



## CARBORUNDUM UNIVERSAL LIMITED

CIN:L29224TN1954PLC000318

Registered Office: Parry House, 43 Moore Street, Chennai - 600001, India

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E-mail: investorservices@cumi.murugappa.com; Website: www.cumi-murugappa.com



### NOTICE TO MEMBERS

**NOTICE** is hereby given that the Sixty fourth Annual General Meeting (AGM) of the Members of the Company will be held at 3.00 p.m. IST on Friday, 3<sup>rd</sup> August 2018 at TTK Auditorium (Main Hall), The Music Academy, New No. 168, TTK Road, Royapettah, Chennai 600 014 to transact the following business:

#### ORDINARY BUSINESS

##### Item No.1 - Adoption of Standalone Financial Statements

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 31<sup>st</sup> March 2018 and the Reports of the Board and Independent Auditors' thereon be and are hereby considered, approved and adopted.

##### Item No.2 - Adoption of Consolidated Financial Statements

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 31<sup>st</sup> March 2018 and the Independent Auditors' Report thereon be and are hereby considered, approved and adopted.

##### Item No.3 - Declaration of Dividend

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

**RESOLVED THAT** a final dividend of ₹1.25 per equity share of ₹1/- each be declared for the financial year ended 31<sup>st</sup> March 2018 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on 3<sup>rd</sup> August 2018 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 3<sup>rd</sup> August 2018 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in electronic form.

**RESOLVED FURTHER THAT** the interim dividend of ₹1/- per equity share of ₹1/- each declared by the Board of Directors and paid for the financial year ended 31<sup>st</sup> March 2018 be and is hereby confirmed.

##### Item No.4 - Re-appointment of Mr. M A M Arunachalam, Director

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

**RESOLVED THAT** Mr. M A M Arunachalam holding DIN 00202958, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

#### SPECIAL BUSINESS

##### Item No.5 - Remuneration of Non-Executive Directors

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

**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company, the Directors of the Company (excluding Managing Director(s)/Executive Director(s)/Whole-time Director(s) but including the Alternate Directors) be paid remuneration by way of commission for a period of five financial years commencing from 1<sup>st</sup> April 2018, not exceeding 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 for each financial year.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide from time to time, the quantum and manner of distribution of commission, to one or more Directors, including the Chairman within the limit of 1% prescribed above.

**RESOLVED FURTHER THAT** the aforesaid commission shall be in addition to the fees payable to such Directors for attending the meetings of the Board and Committees thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.

#### Item No.6 - 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 of the Companies Act, 2013 read with 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 payable to M/s. S Mahadevan & Co. (Firm registration no. 000007) Cost Accountants, Chennai, appointed by the Board of Directors to conduct the audit of the cost accounting records of the Company for the financial year 2018-19, excluding applicable taxes and out of pocket expenses incurred by them in connection with the Cost Audit be and is hereby ratified and confirmed.

#### Item No.7 - 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 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 64<sup>th</sup> AGM till the conclusion of 65<sup>th</sup> 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,  
May 4, 2018

**Rekha Surendhiran**  
*Company Secretary*

#### Notes:

- 1. 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 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 twenty four (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 three (3) days advance notice in writing is given to the Company. Members/ Proxies are requested to bring their duly filled in attendance slips enclosed herewith to attend the Meeting mentioning therein the details of their DP and Client ID/Folio number. The route map showing directions to the venue of the AGM is annexed.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under item nos. 4 to 7 (though not required for item no.4) of the Notice to be transacted at the AGM is annexed hereto.

