



# CARBORUNDUM UNIVERSAL LIMITED

CIN:L29224TN1954PLC000318

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**murugappa**

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the sixtieth Annual General Meeting (AGM) of the members of the Company will be held at 3.00 p.m. IST on Friday, 1<sup>st</sup> August 2014 at Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108 to transact the following business:

### ORDINARY BUSINESS

Item No.1 - Adoption of financial statements

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** the Audited Balance Sheet as at 31<sup>st</sup> March 2014 together with the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon be and are hereby received, considered and adopted.

Item No.2 - Declaration of Dividend

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** a final dividend of ₹ 0.50 paise per equity share of ₹1/- each be declared for the financial year ended 31<sup>st</sup> March 2014 and that the same be paid out of the profits of the Company for the financial year ended 31<sup>st</sup> March 2014 to those shareholders whose names appear in the Register of Members as on 1<sup>st</sup> August 2014 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 1<sup>st</sup> August 2014 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in the electronic form.

**RESOLVED FURTHER THAT** the interim dividend of ₹ 0.75 paise per equity share of ₹1/- each already paid for the year ended 31<sup>st</sup> March 2014 be and is hereby confirmed.

Item No.3 - Appointment of Mr. Shobhan M Thakore, Director retiring by rotation as an Independent Director

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. Shobhan M Thakore holding DIN 00031788, Director retiring by rotation at 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 the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of three (3) consecutive years from the date of this AGM.

Item No.4 - Appointment of Mr. Sanjay Jayavarthanelu, Director retiring by rotation as an Independent Director

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. Sanjay Jayavarthanelu holding DIN 00004505, Director retiring by rotation at 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 the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term of five (5) consecutive years from the date of this AGM.

Item No.5 - Appointment of Statutory Auditors

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Messrs. Deloitte Haskins & Sells, Chartered Accountants (Firm registration no.008072S), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 62<sup>nd</sup> AGM subject to ratification of the appointment by the members at every AGM held after this AGM on a remuneration of ₹ 37,50,000/- for the financial year 2014-15 and ₹ 42,00,000/- for the financial year 2015-16 including the out of pocket expenses incurred by them in connection with the audit and excluding the applicable service tax.

### SPECIAL BUSINESS

Item No.6 - Appointment of Mr. M Lakshminarayan as an Independent Director

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. M Lakshminarayan holding DIN 00064750, a Director whose period of office is liable to determination by retirement by rotation 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 the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of three (3) consecutive years from the date of this AGM.

Item No.7 - Appointment of Mr. T L Palani Kumar as an Independent Director

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. T L Palani Kumar holding DIN 00177014, a Director whose period of office is liable to determination by retirement by rotation 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 the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM.

Item No.8 - Appointment of Mr. Aroon Raman as an Independent Director

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. Aroon Raman holding DIN 00201205 who was appointed as an Additional Director on 30<sup>th</sup> October 2013 pursuant to section 161(1) of the Act and who holds office up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM.

Item No.9 - Approval of borrowing limits of the Company

To consider and if deemed fit to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

**RESOLVED THAT** in supersession of the Resolution passed earlier in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s)

or re-enactment thereof for the time being in force), consent be and is hereby accorded to the Board of Directors of the Company (which includes a duly constituted Committee thereof) to borrow from time to time such sum or sums of money/s in Indian rupees or foreign currency, whether unsecured or secured as the Board may deem fit for the purposes of the business of the Company provided however the total amount(s) borrowed and remaining outstanding at any point of time (excluding temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) shall not exceed the paid up capital and free reserves by more than ₹ 5000 million (Rupees Five thousand million only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise with the lenders including Trustees to the holders of the non-convertible debentures, as the case may be the terms of borrowing and to do all such acts and things as may be necessary for giving effect to the above Resolution.

