors is proposed to be posted by Friday, 7th August 2015 subject to the approval of the members at the ensuing AGM. In case of members opting for NECS/ECS, the dividend would in the normal course be credited to their respective accounts by Friday 7th August 2015.

- Members holding shares in physical form are requested to notify any change in their address, immediately and not later than 15th July 2015 and members holding shares in electronic form are requested to notify change in their address to their respective Depository Participant, latest by 17th July 2015, so that the dividend warrants can be sent to the latest address. Members are also advised to intimate the details of their bank account to enable electronic remittance of dividend or alternatively for being incorporated in the dividend warrants. This would help to avoid fraudulent encashment of dividend warrants. In case of members holding shares in physical form, all intimations are to be sent to Karvy Computer share Private Limited, (Unit: Carborundum Universal Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 the Registrars and Share Transfer Agent (RTA) of the Company.

In case of members holding shares in demat form, all intimations are to be sent to their respective Depository Participants (DPs).

- The Company offers two electronic platforms for credit of dividend i.e. (a) Electronic Clearing Service (ECS) and (b) National Electronic Clearing System (NECS). The advantages of NECS over ECS include faster credit of remittances to beneficiary's account and coverage of more bank branches. NECS operates on the unique bank account number (having not less than 10 digits) allotted by banks post implementation of the Core Banking Solutions.

The NECS compliant account number is required to be intimated to your Depository Participant (in case your shares are in demat mode) or to the Company's RTA, (in case your shares are in physical mode) for us to effect the dividend payment through the NECS mode. All such intimations have to be done by 17th July 2015. Members are encouraged to use the electronic platform for receiving dividends.

- As per the provisions of the Companies Act, 2013 facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants/ Company's website.
- Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends declared upto the financial year 2006-07.

The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 1st August 2014 (date of last AGM) on the website of the Company www.cumi.murugappa.com as also on the website of the Ministry of Corporate Affairs. Members can ascertain the status of their unclaimed dividend amounts from these websites.

The Company also sends separate reminders to members whose dividends are unclaimed/unpaid before the remittances are made to the IEPF. Members who have not encashed their warrants in respect of the final dividend declared in financial year 2007-08 and subsequent dividends thereon may write to the Company Secretary or RTA immediately for claiming their dividends.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
11. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of Directors seeking appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their respective appointment(s).
12. Electronic copy of the Annual Report is being sent to all the members holding shares in demat mode and whose e-mail IDs are available with the Depository Participant(s) and to all the members holding shares in physical mode whose e-mail IDs are registered with the Company / RTA for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for FY 2014-15 is being sent through the permitted mode.
13. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, and amendments thereof the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 61st AGM. The Company has engaged the services of M/s. Karvy Computer share Private Limited to provide remote e-voting facility to enable members to exercise their votes in a secured manner. The instructions for remote e-voting is appended hereto.

The Board of Directors has appointed M/s. R Sridharan and Associates, Practicing Company Secretaries as the Scrutiniser to scrutinize the e-voting process in a fair and transparent manner.

The Notice and the instructions for e-voting along with Attendance Slip and Proxy Form is being sent in electronic form to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

For members who have not registered their e-mail address, physical copies of the aforesaid documents is being sent

in the permitted mode. Members may also note that the Notice of the 61st AGM and the Annual Report 2014-15 will also be available on the Company's website www.cumi.murugappa.com. Physical copies of the aforesaid documents will also be available at the registered office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive the communication in physical form, upon making a request for the same. Members may please send in their requests to the Company's investor e-mail ID: investorservices@cumi.murugappa.com.

14. Instructions for remote e-voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Clause 35B of the Listing Agreement entered into with the stock exchanges, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice.

- A. In case a Member receives an e-mail from Karvy [for members whose e-mail IDs are registered with the Company / Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be Event number 1780 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select e-voting event i.e., Carborundum Universal Limited. Now you are ready for e-voting as "cast vote" page opens.

