

**CARBORUNDUM UNIVERSAL LIMITED**

'Parry House', 43, Moore Street, Chennai - 600 001, India.

Tel. : +91-44-42216789 Fax : +91-44-42216149 Grams : 'CUMI'

Email : cumigeneral@cumi.murugappa.com Website : www.cumi.murugappa.com



6th September 2010

The Secretary
Madras Stock Exchange Ltd.
Second Line Beach,
Chennai 600 001

Fax No.25244897

By hand delivery

Mr Sanjay Gulecha
General Manager - DCS
Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Fax No.022 22723121 / 22722037 "
22722041 / 2061 /
22723719 / 2039

Tel 022 – 2272 1233 / 34
Extn – 8247 / 8010 / 8014
Direct Tel:022-22721121/2375
Stock Code : 513375
By Speed Post Ack. Due

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Fax No.022 26598237 / 38
022 26598347 / 48
Tel No.2659 8452 / 26598235 - 36
26598100

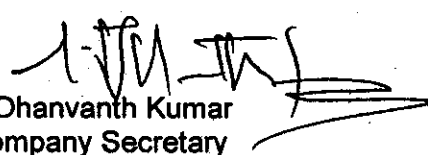
Stock Code : CARBORUNIV-EQ
By Speed Post Ack. Due

Dear Sirs,

We are enclosing a copy of the Minutes of the Fifty-sixth Annual General Meeting held
on 30th July 2010 for your records.

Thanking you
Yours faithfully

For Carborundum Universal Limited


S.Dhanvanth Kumar
Company Secretary

Encl :

**MINUTES OF THE FIFTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY
HELD ON FRIDAY, THE 30TH OF JULY 2010 AT 2.30 P M AT TTK AUDITORIUM,
THE MUSIC ACADEMY, 168 (OLD NO. 306), TTK ROAD, ROYAPETTAH, CHENNAI
600 014**

PRESENT ON THE DIAS

Mr M M Murugappan	Chairman & Shareholder
Mr Subodh Kumar Bhargava	Director
Mr T L Palani Kumar	Director
Mr Sridhar Ganesh	Director
Mr M Lakshminarayan	Director
Mr K Srinivasan	Managing Director & Shareholder
Mr P R Ravi	President – Industrial Ceramics
Mr V Ramesh	Chief Financial Officer
Mr M Muthiah	Senior Vice President – HR
Mr P L Deepak Dorairaj	Senior Vice President - (Operations) Abrasives
Mr N Ananthaseshan	Senior Vice President – EMD
Mr R Rajagopalan	Senior Vice President – Refractories & Prodorite
Mr S Dhanvanth Kumar	Company Secretary and Member

Totally 1168 members were present in person and 72 by proxy. Mr. M K Ananthanarayanan, Senior Partner, Mr B Ramaratnam, Partner, Ms Geetha Jeyakumar, Director and Ms S Gayathri, Senior Manager, Deloitte Haskins & Sells were also present

Mr M M Murugappan, Chairman of the Board of Directors, chaired the Meeting.

1. The Chairman declared that necessary quorum was present and called the meeting to order.
2. The Chairman introduced the Directors, Senior Executives and also Auditors to the members. The Chairman informed the members that due to health /personal reasons, Mr. Shobhan M Thakore and Mr. Sanjay Jayavarthanavelu, Directors could not attend the meeting.
3. The Chairman announced that 85 proxies for 39,770,726 equity shares were received and recorded.
4. With the permission of members, the Notice convening the fifty-sixth Annual General Meeting of the Company was taken as read.
5. The Chairman announced that the Register of Directors' Shareholding and certificate from Statutory Auditors under the Securities and Exchange Board of India (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 were available and were kept open for inspection by shareholders during the meeting.
6. In his opening address, the Chairman briefed the members about the highlights of the performance for the year 2009-10 and the results of the first quarter of 2010-11. Mr. K Srinivasan made a power point presentation on the significant happenings during 2009-10 and also during the last five years. Thereafter the Secretary read the Auditors' Report on the Accounts for the financial year ended 31st March 2010.



Before putting the motion to vote the Chairman invited members to raise their queries on the Annual Report and financial statements. In the interest of all members present at the meeting, the Chairman requested members to raise questions which are pertinent and relevant to the business being transacted at the meeting and in case they had any further queries, they were most welcome, write to the Company Secretary. A few members made their observations and comments and raised queries on the Annual Report and financial statements. The Chairman answered queries/clarifications of the members.

The Chairman then proposed that the Directors' Report and the Audited Profit and Loss Account for the financial year ended 31st March 2010 and the Balance Sheet as at that date and the Auditors' Report thereon as published and circulated to the members and now submitted to this meeting be and are hereby received and adopted.

The motion was then put to vote by show of hands and was carried nem con.

7. The Chairman informed that the next item on the agenda was declaration of a dividend of Rs.2/- per equity share as recommended by the Board.