Item No.10 - Approval for creation of security on the movable / immovable properties of the Company

To consider and if deemed fit to pass with or without modification(s) the following Resolution as a **SPECIAL RESOLUTION**:

**RESOLVED THAT** in supersession of the earlier Resolution passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent be and is hereby accorded to the Board of Directors of the Company (which includes a duly constituted Committee thereof) for mortgaging and/or charging the whole or any part of the undertaking(s) of the Company including its immovable / movable properties, both present and future, wheresoever situate, in such form and manner as the Board may deem fit, upto a sum not exceeding ₹ 5000 million, over the paid up capital and free reserves of the Company for securing any borrowing including term loans, external commercial borrowing, buyer's credit, syndicated loan, etc., availed by the Company from or debentures issued by the Company to any financial institutions/ banks/ insurance companies/ other lenders together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the concerned lenders, with such ranking and at such time and on such terms as the Board may determine.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise with the lenders including Trustees to the holders of the non-convertible debentures, as the case may be the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above Resolution.

By Order of the Board

Chennai,  
30<sup>th</sup> April 2014

**Rekha Surendhiran**  
Company Secretary

## Notes

### 1. A Member entitled to attend and vote 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 for the AGM is enclosed. 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 / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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

2. The explanatory statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item nos. 3 to 10 (though not mandatorily required for item nos. 3 to 5) of the Notice to be transacted at the AGM is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21<sup>st</sup> July 2014 to Friday, 1<sup>st</sup> August 2014 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for year ended 31<sup>st</sup> March 2014.
4. The dividend warrants in respect of the final dividend of ₹ 0.50 paise for the year ended 31<sup>st</sup> March 2014 recommended by the Board of Directors is proposed to be posted by 5<sup>th</sup> August 2014 subject to the approval of the members at the ensuing AGM. In case of shareholders opting for NECS/ECS, the dividend would in the normal course be credited to their respective accounts by 5<sup>th</sup> August 2014.
5. Members holding shares in physical form are requested to notify change in their address, if any, immediately and not later than 14<sup>th</sup> July 2014 and members holding shares in electronic form are requested to notify change in their address to their respective Depository Participant, latest by 17<sup>th</sup> July 2014, so that the dividend warrants can be sent to the latest address. Members are also advised to intimate the details of their bank account to enable electronic remittance of dividend or alternatively for being incorporated in the dividend warrants. This would help to avoid fraudulent encashment of dividend warrants. In case of shareholders holding shares in physical form, all intimations are to be sent to Karvy Computershare Private Ltd., Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500081 who are the Registrars and Share Transfer Agents (RTA) of the Company.

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

6. The Company offers two electronic platforms for credit of dividend i.e. (a) Electronic Clearing Service (ECS) and (b) National Electronic Clearing System (NECS). The advantages of NECS over ECS include faster credit of remittances to beneficiary's account and coverage of more bank branches. NECS operates on the unique bank account number (having not less than 10 digits) allotted by banks post implementation of the Core Banking Solutions (CBS).  
  
The NECS compliant account number is required to be intimated to your Depository Participant (in case your shares are in demat mode) or to the Company's RTA, M/s Karvy Computershare Pvt. Ltd. (in case your shares are in physical mode) for us to effect the dividend payment through the NECS mode. All such intimations have to be done by 17<sup>th</sup> July 2014. Members are encouraged to use the electronic platforms for receiving dividends.
7. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants/ Company's website.
8. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends declared in the financial year 2005-06.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30<sup>th</sup> July 2013 (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. Shareholders can ascertain the status of their unclaimed amounts from these websites.

The Company also sends separate reminders to members whose dividends are unclaimed/unpaid before the remittances are made to the IEPF. Members who have not encashed their warrants in respect of the final dividend declared in financial year 2006-07 and subsequent dividends thereon may write to the Company Secretary or RTA immediately for claiming their dividends.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

10. Additional information pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment(s).
11. Electronic copy of the Annual Report is being sent to all the members holding shares in demat mode and whose Email IDs are available with the Depository Participant(s) and to all the members holding shares in physical mode whose Email 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 Email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
12. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, 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 60<sup>th</sup> AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose.

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 Email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

For members who have not registered their Email address, physical copies of the aforesaid documents is being sent in the permitted mode. Members may also note that the Notice of the 60<sup>th</sup> AGM and the Annual Report 2013-14 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. Shareholders may please send in their requests to the Company's investor Email id: [investorservices@cumi.murugappa.com](mailto:investorservices@cumi.murugappa.com).