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authorisation Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at rsaevoting@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "CUMI-61st AGM".
- B Members holding shares in dematerialised form whose e-mail IDs are not registered with the Company / DPs (for members holding shares in physical form as well as those members who have received physical copy of the notice of the AGM):
- (i) **E-Voting Event Number - 1780** (EVEN), User ID and Password is provided in the Attendance Slip.
- (ii) Please follow all steps from sl. no. (i) to sl. no. (xii) above to cast your vote by electronic means.
- C Voting at AGM: The Members who have not cast their vote electronically through remote e-voting, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the Venue.
- D Other Instructions:
- (i) Any person who becomes a member of the Company after despatch of Notice of the meeting and holding shares as on the cut-off date i.e, 27th July 2015 may obtain the user ID and password by calling Karvy's Toll Free No.1800 3454 001 or by sending an e-mail request to evoting@karvy.com.
- (ii) In case of any queries, you may refer Help & FAQ section in <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-6716222 Toll Free No.1800 3454 001.
- (iii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The voting rights of members shall be in proportion to their shareholding as on the cut-off date 27th July 2015.
- (v) The e-voting period commences on Friday, 31st July 2015 (9.00 a.m. IST) and ends on Sunday, 2nd August 2015 (5.00 p.m. IST). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., 27th July 2015, may cast their vote electronically in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member will not be allowed to change it subsequently.
- The Scrutiniser shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutiniser's Report of the votes cast to the Chairman of the Company. For the purpose of ensuring that members who have cast their votes through remote e-voting do not vote again at the general meeting, the Scrutiniser will have access, after closure of the period for remote e-voting for details relating to members as the Scrutiniser may require except the manner in which the members have cast their votes.
- The results shall be declared on the date of the meeting or not later than three days from the conclusion of the meeting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.cumi.murugappa.com, as well as the website of Karvy i.e., <https://evoting.karvy.com> immediately after declaration of results by the Chairman / Authorised person and the Company shall simultaneously forward the results to NSE/BSE for placing it on their respective web sites.
- Voting facility will be provided to the members who are not able to cast their vote electronically at the AGM venue. A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at AGM shall be treated as invalid. However, members who have cast their vote by remote e-voting prior to the meeting can attend the meeting though they will not be entitled to cast their vote again.
- Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM.

15. Members are requested to send their queries, if any, on the accounts or operations of the Company in advance to the registered office of the Company addressed to the Company Secretary or by e-mail to investorservices@cumi.murugappa.com to enable us to keep the information ready.
16. Members holding shares in physical form are requested to avail dematerialisation facility to eliminate all risks associated with holding in physical form and for ease in portfolio management. For further information, please refer to FAQs posted by NSDL on its website www.nsdl.co.in or CDSL on its website www.cdslindia.com or contact RTA.
17. A Shareholder satisfaction survey form is available on the website of the Company at <http://www.cumi-murugappa.com/survey/index.php> Members who have not yet participated in the survey are requested to kindly give your valuable feedback by filling up the form in the above link.
18. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified true copy of the Board Resolution authorising the representative to attend and vote on their behalf at the meeting.
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidation into a single folio.
20. All documents referred to in the accompanying Notice and the statement under Section 102 of the Act, shall be open for inspection at the registered office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days upto the date of the AGM.
21. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to the RTA. Even after registering for e-communication members are entitled to receive communication in physical form upon making a request for the same.

ANNEXURE TO THE NOTICE

Statement pursuant to section 102 of the Companies Act, 2013.

As required under section 102 of the Companies Act, 2013 (Act), the following statement sets out all material facts relating to the business mentioned under item nos. 3 to 8 of the accompanying Notice:

Item No. 3

Mr. M M Murugappan is liable to retire by retire by rotation at this AGM pursuant to Section 152(6) of the Companies Act,

2013 and being eligible has offered himself for appointment. The Company has received the requisite consent and disclosure forms from him.

Mr. Murugappan's profile is provided in the Annual Report and the information under clause 49 is provided in the annexure. The Board considers that the continued association of Mr. Murugappan including as Chairman would be of immense benefit to the Company and hence it is desirable to continue to avail his services as a Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Murugappan as a Director for approval by the members of the Company.

