



CARBORUNDUM UNIVERSAL LIMITED

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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 Fifth Annual General Meeting (AGM) of the Members of the Company will be held at 3.00 p.m. IST on Wednesday, 31st July 2019 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 31st March 2019 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 31st March 2019 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 31st March 2019 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 31st July 2019 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 31st July 2019 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 ₹1.50/- per equity share of ₹1/- each declared by the Board of Directors and paid for the financial year ended 31st March 2019 be and is hereby confirmed.

Item No.4 - Re-appointment of Mr. M M Murugappan, 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 has offered himself 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 - Re-appointment of Mr. Aroon Raman as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Aroon Raman holding DIN 00201205, who was appointed as an Independent Director of the Company at the 60th Annual General Meeting and who holds office upto close of business hours on 31st July 2019 and who being eligible for re-appointment as an Independent Director has offered himself for re-appointment and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 1st August 2019.

Item No.6 - Re-appointment of Mr. Sanjay Jayavarthanelu as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment

and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Sanjay Jayavarthanavelu holding DIN 00004505, who was appointed as an Independent Director of the Company at the 60th Annual General Meeting and who holds office up to close of business hours on 31st July 2019 and who being eligible for re-appointment as an Independent Director has offered himself for re-appointment and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 1st August 2019.

Item No.7 - Appointment of Mr. N Ananthasheshan 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 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. N Ananthasheshan holding DIN 02402921 who was appointed as an Additional Director on 26th April 2019 by the Board pursuant to Section 161(1) of the Act to hold office upto 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 his candidature for office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the appointment of Mr. N Ananthasheshan holding DIN 02402921 as the Managing Director (Designate) of the Company for a term commencing from 26th April 2019 to 22nd November 2019 and as the Managing Director of the Company for a term commencing from 23rd November 2019 till 22nd November 2022 be and is hereby considered and approved on the following terms:

(i) Salary

₹5,02,800/- per month. The Nomination and Remuneration Committee, may decide the increments in salary, from time to time, subject to a maximum of ₹8,50,000 per month.

(ii) Allowances/Perquisites/Commission/Incentive

In addition to salary, Mr. N Ananthasheshan 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 ESOPs Scheme as may be approved by the Nomination and Remuneration Committee from time to time subject to:
 - The allowances and perquisites not exceeding 100% of the salary and;
 - Incentive/commission (at 100% levels being not exceeding 25% of Annual pay. (Annual pay includes salary, perquisites, allowances, incentive and retirement benefits).

(iii) Retirement benefits

- Contribution to Provident Fund, Superannuation Fund, National Pension Scheme, 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. N Ananthasheshan, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the shareholders 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 five per cent of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013.

- Mr. N Ananthaseshan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

Mr. N Ananthaseshan will be subject to all other service conditions as applicable to any other employee of the Company.

Item No.8 - Approval for payment of commission to Mr. M M Murugappan

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

RESOLVED THAT pursuant to the provisions of Regulation 17(6)(ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and Article 17.16 of the Articles of Association of the Company, approval be and is hereby granted for remuneration payable to Mr. M M Murugappan, Chairman including by way of commission payable for the FY 2018-19 aggregating to a sum not exceeding ₹10 million excluding the sitting fees payable in respect of the meetings of the Board/Committees in which he would be participating during the course of the financial year 2019-20 considering that the remuneration payable to him is likely to exceed fifty per cent of the total annual remuneration payable to all Non-Executive Directors during FY 2019-20.

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.9 - 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 amendment(s) thereto or re-enactment(s) thereof for the time being in force], the remuneration of ₹4,50,000 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 2019-20, excluding applicable taxes and out of pocket expenses incurred by them in connection with the Cost Audit be and is hereby ratified and confirmed.

By Order of the Board

Chennai,
April 26, 2019

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 9 of the Notice to be transacted at the AGM is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th July 2019 to Wednesday, 31st July 2019 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March 2019. Subject to the provisions of the Act, the final dividend as recommended by the Board, if declared will be paid by 8th August 2019.
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 2011-12 to the Investor Education Protection Fund during the year ended 31st March 2019.

The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 3rd August 2018 (date of last AGM) on the website 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 for financial year 2011-12 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, the Company transferred 75,778 equity shares pertaining to 57 holders to the Investor Education and Protection Fund Authority. 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. Further, the Company has uploaded the details of the same on its website for the information of its shareholders. As at 31st March 2019, 591,673 shares pertaining to 483 holders have been transferred to the Investor Education and Protection Fund Authority.