### 13. Instructions for e-voting:

The e-voting facility is available at the link: <https://www.evoting.nsdl.com> and will be available for the following period:

Commencement of e-voting period	End of e-voting period
26 <sup>th</sup> July 2014 at 9.00 a.m. IST	28 <sup>th</sup> July, 2014 at 6.00 p.m. IST

Members desiring to cast their votes electronically are requested to adhere to the following instructions which forms part of the Notice:

### Voting through electronic means

- (i) In case of Members receiving Email from NSDL:
- Open Email and open PDF file viz., "Carborundum Universal Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - Click on "Shareholder" – "Login".
  - Key in User ID and password as initial password noted in step (a) above. Click "Login".
  - Password change menu appears. Change the password with new password of your choice with minimum 8 digits or characters or a combination thereof. Please take note of the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
  - Home page of 'e-Voting' opens. Click on "e-Voting: Active Voting Cycles".
  - Select 'EVEN' of Carborundum Universal Limited i.e., 100435.
  - Now, you are ready for "e-Voting" as "Cast Vote" page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - Once you have voted on the Resolution, you will not be allowed to modify your vote.
- (ii) In case of Members receiving physical copies of the Notice of AGM (for members whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
- Initial password is provided at the bottom of the Proxy-cum-Attendance slip.
  - Please follow all steps from Sl. No. 1(b) to (j) above, to cast your vote and please note the instruction in 1(k).

### General Instructions:

- You can also update your mobile number and Email ID in the user profile details of the folio which may be used for sending future communication(s).
- The e-voting period commences on 26<sup>th</sup> July 2014, Saturday

(9.00 a.m) and ends on 28<sup>th</sup> July 2014, Monday (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 20<sup>th</sup> June 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- Mr. R Sridharan of M/s. R Sridharan & Associates, Company Secretaries will be the acting as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The results shall be declared on or after the 60<sup>th</sup> AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cumi.murugappa.com](http://www.cumi.murugappa.com) and on the website of NSDL within two (2) days of passing of the Resolution at the AGM of the Company and communicated to the Stock Exchange(s).
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through Email to [sridharan.r@aryes.in](mailto:sridharan.r@aryes.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://www.evoting.nsdl.com>. You can also contact NSDL via Email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20<sup>th</sup> June 2014.
- 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 e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.
- Resolutions passed through e-voting would be deemed to be passed as on the date of the AGM.

14. 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 Email to [investorservices@cumi.murugappa.com](mailto:investorservices@cumi.murugappa.com) to enable the Company to keep the information ready.

15. Members holding shares in physical form are requested to avail dematerialisation facility to eliminate all risks associated with holding in physical form and for ease in portfolio management. For further information, please refer to FAQs posted by NSDL on its website [www.nsdl.co.in](http://www.nsdl.co.in) or CDSL on its website [www.cdslindia.com](http://www.cdslindia.com) or contact RTA.
16. Shareholders are encouraged to register their Email ID's with us / RTA / Depository Participant to enable us to send communications via e-mail.
17. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified true copy of the Board Resolution authorising the representative to attend and vote on their behalf at the meeting.
18. 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.
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days upto the date of the AGM.

## ANNEXURE TO THE NOTICE

### Explanatory statement pursuant to section 102 of the Companies Act, 2013.

As required under section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 10 of the accompanying Notice:

#### Item Nos. 3 & 4

Mr. Shobhan M Thakore and Mr. Sanjay Jayavarthanelu Independent Directors under clause 49 of the listing agreement with the stock exchanges retire by rotation at this AGM under the provisions of the erstwhile Companies Act, 1956. They being eligible to be appointed as Independent Directors under Section 149 of the Companies Act, 2013 (the Act) have offered themselves for appointment under the applicable provisions of the Act. It is proposed to appoint them for a term of 3 and 5 consecutive years respectively from the date of the AGM.

The Company has received the requisite consent and disclosure forms from the above Directors. The Company has also received Notices under Section 160 of the Act along with the deposit of Rs.1,00,000/- in respect of each of the above Directors from member(s) proposing their respective appointments.