Memorandum of Interest

Except Mr. Murugappan, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary resolution detailed in item no. 3 and the Board recommends the resolution set forth herein for approval of the members.

Item No.4

M/s. Deloitte Haskins & Sells (Firm registration no.008072S), Chartered Accountants, Chennai were appointed as the Statutory Auditors of the Company at the 60th AGM held on 1st August 2014 to hold office until the conclusion of 62nd AGM subject to ratification of members at every AGM. M/s. Deloitte Haskins & Sells being eligible for appointment, under the provisions of the Companies Act, 2013, have furnished their consent continue to act as the Statutory Auditors, in terms of Section 139 of the Act and have also provided a certificate to the effect that their appointment, if ratified, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act.

The Board recommends the ratification of their appointment and accordingly, the approval of the members is being sought by means of an Ordinary resolution.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the aforesaid Ordinary resolution.

Item No.5

Mrs. Bharati Rao was appointed as an Additional Director on 1st November 2014 pursuant to Section 161(1) of the Companies Act, 2013 and holds office upto the date of the ensuing AGM. Mrs. Bharati Rao is designated as an Independent Director under Clause 49 of the Listing Agreement with stock exchanges. It is proposed to appoint her as an Independent Director for a term of 4 (four) consecutive years under Section 149 of the Companies Act, 2013.

The Company has received the requisite consent and disclosure forms from her. The Company has also received a notice under Section 160 of the Act along with the deposit of Rs.1,00,000/- from a member proposing her candidature.

In the opinion of the Board, Mrs. Rao fulfills the conditions specified in the Act for her appointment as an Independent Director of the Company and is independent of the management. The terms and conditions of her appointment is available on the website of the Company and would also be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM. Her profile is provided in the Annual Report and the information under clause 49 is provided in the annexure.

The Board considers that her continued association would be of immense benefit to the Company and hence it is desirable to continue to avail her services as an Independent Director. Her appointment would also meet the requirement of having a woman Director on the Board of the Company as mandated in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges. Accordingly, the Board recommends her appointment for approval by the members of the Company.

Memorandum of Interest

Except Mrs. Bharati Rao, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary resolution.

Item No. 6

The Board of Directors at their meeting held on 29th January 2015 had re-appointed Mr. K Srinivasan as the Managing Director of the Company for a term commencing from 1st February 2015 till 22nd November 2017.

Mr. Srinivasan's profile is provided in the Annual Report and the information under clause 49 is provided in the annexure. The Board considers that the continued association of Mr. Srinivasan as Managing Director would be of immense benefit to the Company and hence it is desirable to continue to avail his services. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Srinivasan as Managing Director for approval by the members of the Company. The required consent and disclosure forms have been received from Mr. Srinivasan.

Memorandum of Interest

Except Mr. K Srinivasan being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary resolution.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. S Mahadevan & Co. Cost Accountants as the Cost Auditors to conduct the audit of the cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial years 2014-15 and 2015-16 on a remuneration of ₹ 4,00,000 p.a excluding the applicable service tax and out of pocket expenses incurred by them in connection with the cost audit.

Pursuant to provisions of Section 148 of the Companies Act 2013, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Hence, the Ordinary resolution at item no.7 is placed before the members for approval and the Board recommends the same.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the aforesaid Ordinary resolution.

Item No. 8

The Companies Act, 2013 (the Act) has brought in significant changes in the provisions and procedures relating to raising of funds through private placement of securities.

The Company in the ordinary course of business raises long term borrowings, either by way of term loans, inter-corporate deposits, external commercial borrowings or debentures. The Company proposes to borrow upto ₹ 2500 million in the coming months, which may be in any one mode (or) in a combination of modes including issue of redeemable non-convertible debentures (NCDs) on private placement basis. If the Company proposes to raise funds by issue of NCDs on private placement basis, the Act mandates that it shall obtain prior approval of its shareholders by means of special resolution in respect of such borrowings during the year.

The proceeds from the issue of NCDs is expected to be used for general corporate / business purposes including working capital, purchase of assets, making investments etc.