The requirement to place the matter relating to ratification of the appointment of Auditors by Members at every Annual General Meeting has been done away with pursuant to the provisions of the Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May 2018 by the Ministry of Corporate Affairs. Accordingly, the resolution for ratification of the appointment of Auditors made in the 63<sup>rd</sup> Annual General Meeting held on 31<sup>st</sup> July 2017 for a period of five years at a remuneration to be determined by the Board of Directors on the recommendation of the Audit Committee, is not required to be placed in this meeting.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 27<sup>th</sup> July 2018 to Friday, 3<sup>rd</sup> August 2018 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31<sup>st</sup> March 2018. Subject to the provisions of the Act, the final dividend as recommended by the Board, if declared will be paid by 10<sup>th</sup> August 2018.
5. As per the provisions of the Companies Act, 2013, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Registrar and Share Transfer Agent (RTA)/Depository Participant (DP).
6. Dividends remaining unclaimed/unpaid for a period of seven (7) years shall be transferred to the Investor Education Protection Fund. The Company has transferred unclaimed/unencashed dividends up to the Interim Dividend for FY 2010-11 to the Investor Education Protection Fund during the year ended 31<sup>st</sup> March 2018.

The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 31<sup>st</sup> July 2017 (date of last AGM) on the website of the Company [www.cumi-murugappa.com](http://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.

Members who have not encashed their warrants in respect of the final dividend declared in financial year 2010-11 and subsequent dividends thereon may write to the Company Secretary or RTA immediately for claiming their dividends.

Pursuant to the notification of Section 124(6) of the Companies Act, 2013 and Investor Education and Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is also required to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. During the year 2017-18, the Company has transferred 515,895 equity

shares pertaining to 427 holders to the Investor Education and Protection Fund Authority. Further, the Company has also transferred 44,304 shares pertaining to 37 holders to the Investor Education and Protection Fund Authority during April 2018. The Company had issued the requisite notice to the shareholders concerned intimating them of the impending transfer of shares and had simultaneously published a notice in leading dailies in this regard. Further, the Company has uploaded the details of the same on its website for the information of its shareholders.

Shareholders are entitled to claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website <http://www.iepf.gov.in/IEPFA/refund.html> along with the requisite documents. Shareholders are requested to contact the Company's RTA - Karvy Computershare Private Limited or the Company in this regard.

7. 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 Participant with whom they maintain their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company/RTA. In terms of SEBI circular dated 20<sup>th</sup> April 2018, a copy of the PAN card and original cancelled cheque leaf/ attested bank passbook showing name of the account holder and bank account details is required to be submitted to the RTA/Company.
8. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the AGM is furnished and forms part of the Notice. The Director seeking re-appointment has furnished the requisite consents/ declarations for his re-appointment.
9. Electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialised 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 2017-18 is being sent through the permitted mode.
10. The business set out in the Notice will be transacted through electronic voting system. 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 64<sup>th</sup> AGM. The Company has engaged the services of M/s. Karvy Computershare 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 provided at the end of this section.

The Board of Directors have appointed Mr. R Sridharan or failing him Mr. G Subramaniam of M/s. R Sridharan and Associates, Practising Company Secretaries as the Scrutiniser to scrutinise 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/their DPs 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 64<sup>th</sup> AGM and the Annual Report 2017-18 will also be available on the Company's website [www.cumi-murugappa.com](http://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](mailto:investorservices@cumi.murugappa.com).

11. 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](mailto:investorservices@cumi.murugappa.com) to enable us to keep the information ready.
12. 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. SEBI has mandated that requests for effecting the transfer of securities can be processed only if the securities are held in the dematerialized form with a Depository. For further information, please contact us at [investorservices@cumi.murugappa.com](mailto:investorservices@cumi.murugappa.com) or contact the RTA.
13. A shareholder satisfaction survey form is available on the website of the Company at <http://www.cumi-murugappa.com>.

[com/survey/index.php](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.

14. 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.
15. 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 a.m. to 5.30 p.m.) on all working days upto the date of the AGM.
16. Members holding shares in physical form are requested to address all correspondence relating to their shareholding in the Company to M/s. Karvy Computershare Private Limited, RTA or the Company. Members holding shares in dematerialised form may send such correspondence to their respective DPs.
17. 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 or the Company. Even after registering for e-communication, Members are entitled to receive communication in physical form upon making a request for the same.
18. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Karvy Computershare Private Limited (Karvy) on all Resolutions set forth in this Notice.  
Members may please follow the below instructions for e-voting:
  - A. In case a Member receives an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participants(s)]:
    - i. Launch internet browser by typing the URL: <https://www.evoting.karvy.com>
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be Even number 3852

(refer the Even number in the Attendance Slip) 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 the 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) 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](mailto:rsaevoting@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "CUMI - 64<sup>th</sup> AGM".