In the opinion of the Board, Mr. Shobhan M Thakore and Mr. Sanjay Jayavarthanelu fulfill the conditions specified in the Act for

their appointment as Independent Directors of the Company and are independent of the management. Copies of the draft letter of appointment of the above directors as Independent Directors setting out the terms and conditions of appointment would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM. The profile of the Directors is provided in the Annual Report and the information under clause 49 is provided in the annexure.

The Board considers that the continued association of Mr. Shobhan M Thakore and Mr. Sanjay Jayavarthanavelu would be of immense benefit to the Company and hence it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends each of the Resolutions in relation to the appointment of Directors for approval by the shareholders of the Company.

#### **Memorandum of Interest**

Mr. Shobhan M Thakore and Mr. Sanjay Jayavarthanavelu are deemed to be interested in their respective appointments. No other Director or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary Resolutions detailed in item nos 3 & 4 and the Board recommends the Resolutions set forth herein for approval of the members.

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

M/s. Deloitte Haskins & Sells ( ICAI Firm registration no.008072S), Chartered Accountants, Chennai were appointed as the Statutory Auditors of the Company at the 59<sup>th</sup> AGM held on 30<sup>th</sup> July 2013 to hold office until the conclusion of this AGM. M/s. Deloitte Haskins & Sells, Chartered Accountants, are the Statutory Auditors of the Company since year 2005-2006 and will be completing nine years as Auditors of the Company at this AGM.

As per Section 139 of the Companies Act, 2013 (the Act) no listed company can appoint or reappoint an audit firm as Auditors for more than two terms of five consecutive years each. However, the Act provides a period of three years from the date of commencement of the Act to comply with this requirement.

M/s. Deloitte Haskins & Sells being eligible for appointment, under the provisions of the new Companies Act, 2013 have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act.

Accordingly, the approval of the members is being sought by means of an Ordinary Resolution for the reappointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as the Statutory Auditors of the Company for the period from the conclusion of the ensuing AGM until the conclusion of the 62<sup>nd</sup> AGM to audit the stand alone and consolidated financial statements on the remuneration as per details provided in the Resolution.

The Board recommends the reappointment of the Statutory Auditors of the Company for approval of the shareholders.

#### **Memorandum of Interest**

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

#### **Item Nos. 6 & 7**

Mr. M Lakshminarayan and Mr. T L Palani Kumar are Independent Directors under clause 49 of the listing agreement with the stock exchanges. Section 149 of the Companies Act 2013, which came into effect on 1<sup>st</sup> April 2014 requires every listed public company to have at least one third of the total number of directors as Independent Directors not liable to retire by rotation. It is proposed to appoint Mr. M Lakshminarayan and Mr. T L Palani Kumar as Independent Directors under Section 149 of the Act. They being eligible have offered themselves for appointment for a term of 3 and 5 consecutive years respectively from the date of the AGM.

The Company has received the requisite consent and disclosure forms from the above Directors. The Company has also received Notices under Section 160 of the Act along with the deposit of Rs.1,00,000/- in respect of each of the above Directors from member(s) proposing their respective appointments.

In the opinion of the Board, Mr. M Lakshminarayan and Mr. T L Palani Kumar fulfill the conditions specified in the Act for their appointment as Independent Directors of the Company and are independent of the management. Copies of the draft letter of appointment of the above directors as Independent Directors setting out the terms and conditions of appointment would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM. The profile of the Directors is provided in the Annual Report and the information under clause 49 is provided in the annexure.

The Board considers that the continued association of Mr. M Lakshminarayan and Mr. T L Palani Kumar would be of immense benefit to the Company and hence it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends each of the Resolutions in relation to the appointment of Directors for approval by the shareholders of the Company.

#### **Memorandum of Interest**

Mr. M Lakshminarayan and Mr. T L Palani Kumar are deemed to be interested in their respective appointments. No other Director or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary Resolutions detailed in item nos 6 & 7 and the Board recommends the Resolutions set forth herein for approval of the members.