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

By virtue of an Order passed by the Hyderabad Bench of the National Company Law Tribunal (NCLT Order) approving the composite scheme of arrangement and amalgamation between M/s. Karvy Consultants Limited (demerged company), M/s. Karvy Computershare Private Limited (Transferor company) and M/s. Karvy Fintech Private Limited (resulting company), the operations of Karvy Computershare Private Limited have been transferred to M/s. Karvy Fintech Private Limited with effect from 17th November 2018. Karvy Fintech Private Limited, Hyderabad, is the Company's Registrar and

Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of the Report.

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 a copy of their PAN card and original cancelled cheque leaf/attested bank passbook showing name of the account holder and bank account details to the RTA/Company to ensure timely credit of dividends.

Members are requested to note that in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), with effect from 1st April 2019, shares of the Company can be transferred only in dematerialised form. In view of the above, Members are advised to dematerialise the shares held by them in physical form.

8. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the Directors seeking appointment/re-appointment at the AGM is furnished and forms part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/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 2018-19 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 65th AGM. The Company has engaged the services of M/s. Karvy Fintech 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 Ms. Srinidhi Sridharan 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 65th AGM and the Annual Report 2018-19 will also be available on the Company's website www.cumi-murugappa.com. 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.

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 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. For further information, please contact us at 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/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 Fintech 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. 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 Fintech 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 Participant(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 Event number 4661 (refer the Event 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 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 account.
 - 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 with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "CUMI - 65th 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 Event Number - 4661 (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., 24th July 2019 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.
- ii. In case of of any queries, you may refer Help & FAQ section in <https://evoting.karvy.com> (Karvy website) or call Karvy on 040-67162222; 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 24th July 2019.
- v. The e-voting period commences on Saturday, 27th July 2019 (9.00 a.m. IST) and ends on Tuesday, 30th July 2019 (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., 24th July 2019, 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 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 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., 31st July 2019.

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 9 of the accompanying Notice:

Item No.4

Mr. M M Murugappan 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.

Mr. Murugappan'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. The Company has received the requisite consent and disclosure forms from him.

Mr. M M Murugappan, Chairman of the Board has been associated with the Company as a Director for more than two decades now. Given the size and nature of its operations and also the rich experience that Mr. Murugappan possesses in the field of engineering, a considerable amount of time is spent by him in connection with the operations of the Company. Apart from playing an active role in guiding and advising on matters connected with strategy and management, he spends considerable time on developing/managing relationships with the Company's business partners both in India and overseas. The Chairman also plays an active role in matters connected with CUMI's organisation culture which is critical for the Company to deliver superior performance besides devoting time for technology related issues impacting the Company. Further, the Chairman spends a lot of time participating in various events, conclaves and functions of Industry bodies, Academic Institutions and interactions with high level State Authorities representing the Company. Under his chairmanship, the Company has grown globally from ₹4060 million to over ₹23000 million.

The Board considers that the continued association of Mr. Murugappan including as a Chairman would be of immense benefit to the Company and hence it is desirable to continue to avail his services as a Director. Further, the Board believes that the remuneration payable to him is commensurate with the efforts and the time taken by him on behalf of the Company. Accordingly, the Board recommends his re-appointment as a Director.

Memorandum of Interest

Except Mr. M M Murugappan, 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 resolution proposed to be passed as an Ordinary Resolution.

Item No.5

Mr. Aroon Raman was appointed as an Independent Director at the 60th Annual General Meeting (AGM) held on 1st August 2014 for a period of 5 years from the AGM date. His term of office as an Independent Director will expire at the close of business hours on 31st July 2019. Pursuant to Section 149 (10 & 11) of the Companies Act, 2013, an Independent Director can hold office for two consecutive terms of upto five years each on the Board. However, the approval for the second term is required to be obtained from the shareholders vide a special resolution by providing requisite disclosures of such appointment in the Board's report.

Mr. Aroon Raman aged 59 years holds a Master's degree in Economics from Jawaharlal Nehru University, New Delhi and an MBA from Wharton School, USA. He was the Managing Director of Raman Boards and Raman Fibre Science Private Limited. His profile is provided in the Annual Report and the information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure. The Company has received the requisite consent and disclosure forms from him. Mr. Aroon Raman was paid a sitting fee of ₹0.29 million for attending the meetings of the Board and Committees thereof. A commission of ₹0.75 million is payable for the FY 2018-19 to Mr. Aroon Raman.

The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing Mr. Aroon Raman's candidature for the office of Director. In the opinion of the Board, Mr. Aroon Raman satisfies the criteria prescribed in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for re-appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board of Directors have recommended his re-appointment as an Independent Director for a term of five (5) consecutive years from 1st August 2019 in terms of Section 149(10) of the Act.