- B. Members holding shares in dematerialised form whose e-mail IDs are not registered with the Company/DPs and Members holding shares in physical form:
  - i. E-Voting Even Number - 3852 (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: 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., 27<sup>th</sup> July 2018 may obtain the user ID and password by calling Toll Free No.1800 3454 001 or by sending an e-mail request to [evoting@karvy.com](mailto: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 27<sup>th</sup> July 2018.
  - v. The e-voting period commences on Monday, 30<sup>th</sup> July 2018 (9.00 a.m. IST) and ends on Thursday, 2<sup>nd</sup> August 2018 (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., 27<sup>th</sup> July 2018, 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 Meeting, the Scrutiniser will have access, after closure of the period for remote e-voting to the details of 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](http://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 websites.

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 i.e., 3<sup>rd</sup> August 2018.

## **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 businesses mentioned under item nos. 4 to 7 of the accompanying Notice:

#### **Item No.4**

Mr. M A M Arunachalam (DIN: 00202958) is liable to retire by rotation at this AGM pursuant to Section 152(6) of the Companies Act, 2013 and being eligible has offered himself for re-appointment. The Company has received the requisite consent and disclosure forms from him.

Mr. M A M Arunachalam's profile is provided in the Annual Report and the information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 and Secretarial Standards on General Meetings is provided in the annexure.

Mr. M A M Arunachalam, also known as Mr. Arun Murugappan, aged 50 years is a Promoter of the Company. He is currently the Managing Director of Parry Enterprises India Limited and is also on the Board of Coromandel Engineering Company Limited. He has played an instrumental role in establishing key alliances for the Murugappa Group companies both in India and across the globe.

The Board considers his continued association with the Company beneficial to the Company and hence recommends his re-appointment as a Director liable to retire by rotation for approval by the Members of the Company.

#### **Memorandum of Interest**

Except Mr. M A M Arunachalam, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise in the aforesaid Ordinary Resolution.

#### **Item No.5**

The Non-Executive Directors including the Independent Directors of the Company bring with them significant professional expertise and rich experience in diverse fields such as technology, engineering, corporate strategy, banking, management, external affairs, legal and compliance. The Board is of the view that adequate compensation be given to the Non-Executive Directors in recognition for their time and efforts.

At the fifty-ninth Annual General Meeting held on 30<sup>th</sup> July 2013, the Members had approved payment of remuneration by way of commission, to Directors (including the Alternate Directors), who are neither in whole-time employment of the Company nor the Managing Director(s) of the Company for a period of five financial years commencing from 1<sup>st</sup> April 2013 for an amount not exceeding 1% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 for each financial year. As the validity of the approval expired on 31<sup>st</sup> March 2018, the resolution seeking renewal of the approval for another period of five financial years is placed before the shareholders.

The Remuneration policy adopted by the Board which provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company specifies that the Commission payable to Non-Executive Directors will be restricted to a fixed sum within the limits prescribed under Section 197 of the Companies Act, 2013 annually on the basis of

tenor in office during a financial year. The policy further provides that keeping with evolving trends in industries and considering the time and efforts spent by specific Non-Executive Directors, the Board may consider paying differential commission. Accordingly, in line with globally accepted practices, in view of the considerable time and efforts spent by the Chairman of the Company in connection with its affairs, he is paid a differential commission. For more details, please refer the Corporate Governance Report in pages 75 and 76 forming part of the Annual Report.

The Board of Directors at their meeting held on 4<sup>th</sup> May 2018 have recommended to the shareholders to consider granting approval for payment of remuneration to Non-Executive Directors upto a sum not exceeding 1% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 for each financial year. The said commission payable shall be in addition to the fees payable to Non-Executive Directors for attending the meetings of the Board and Committees thereof. Details of Directors as required under Secretarial Standard on General Meetings is available in the Corporate Governance Report.