#### **Item No. 8**

Mr. Aroon Raman was appointed as an Additional Director on 30<sup>th</sup> October 2013 pursuant to Section 161(1) of the Companies Act, 2013 and holds office upto the date of the ensuing AGM. Mr. Aroon Raman is an Independent Director under Clause 49 of the listing agreement with stock exchanges. It is proposed to appoint him as

an Independent Director for a term of 5 consecutive years under Section 149 of the Act.

The Company has received the requisite consent and disclosure forms from him. The Company has also received a Notice under Section 160 of the Act along with the deposit of Rs.1,00,000/- from a member in respect of Mr. Aroon Raman's appointment.

In the opinion of the Board, Mr. Aroon Raman fulfills the conditions specified in the Act for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of the above director as an Independent Director setting out the terms and conditions of appointment would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM. His profile is provided in the Annual Report and the information under clause 49 is provided in the annexure.

The Board considers that his continued association would be of immense benefit to the Company and hence it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends his appointment for approval by the shareholders of the Company.

#### **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 are interested or concerned, financial or otherwise in the aforesaid Ordinary Resolution.

#### **Item No.9**

The Company in the ordinary course of its business resorts to borrowings in the form of loans, issue of debentures etc. The shareholders are required to approve borrowings in excess of the paid up capital and free reserves of the Company.

The shareholders at the AGM held on 23<sup>rd</sup> July 2005 had given their consent under Section 293 (1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow moneys (excluding temporary loans obtained from the Bankers in ordinary course of business) upto a limit of ₹ 5000 million over and above the paid up capital and free reserves of the Company.

Consequent to the notification of the Companies Act, 2013, the Ministry of Corporate Affairs has clarified that the shareholders approval obtained under erstwhile section 293(1)(d) of the Companies Act, 1956 would be valid only for a period of 1 year

from 12<sup>th</sup> September 2013. Accordingly, it is proposed to obtain the members approval under the corresponding Section 180(1)(c) of the Act authorising the limits for borrowings upto ₹ 5000 million over and above the paid up capital and free reserves of the Company. Members may note that no change in the existing limits approved by the shareholders is proposed and approval is being sought to retain the validity of the earlier approval granted in year 2005.

Accordingly, the Special Resolution as set out under Item no.9 of the Notice is submitted to the meeting. Approval of the members is presently sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013.

#### **Memorandum of Interest**

None of the Directors of the Company, the key managerial personnel of the Company or their relatives is concerned or interested, financial or otherwise in the aforesaid Special Resolution.

#### **Item No. 10**

The Company in the ordinary course of business resorts to borrowings, either by way of term loans, inter-corporate deposits, external commercial borrowings or by issue of debentures etc., in respect of which the Company may be required, under the terms of sanction/availing of the loan/issue of debentures, to create a mortgage/charge on the movable and immovable properties of the Company in favour of the lenders/Trustees of the debentures, as set out in the Resolution under item no. 10 of the Notice of the AGM.

Such creation of mortgage/charge, as stated above, may be deemed to be a disposal of the undertaking of the Company within the meaning of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules there under. The Company had earlier availed approval of the shareholders under section 293(1)(a) of the Companies Act, 1956 which would be valid only for a period of 1 year from 12<sup>th</sup> September 2013. Accordingly, approval of the members is being sought vide special Resolution under the corresponding provisions of the Companies Act, 2013 and Rules made there under for mortgaging/charging the movable and immovable properties of the Company for the proposed borrowings.

#### **Memorandum of Interest**

None of the Directors of the Company, the key managerial personnel of the Company or their relatives is concerned or interested, financial or otherwise in the aforesaid Special Resolution.