The Nomination and Remuneration Committee at its meeting held on 26th April 2019 on the basis of the performance evaluation conducted and further considering Mr. Raman's technical & management expertise, business knowledge and significant contribution made by him during his tenure, has recommended to the Board his re-appointment as an Independent Director. The performance evaluation of Independent Directors was based on various factors including attendance at Board and Committee Meetings, familiarity with the Company's policies and values, ability to objectively communicate views/concerns on matters discussed at the meetings, exercise own judgement and voice out opinions besides having an understanding of the industry trends.

In furtherance to the Committee's recommendation and Mr. Aroon Raman's performance evaluation undertaken in the past, the Board believes that his continued association would be beneficial to the Company and hence recommends his re-appointment as an Independent Director for a term of five (5) consecutive years commencing from 1st August 2019.

Mr. Aroon Raman would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, he would be entitled to commission on profits as determined each year by the Board within the overall limits not exceeding one per cent of the net profits of the Company as approved by the shareholders at the 64th Annual General Meeting held on 3rd August 2018.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day upto the date of the AGM.

Memorandum of Interest

Except Mr. Aroon Raman 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 Special Resolution.

Item No.6

Mr. Sanjay Jayavarthanavelu was appointed as an Independent Director at the 60th Annual General Meeting (AGM) held on 1st August 2014 for a period of 5 years from the AGM date. His term of office as an Independent Director will expire at the closing hours of 31st July 2019. Pursuant to Section 149 (10 & 11) of the Companies Act, 2013, an Independent Director can hold office for a term up to two consecutive terms of upto five years each on the Board. However, the approval for the second term is required to be obtained from the shareholders vide a special resolution by providing requisite disclosures of such appointment in the Board's report.

Mr. Sanjay Jayavarthanavelu aged 50 years holds a Masters degree in Business Administration from Philadelphia University, USA. He has more than two decades of experience in the fields of textile engineering, Machine Tools manufacture, finance and administration. His profile is provided in the Annual Report and the information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure. Mr. Sanjay Jayavarthanavelu was paid a sitting fee of ₹0.33 million for attending the meetings of the Board and Committees thereof. A commission of ₹0.75 million is payable for the FY 2018-19 to Mr. Sanjay Jayavarthanavelu.

The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing Mr. Sanjay Jayavarthanavelu's candidature for the office of Director. In the opinion of the Board, Mr. Sanjay Jayavarthanavelu satisfies the criteria prescribed in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for re-appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board of Directors have recommended his re-appointment as an Independent Director for a term of five (5) consecutive years from 1st August 2019 in terms of Section 149(10) of the Act.

The Nomination and Remuneration Committee at its meeting held on 26th April 2019 on the basis of the performance evaluation conducted and further considering Mr. Sanjay's management expertise, business knowledge and significant contribution made by him during his tenure, has recommended to the Board his re-appointment as an Independent Director. The performance evaluation of Independent Directors was based on various factors including attendance at Board and Committee Meetings, familiarity with the Company's policies and values, ability to objectively communicate views/concerns on matters discussed at the meetings, exercise own judgement and voice out opinion besides having an understanding of the industry trends.

In furtherance to the Committee's recommendation and Mr. Sanjay Jayavarthanavelu's performance evaluation undertaken in the past, the Board believes that his continued association would be beneficial to the Company and hence recommends his re-appointment as an Independent Director for a term of five (5) consecutive years commencing from 1st August 2019.

Mr. Sanjay Jayavarthanavelu would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, he would be entitled to commission on profits as determined each year by the Board within the overall limit not exceeding one per cent of the net profits of the Company as approved by the shareholders at the 64th Annual General Meeting held on 3rd August 2018.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day upto the date of the AGM.

Memorandum of Interest

Except Mr. Sanjay Jayavarthanelu 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 Special Resolution.

Item No.7

Mr. K Srinivasan was re-appointed as the Managing Director of the Company by the Board for a term commencing from 23rd November 2017 to 22nd November 2019 subject to the shareholder's approval which was obtained on 31st July 2017. As Mr. Srinivasan's tenure as the Managing Director would be expiring at the close of business hours on 22nd November 2019, the Board based on the recommendation of the Nomination and Remuneration Committee considered the candidature of Mr. N Ananthasheshan to succeed Mr. Srinivasan as the Managing Director of the Company and has recommended his appointment for the approval of the shareholders at the 65th Annual General Meeting.