Mr. Lakshman Rao proposed the following as an **Ordinary Resolution**:

Resolved that a dividend of Rs 2/- per equity share of Rs.2/- each be declared for the financial year ended 31st March 2010 on 9,33,56,232 equity shares of the Company existing as on 31st March 2010 and that the same be paid out of the profits of the Company for the financial year ended 31st March 2010 to those shareholders whose names appear on the Register of Members on 30th July 2010 and the beneficial holders of the dematted shares as per the details provided by National Securities Depositories Ltd. and Central Depository Services Ltd.

Mr S Natarajan seconded the motion.

The motion was then put to vote by show of hands and was carried nem con.

8. The Chairman informed the members that Mr. Subodh Kumar Bhargava is liable to retire by rotation at the Annual General Meeting and is eligible for reappointment.

Mr R Narasimhan then proposed the following as an **Ordinary Resolution**:

Resolved that Mr Subodh Kumar Bhargava who retires by rotation at this Annual General Meeting be and is hereby reappointed as a Director of the Company.

Mr. P Padmanabhan seconded the motion.

The motion was then put to vote by show of hands and was carried nem con.

9. The Chairman informed the members that Mr. T L Palani Kumar is liable to retire by rotation at the Annual General Meeting and is eligible for reappointment.

Mr. S Nedunchezian then proposed the following as an **Ordinary Resolution**:

Resolved that Mr. T L Palani Kumar who retires by rotation at this Annual General Meeting be and is hereby reappointed as a Director of the Company.

Mr S Natarajan seconded the motion.

The motion was then put to vote by show of hands and was carried nem con.



The motion was then put to vote by show of hands and was carried nem con.

10. The Chairman informed the members about the proposal to reappoint Messrs Deloitte, Haskins & Sells as Auditors.

Mr R. Narasimhan then proposed the following as an **Ordinary Resolution**:

Resolved that M/s Deloitte, Haskins & Sells, Chartered Accountants, Chennai (Registration No. 008072S) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the fifty-sixth Annual General Meeting till the conclusion of the fifty-seventh Annual General Meeting on a remuneration as may be decided by the Board.

Mr P Padmanabhan seconded the motion.

The motion was then put to vote by show of hands and was carried nem con.

11. The Chairman informed that Mr. K Srinivasan was reappointed as the Managing Director by the Board at its meeting dated 27th January 2010 for a period of 5 years commencing from 1st February 2010. He stated that the reappointment was subject to the approval of members in the General Meeting. He further stated that the terms and conditions of the appointment and remuneration have been specified in the resolution.

Mr Lakshman Rao proposed the following motion as an **Ordinary Resolution**:

- a. **RESOLVED THAT** pursuant to Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 and Article 114 of the Articles of Association of the Company, Mr. K Srinivasan be and is hereby reappointed as Managing Director of the Company for a period of 5 years commencing from 1st February 2010 and ending with 31st January 2015.
- b. **RESOLVED THAT** the compensation package of Mr. K Srinivasan, Managing Director with effect from 1st February 2010 shall be as follows:

(I) Salary

Rs. 1,81,945 per month. The Compensation & Nomination Committee may increase the salary, from time to time, subject to a maximum of Rs.5,40,000/- per month

(II) Allowances/Perquisites/Commission/Incentive

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

- allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/ or any other allowance;
- perquisites such as furnished / unfurnished accommodation to be provided by the company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits, amenities and
- commission / incentive

as approved by the Compensation and Nomination Committee from time to time

(III) Retirement benefits



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

(iv) General

- In the event of absence or inadequacy of profits in any financial year, Mr. K Srinivasan, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made thereunder or any statutory modification or re-enactment thereof
- Perquisites shall be valued in terms of income tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as a perquisite
- The aggregate remuneration (including salary, allowances, perquisites, incentive/commission and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 1956.
- Mr. K Srinivasan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof
- Mr. K Srinivasan will be subject to all other service conditions as applicable to any other employee of the Company

Mr P Padmanabhan seconded the motion.

The motion was put to vote by show of hands and was carried nem con.

12. The Chairman informed that Mr. Sanjay Jayavarthanavelu was inducted into the Board as Additional Director on 27th January 2010 and he vacates office at this meeting as required under the Companies Act, 1956. He stated that the requisite notice under Section 257 of the Companies Act, 1956, proposing his candidature alongwith a deposit of Rs. 500/- has been received from a Member.

Mr R Narasimhan proposed the following motion as an **Ordinary Resolution**:

Resolved that Mr Sanjay Jayavarthanavelu be and is hereby appointed as a Director of the Company.

Mr S Nedunchezian seconded the motion.

The motion was then put to vote by show of hands and was carried nem con.



13. There being no other business, the Chairman declared the meeting as closed.

14. Mr. R Narasimhan proposed a vote of thanks to the Chair and the meeting was concluded.

M M Mungappa

CHAIRMAN

26th July 2010

