



# CARBORUNDUM UNIVERSAL LIMITED

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To  
All Members

## **Abstract of the terms of re-appointment of Mr K Srinivasan as Managing Director pursuant to Section 302 of the Companies Act, 1956**

The Board of Directors at their meeting held on 27th January 2010 had re-appointed Mr K Srinivasan as Managing Director for a period of 5 years commencing from 1st February 2010.

Mr. K Srinivasan (52) holds a B.Tech (Mechanical) degree from REC, Surathkal. He has about 30 years of experience in the machine tools and abrasives industries in marketing, technical, production and general management. He has been with Wendt (India) Ltd. (CUMI's Joint Venture) since 1983. He has handled CUMI's industrial ceramics business from 1999 to 2002. He was appointed as President & Wholetime Director of the Company from 1st February 2005 and later as Managing Director with effect from 1st February 2006.

The terms of remuneration of Mr K Srinivasan, in his capacity as Managing Director, are as follows:-

### **(a) Salary**

Rs. 181,495 per month. The Compensation & Nomination Committee may increase the salary, from time to time, subject to a maximum of Rs. 540,000/- per month.

### **(b) Allowances/Perquisites/Commission/Incentive**

In addition to salary, Mr. K Srinivasan will be entitled to

- i. allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/ or any other allowance;
- ii. 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 and
- iii. commission / incentive

as approved by the Compensation & Nomination Committee from time to time.

### **(c) Retirement benefits**

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

### **(d) General**

- i. In the event of absence or inadequacy of profits in any financial year, Mr. K Srinivasan, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made thereunder or any statutory modification or re-enactment thereof.
- ii. 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.
- iii. The aggregate remuneration (including salary, allowances, perquisites, incentive/commission and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 1956.
- iv. Mr. K Srinivasan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- v. Mr. K Srinivasan will be subject to all other service conditions as applicable to any other employee of the Company.

As required by the Companies Act, 1956, approval of shareholders to the above appointment and terms of remuneration would be obtained at the next General Meeting.

### **Memorandum of Interest**

Mr K Srinivasan is interested as it concerns his appointment and remuneration. No other Director of the Company is in any way concerned or interested.

For Carborundum Universal Limited

Chennai  
9.2.2010

S.Dhanvanth Kumar  
Company Secretary