Mr. N. Ananthasheshan aged 56 years holds a M. Tech degree in Material Science from IIT Kharagpur and also holds a Master's degree in Applied Science. He is heading the Abrasives division of the Company since February 2014 and was earlier the Senior Vice President of its Electrominerals division, thus having experience across business verticals of the Company. He joined CUMI as a graduate engineer trainee in 1986 and has been with the Company since his career beginning. His areas of expertise include fine powder processing technology, project management, strategic planning, strategic sourcing, global sourcing and e-procurement methodologies. Team building, value creation, people orientation, mentoring and application of technical knowledge for business results are his strengths.

The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards is provided in the annexure.

The Nomination and Remuneration Committee at its meeting held on 26th April 2019 considered the appointment of Mr. Ananthasheshan as an Additional Director including as a Director in executive capacity [Managing Director (Designate)] with effect from 26th April 2019 whose appointment as the Managing Director would take effect from 23rd November 2019 after the completion of the tenure of Mr. K Srinivasan. Considering

Mr. Ananthasheshan's vast experience and strong technical and management expertise, the Board recommends his appointment as the Managing Director (Designate) with effect from 26th April 2019 and Managing Director effective 23rd November 2019 to the shareholders. The Nomination and Remuneration Committee considered and recommended the terms of his appointment including the remuneration payable to him. The required consent and disclosure forms have been received from Mr. Ananthasheshan.

Mr. N Ananthasheshan holds 69,023 equity shares in the Company and details of the Stock Options granted to him are given below:

Grant Date	ESOP 2007		ESOP 2016
	29/09/2007	27/01/2011	04/02/2017
Options granted	121,800	78,600	93,120
Options vested	105,966	62,880	37,248
Options cancelled	15,834	15,720	-
Options lapsed	-	-	-
Options exercised	105,966	44,016	-
Options outstanding	-	18,864	93,120
Exercise Price	₹91.80	₹125.08	₹257.55

The Board recommends Mr. N Ananthasheshan's appointment for approval by the Members of the Company.

Memorandum of Interest

Except Mr. N Ananthasheshan 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.8

The shareholders at the 64th Annual General Meeting held on 3rd August 2018 had approved the payment of remuneration to Non-Executive Directors of the Company not exceeding one per cent of the net profits of the Company.

In line with the Remuneration Policy of the Company, the compensation to the Non-Executive Directors takes the form of commission on profit. Though shareholders have approved payment of commission up to one per cent of net profits of the Company for each year, the actual commission paid to the Directors is restricted to a fixed sum within the above limit. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors. In keeping with evolving trends in industry and considering the increased time spent by Mr. M M Murugappan, he is paid a differential commission.

Mr. M M Murugappan, Chairman has been associated with the Company as a Director for more than two decades now. Given the size and nature of its operations and also the rich experience that Mr. Murugappan possesses in the field of engineering, a considerable amount of time is spent by him in connection with the operations of the Company. Apart from playing an active role in guiding and advising on matters connected with strategy and management, he spends considerable time on developing/ managing relationships with the Company's business partners both in India and overseas. The Chairman also plays an active role in matters connected with CUMI's organisation culture which is critical for the Company to deliver superior performance besides devoting time for technology related issues impacting the Company. Further, the Chairman spends a lot of time participating in various events, conclaves and functions of Industry bodies, Academic Institutions and interactions with high level State Authorities representing the Company. Under his chairmanship, the Company has grown globally from ₹4060 million to over ₹23000 million. He is currently the Executive Chairman of the Murugappa Group.

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders by special resolution is required to be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

During the FY 2018-19, Mr. M M Murugappan was paid a commission of ₹10 million (commission for the FY 2017-18) and a sitting fee of ₹0.21 million. Since the total remuneration payable to Mr. M M Murugappan during the FY 2019-20 including the commission payable for the FY 2018-19 is likely to exceed fifty per cent of the total remuneration payable to all Non-Executive Directors, approval of the shareholders is sought vide a special resolution.

The Board believes that the remuneration payable to Mr. Murugappan is commensurate with the efforts and the time taken by him on behalf of the Company. Accordingly, the Board recommends remuneration payable to Mr. M M Murugappan during the FY 2019-20 in excess of fifty per cent of the total annual remuneration payable to all Non-Executive Directors of the Company for approval by the Members of the Company.

Memorandum of Interest

Except Mr. M M Murugappan, 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 resolutions proposed to be passed as a Special Resolution.

Item No.9

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 2019-20 on a remuneration of ₹4,50,000/- 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.9 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.

