



CARBORUNDUM UNIVERSAL LIMITED

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NOTICE OF POSTAL BALLOT

(Pursuant to Section 192 A of the Companies Act, 1956)

To

The Members of Carborundum Universal Limited

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, that the enclosed resolution is proposed to be passed through Postal Ballot for seeking approval to amend the Objects Clause of Memorandum of Association under section 17 of the Companies Act 1956 by inserting new sub-clauses 2N and 2O after the existing sub-clause 2M to enable the Company to enter into new businesses set out in the notice and also for seeking the approval of shareholders of the company under section 149(2A) of the Companies Act 1956 for commencement of these new businesses.

Your consent for the said proposals as contained in the resolution is sought to be obtained by means of postal ballot as required under the above mentioned Rules.

The draft special resolution alongwith the explanatory statement is enclosed.

The Postal Ballot Form for casting your vote as a shareholder of the Company is also enclosed.

The Board of Directors have appointed M/s R Sridharan & Associates, Company Secretaries, as Scrutinizer for conducting the postal ballot.

Please read the instructions printed in the postal ballot form carefully and return the form duly completed and signed in the attached self-addressed, business reply envelope, so as to reach the scrutinizer **before the closing of working hours (1700 hrs) on Thursday, the 17th March 2011**. Please note that any postal ballot form(s) received after the said date will be treated as not having been received. The scrutinizer will submit his report to the Company after completion of scrutiny of the postal ballots. The results will be announced by the Chairman/ Managing Director / Company Secretary on **Tuesday, the 22nd March 2011 at 1500 hrs** at the registered office of the Company at 'Parry House', 43 Moore Street, Chennai 600001. The results of the postal ballot will also be displayed at the registered office and posted on the Company's website – www.cumi.murugappa.com, besides being communicated to the Stock Exchanges where the Company's shares are listed.

The special resolution shall be declared as passed, if the votes cast in favour of the resolution are three times more in number than the votes cast against the resolution.

By Order of the Board
For Carborundum Universal Limited

Chennai
5th February 2011
Company Secretary

S Dhanvanth Kumar

RESOLUTION FOR POSTAL BALLOT

(Pursuant to Section 192 A of the Companies Act, 1956)

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

RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), the Clause III of the Memorandum of Association of the Company be altered by inserting the following new sub-clauses as sub-clauses 2N and 2O (after the existing sub-clause 2M):

"2N. To carry on in India or elsewhere in the world, (whether as principals, agents, contractors, lessors, consultants or otherwise) any business or businesses relating to or connected with renewable energy (in all its forms and types including solar thermal technology or solar photovoltaic), environment and water conservation and preservation (including dynamic living space technologies), green technologies, and to manufacture, design, buy, sell, import, export, develop, invent, improve, assemble, distribute, license, hire, lease, franchise and otherwise deal and be engaged in all kinds of products and things which are capable of being used for or in connection with environment and water conservation and preservation, green technologies, renewable energy technologies, solar energy businesses (including silicon and non silicon based solar power, mono and multi crystalline and thin film panels, photovoltaic wafers, cells, modules, systems, installations, concentrator type solar cells, modules and systems, diesel particulate filters, water conservation products) for industrial, domestic, agricultural, defense and any other application or purpose."

"2O. To carry on business of manufacturers, designers, installers, dealers, importers, exporters, merchants, distributors and stockists of kilns, ovens, furnaces, dryers and heating equipments of all kinds and types and of all parts, accessories and components thereof".

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing / carrying on the business activities mentioned in the above referred sub-clauses 2N and 2O of the Memorandum of Association, at such time or times as the Board may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be deemed necessary to give effect to or implement the above resolutions.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) OF THE COMPANIES ACT, 1956

Solar Photovoltaic energy (electric energy from sunlight) is poised to be a major source of energy in the decades to come. This is a very clean and renewable form of energy with free fuel i.e sunlight. The business drivers for Solar Photovoltaic Energy (PV) are climate change mitigation, energy security and the need to reduce excessive dependence on fossil fuel.

Solar energy worldwide is reportedly one of the fastest growing industries, growing at between 30-40% annually, supported by government subsidies in the form of feed in tariffs, investment and R&D support. The Governments driving this industry have been Spain, Germany, Italy, Japan and now the US. China with little support for in house consumption has emerged as the largest manufacturer of PV systems across technology platforms – crystalline silicon and thin films. The current annual installed global capacity is 8 GW and is expected to touch 20 GW by 2016.

In the year 2010, India announced the Jawaharlal Nehru Solar Mission with an intent to accelerate the Solar energy potential in India and increase its capacity from almost zero to 20 GW by the year 2022. This has seen a slew of announcements and investment proposals by companies in India alongwith technology partners from all over the world to set up manufacturing capacities in every part of the value chain. Given the incentives and encouragement extended internationally and also by the Government of India for renewable sources of energy, it is expected that this would be a very promising sector to invest in.

In addition to solar energy, given the rapid progress in various other technologies relating to renewable energy, environment and water conservation and preservation (including dynamic living space technologies), green technologies which give rise to promising business opportunities for the Company in these industries, it is considered appropriate that the proposed newly inserted clause 2N includes enabling power to manufacture various products addressing these industry segments. Given the Company's strength in material science, it is well positioned to supply products addressing these industry segments and therefore these activities can be conveniently and advantageously combined with the existing business of the Company.

Further the Company is currently engaged in the manufacture refractory products. Given the Company's experience in this industry for several decades and the brand equity and goodwill built with customers in this industry space, it is commercially advantageous for the Company to make an entry into an adjacent business line i.e. kilns, ovens, heating equipment etc.

Given the above, it is considered appropriate to insert sub-clauses 2N and 2O (morefully set out in the resolutions set out hereinabove) in the Memorandum of Association and also approve commencement / carrying on these businesses.

Accordingly approval of the members is being sought for these special resolutions as required under section 17, and also approval to commence these businesses pursuant to Section 149(2A) and other relevant provisions of the Companies Act, 1956. As per Section 192A of the Companies Act, 1956 read with Rule 4 of Companies (Passing of Resolution by Postal Ballot) Rules, 2001, any resolution for alteration of the objects clause of the Memorandum of Association of the Company requires approval of shareholders by way of postal ballot. Accordingly approval of shareholders is being sought for the Special Resolution set out hereinabove through a postal ballot.

Interest of Directors

None of the Directors are interested or concerned in the resolution.

A copy of the Memorandum of Association together with the proposed amendment is available for inspection at the registered office of the Company between 11 a.m. and 1 p.m. on all working days (except Saturdays and public holidays) during the period from Tuesday, 15th February 2011 to Thursday, 17th March 2011.

By Order of the Board
For Carborundum Universal Limited

Chennai
5th February 2011

S Dhanvanth Kumar
Company Secretary