Section 197 of the Act states that remuneration payable to Directors who are neither Managing Director(s) nor Whole-Time Directors shall not exceed 1% of the net profits of the Company and such remuneration shall be subject to the approval of the Members by a special resolution, if the articles so require. Article 17.16 of the Articles of Association of the Company provides that such approval be obtained by means of a special resolution and accordingly the special resolution set out under item no. 5 of the notice is placed before the Members for approval.

#### **Memorandum of Interest**

All the Directors and their relatives except Mr. K Srinivasan, Managing Director are concerned or interested in the above resolution to the extent of the commission that they may receive. None of the key managerial personnel or their relatives is concerned or interested, financially or otherwise in the aforesaid Special Resolution.

#### **Item No.6**

Pursuant to the Companies (Cost Records and Audit) Rules, 2014 and any amendments thereof, the Company is required to maintain cost accounting records in respect of products of the Company covered under CETA categories like organic and inorganic chemicals, electrical or electronic machinery, steel, plastic and polymers, ores and mineral products, other machinery, base metals etc. Further, the cost accounting records maintained by the Company is required to be audited. 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 Auditor 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 year 2018-19 on a remuneration of ₹4,00,000/- excluding applicable taxes and out of pocket expenses incurred by them in connection with the Audit.

As per Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company. Hence, the Ordinary Resolution at item no.6 is placed before the Members for ratification 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.7**

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 funds to meet its funding requirements through long term borrowings in the form of term loans, inter-corporate deposits, external commercial borrowings etc. Funding requirements can also be addressed by raising funds through private placement of securities including by issue of debentures. In 2015, the Company had sought the approval of the shareholders to raise upto ₹2500 million by issue of redeemable Non-Convertible Debentures (NCDs) on private placement basis which was renewed at the last AGM as per the requirements of the Act. Since then, the Company has not utilised the same and has not made any specific offer of NCDs on private placement basis.

The Act mandates that the Company shall obtain prior approval of its shareholders by means of special resolution in respect of borrowings through NCDs during the year. Hence, the approval granted by the shareholders in the last AGM is required to be renewed if the Company chooses to raise funds through issue of Debentures. Accordingly, approval of the Members is sought by way of special resolution under the applicable provisions of the Act and the Rules made 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 a part of the long term borrowing programme of

the Company, during the period commencing from the conclusion of the 64<sup>th</sup> AGM till the date of conclusion of the 65<sup>th</sup> AGM. Members are also requested to grant necessary authorisations to the Board (including any Committee thereof) for offering the NCDs in one or more tranches within its overall borrowing limits.

The Board recommends the Special Resolution contained in item no.7 for approval of the Members of the Company.

**Memorandum of Interest**

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

By Order of the Board

Chennai,  
May 4, 2018

**Rekha Surendhiran**  
Company Secretary

**Disclosure under Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings**

<b>Name of Director</b>	<b>M A M Arunachalam</b>
DIN	00202958
Date of Birth	18 <sup>th</sup> June 1967
Date of Appointment (Initial)	28 <sup>th</sup> October 2016
Qualification	Bachelor of Commerce, Loyola College, Chennai & holds a Masters in Business Administration from the University of Chicago
Expertise in specific functional areas	Has over 25 years of experience in diverse areas of Business Development and strategic initiatives.
Directorships in other companies (including foreign companies)	Coromandel Engineering Company Limited Parry Enterprises India Limited Ambadi Investments Limited New Ambadi Estates Private Limited M.A.Murugappan Holdings Private Limited AR Lakshmi Achi Trust Parry Murray & Company Ltd., UK (Foreign Company)
Memberships in Board Committees of other companies (includes membership details of all Committees)	<b>Chairman</b> Stakeholders Relationship Committee - Coromandel Engineering Company Limited  <b>Member</b> Audit Committee, Corporate Social Responsibility Committee - Coromandel Engineering Company Limited
No. of shares in the Company	1,100,600 (represents shares held in individual capacity and as a Karta of HUF)
Inter-se relationship with any other Directors or KMP of the Company	Nil

Note: For further details, please refer the Corporate Governance Report section of the Annual Report.

**ROUTE MAP TO AGM VENUE**