Chennai,
April 26, 2019

By Order of the Board
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

Name of Director	M M Murugappan	Sanjay Jayavathanavelu	Aroon Raman	N Ananthasheshan
DIN	00170478	00004505	00201205	02402921
Date of Birth	12.11.1955	15.06.1968	21.03.1960	14.12.1962
Date of Appointment (Initial)	17.10.1996	27.10.2010	30.10.2013	26.04.2019
Qualification	Bachelor of Technology in Chemical Engineering from the University of Madras, Masters degree in Chemical Engineering from the University of Michigan, USA.	Masters degree in Business Administration from Philadelphia University, USA	Masters degree in Economics from JNU, New Delhi and in Business Administration from the Wharton School, USA	M.Sc (Applied Sciences) & M Tech Material Sciences from the Indian Institute of Technology, Kharagpur.
Expertise in specific functional areas	Has over four decades of experience in diverse areas of Technology, Research & Development, Strategy & Business Development and Human Resources.	Has close to two decades of experience in the fields of textile engineering, Machine Tools manufacture, finance and administration.	Has over three decades experience in varied fields of technology, operations, general management, research & development.	He has over two decades of experience in Electromaterials & Abrasives. He is with CUMI since 1986 heading the Abrasives division.
Directorships in other companies (including foreign companies)	Tube Investments of India Limited Cholamandalam Financial Holdings Limited Cholamandalam MS General Insurance Company Limited Coromandel International Limited Cholamandalam Investment and Finance Company Limited Volzhsky Abrasive Works, Russia M M Muthiah Research Foundation Mahindra & Mahindra Limited Ambadi Investments Limited Murugappa Organo Water Solutions Pvt. Ltd. iDea Lab (India) Pvt. Ltd. Cyient Limited IIT Madras Research Park Chennai Willingdon Corporate Foundation	Lakshmi Machine Works Limited Super Sales India Limited Lakshmi Life Sciences Limited Lakshmi Electrical Control Systems Limited The Lakshmi Mills Company Limited Lakshmi Cargo Company Limited Lakshmi Technology and Engineering Industries Limited Lakshmi Ring Travellers (Coimbatore) Limited Chakradhara Aerospace and Cargo Pvt. Ltd. Alampara Hotels and Resorts Pvt. Ltd.	Wheels India Limited Brigade Enterprises Limited TVS Automobile Solutions Pvt. Ltd. Netur Technical Training Foundation Telos Investments & Technologies Pvt. Ltd. Edutech Nttf India Pvt. Ltd.	Sterling Abrasives Limited CUMI Middle East FZE CUMI Abrasives and Ceramics Company Limited CUMI America Inc. Volzhsky Abrasive Works, Russia
Memberships in Board Committees of other companies (includes membership details of all Committees)	Tube Investments of India Limited Stakeholders Relationship Committee - Chairman Nomination and Remuneration Committee - Member Cyient Limited Audit Committee, Nomination and Remuneration Committee, Risk Management Committee - Member Mahindra and Mahindra Limited Audit Committee, Risk Management Committee - Member Nomination and Remuneration Committee - Chairman Cholamandalam Financial Holdings Limited Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee - Chairman Nomination and Remuneration Committee, Share Transfer Committee - Member Ambadi Investments Limited Borrowing Committee, Corporate Social Responsibility Committee - Member Cholamandalam MS General Insurance Company Limited Management Committee, Corporate Social Responsibility Committee, Investment Committee, Business Committee - Chairman Nomination & Remuneration Committee, Risk Management Committee - Member Cholamandalam Investment and Finance Company Ltd. Corporate Social Responsibility Committee, Risk Management Committee - Member Business Committee - Chairman	Lakshmi Machine Works Limited Corporate Social Responsibility Committee, Shares & Debentures Committee - Chairman Super Sales India Limited Share Transfer Committee - Member Lakshmi Cargo Company Limited Audit Committee - Member Corporate Social Responsibility Committee, Nomination and Remuneration Committee - Chairman Chakradhara Aerospace and Cargo Private Limited Corporate Social Responsibility Committee - Member	Wheels India Limited Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee - Member Brigade Enterprise Limited Audit Committee - Member Nomination and Remuneration Committee - Chairman TVS Automobile Solutions Pvt. Ltd. Audit Committee, Nomination and Remuneration Committee - Member	-
No. of shares in the Company	696,340	Nil	Nil	69,023
Inter-se relationship with any other Directors or KMP of the Company	Nil	Nil	Nil	Nil

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

ROUTE MAP TO AGM VENUE