Chennai  
30<sup>th</sup> April 2014

By Order of the Board

**Rekha Surendhiran**  
Company Secretary

Disclosure under clause 49 of the listing agreement in respect of Directors seeking appointment at the 60<sup>th</sup> AGM

Name of Director	Mr. Shobhan M Thakore	Mr.Sanjay Jayavarthanelu	Mr. M Lakshminarayan	Mr.T L Palani Kumar	Mr. Aroon Raman
DIN	00031788	00004505	00064750	00177014	00201205
Date of Birth	03.07.1947	15.06.1968	07.09.1946	24.10.1949	21.03.1960
Date of Appointment (Initial appointment)	25.07.2008	27.01.2010	20.01.2009	30.10.2000	30.10.2013
Qualification	Bachelor's degree in Arts (Politics) and Law from Mumbai University.	Masters degree in Business Administration from Philadelphia University, USA	Masters degree in Mechanical Engineering from IIT, Mumbai	Bachelor's degree in Technology (Chemical engineering) from IIT, Madras and a post graduate diploma in Business administration from IIM, Ahmedabad.	Masters degree in Economics from JNU, New Delhi and in Business Administration from the Wharton School, USA.
Expertise in specific functional areas	Has more than 4 decades of experience in law with specialization in corporate and securities law.	Has more than a decade of experience in the fields of textile engineering, Machine Tools manufacture, finance and administration.	Has over 3 decades of industrial experience in varied fields of engineering, technology, marketing and sales etc.	Has over 3 decades of experience in marketing, manufacturing operations and enterprise leadership.	Has over 2 decades experience in varied fields of technology, operations, general management, research & development.
Directorships in other companies	<b>Director</b> 1.Alkyl Amines Chemicals Limited 2.Bharat Forge Limited 3.Morarjee Textiles Limited 4.Uni Deritend Limited 5.Uni Klinger Limited 6.Sharda Cropchem Limited	<b>Chairman &amp; Managing Director</b> 1. Lakshmi Machine Works Limited <b>Chairman</b> 1.Lakshmi Life Sciences Limited 2.Super Sales India Limited 3.Quattro Engineering India Limited <b>Director</b> 1.Lakshmi Cargo Company Limited 2.Lakshmi Electrical Control Systems Limited 3.Lakshmi Ring Travellers (Coimbatore) Limited 4.Lakshmi Technology and Engineering Industries Ltd 5.Fortis Malar Hospitals Limited 6.The Lakshmi Mills Company Limited 7.Alampara Hotels and Resorts Private Limited	<b>Chairman</b> WABCO India Limited <b>Managing Director</b> Harman International (India) Private Limited <b>Director</b> 1.Rane (Madras) Limited 2. TVS Automobiles Solutions Ltd 3. Kirloskar Oil Engines India Limited 4. Janaadhar (India) Private Limited 5. Manipal Acunova Limited 6. Wholsum Foods Private Limited	<b>Director</b> 1. SBI Mutual Fund Trustee Company Private Limited 2. Fostiima Integrated Learning Resources Private Limited	<b>Managing Director</b> Raman FibreScience Private Limited <b>Director</b> Sundaram Finance Limited Wheels India Limited Anahita Investments Private Limited TVS Automobile Solutions Limited Brigade Enterprises Limited Edutech NTTF India Private Limited
Memberships in Board Committees of other companies	<b>Chairman</b> Investor Grievance Committee Finance Committee -Alkyl Amines Chemicals Limited Investors Grievance Committee-Morarjee Textiles Ltd. <b>Member</b> Audit Committee-Alkyl Amines Chemicals Limited, Morarjee Textiles Ltd., Bharat Forge Ltd	<b>Member</b> Audit Committee, Risk & Control Committee and Human Resources & Remuneration Committee- Fortis Malar Hospitals Limited Share transfer Committee and Investors Grievances Committee- Super Sales India Limited Lakshmi Machine Works Ltd- Share & Debenture Committee	<b>Chairman</b> Compensation & Nomination Committee- Wabco India Ltd Audit Committee- Rane (Madras) Limited <b>Member</b> Audit Committee- TVS Automobile Solutions Limited.	<b>Member</b> Audit Committee - SBI Mutual Fund Trustee Company Private Limited	<b>Chairman</b> Corporate Social Responsibility Committee -Sundaram Finance Ltd <b>Member</b> Audit Committee- Wheels India Limited Compensation Committee - Sundaram Finance Limited
No of shares in the Company	Nil	Nil	Nil	Nil	Nil
Inter se relationship with any other director	Nil	Nil	Nil	Nil	Nil