Accordingly, approval of the members is sought by way of special resolution under the applicable provisions of the Act and the Rules thereunder for issue of the NCDs on private placement basis, for a maximum amount of ₹ 2500 million, including any premium thereon, if any, as may be decided by the Board and at such interest rates as may be negotiated, as part of the long term borrowing programme of the Company, during the period commencing from the conclusion of 61st AGM till the date of conclusion of the 62nd AGM. Members are also requested to grant necessary authorisations to the Board (including any Committee thereof) for issue of NCDs in one or more tranches within its overall borrowing limits.

The Board recommends the resolution for approval of the members of the Company.

Memorandum of Interest

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the aforesaid Special resolution.

Chennai
1st May 2015

By Order of the Board
Rekha Surendhiran
Company Secretary

Disclosure under Clause 49 of the Listing Agreement in respect of Directors seeking appointment at the 61st AGM

Name of Director	M M Murugappan	Bharati Rao	K Srinivasan
DIN	00170478	01892516	00088424
Date of Birth	12.11.1955	15.10.1948	22.11.1957
Date of Appointment (Initial appointment)	17.10.1996	01.11.2014	01.02.2005
Qualification	Bachelor of Technology in Chemical Engineering from the University of Madras. Also holds a Masters degree in Chemical Engineering from the University of Michigan, USA.	Post graduate in Economics and is a Certified Associate of the Indian Institute of Bankers (CAIIB).	Bachelor of Technology in Mechanical Engineering from the Regional Engineering College, Surathkal.
Expertise in specific functional areas	Mr. Murugappan has over 37 years of experience in diverse areas of technology, research & development, strategy & business development and human resources.	Mrs. Rao has over three decades of experience in project finance, human resources, credit & risk management.	Mr. Srinivasan has over 35 years of experience in the machine tools & abrasives industries and in marketing, technical, production, and general management.
Directorships in other companies (including foreign companies)	Mahindra & Mahindra Limited Cyient Limited Tube Investments of India Limited Wendt (India) Limited Cholamandalam Investment & Finance Co. Limited Shanthi Gears Limited Murugappa Morgan Thermal Ceramics Limited Murugappa Holdings Limited M M Muthiah Research Foundation Ambadi Investments Private Limited iDea Lab (India) Private Limited New Ambadi Estates Private Limited IIT Madras Research Park Volzhsky Abrasive Works, Russia Foskor Zirconia Limited, South Africa CUMI Abrasives and Ceramics Co. Limited, China Thukela Refractories Isithebe Pty Limited	Neuland Laboratories Limited Cholamandalam Investment and Finance Co. Limited Vijaya Bank SBI Capital Markets Limited SBI CAP Securities Limited SBI Global Factories Limited Tata Teleservices Limited Delphi-TVS Diesel Systems Limited Wheels India Limited SBI CAPS UK	Wendt (India) Limited Southern Energy Development Corporation Limited Sterling Abrasives Limited Cellaris Refractories India Limited CUMI America Inc. CUMI Middle East FZE Volzhsky Abrasive Works, Russia Foskor Zirconia Pty Limited Thukela Refractories Isithebe Pty Limited CUMI Australia Pty Limited
Memberships in Board Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Chairman Stakeholders Relationship Committee, Wendt (India) Limited Stakeholders Relationship Committee, Tube Investments of India Limited Audit Committee, Cyient Limited Member Audit Committee, Mahindra & Mahindra Limited Audit Committee, Shanthi Gears Limited Audit Committee, Murugappa Holdings Limited Audit Committee, Ambadi Investments Private Limited	Member Audit Committee and Investors Grievance Committee, Vijaya Bank Audit Committee, Neuland Laboratories Limited Audit Committee, Tata Teleservices Limited Audit Committee, Delphi-TVS Diesel Systems Limited Audit Committee and Investors Grievance Committee, SBI Global Factors Limited	Member Stakeholders Relationship Committee, Wendt (India) Limited
No of shares in the Company	696,340	Nil	255,704
Inter-se relationship with any other director	Nil	Nil	Nil