



ORIENT ABRASIVES LTD.

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December 8, 2010

OAL/ 2324

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Curia Complex
Bandra (East), Mumbai – 400 051
(Scrip Code – ORIENTABRA)

Dear Sirs,

Ref. : Clause 36

Sub: Proposed Scheme of Arrangement and Demerger between Orient Abrasives Limited and Orient Refractories Limited

We refer to our earlier letter dated November 29, 2010 regarding the Board Meeting on December 8, 2010 to consider a proposal to restructure the business.

We wish to inform you that in the meeting held today, the Board of Directors of the Company approved a scheme of demerger of the refractory business of the Company situated at RIICO Industrial Area, Bhiwadi, Alwar, Rajasthan from the other businesses i.e, abrasives grains division and power division of Orient Abrasives Limited.

A wholly owned subsidiary public limited company of Orient Abrasives Limited, named Orient Refractories Limited has been incorporated for this purpose. Orient Abrasives Limited has been allotted 499400 equity shares of Re. 1 each by Orient Refractories Limited on December 8, 2010, as subscriber to the Memorandum and Articles of Association.

The refractory business is proposed to be demerged into the said new Company. The appointed date of the Scheme is April 1, 2011 subject to the approval of the Hon'ble High Court, Delhi and other concerned authorities.

On the scheme being effective, inter-alia, one equity share of Re. 1 each of Orient Refractories Limited shall be issued for every equity share of Re. 1 each of Orient Abrasives Limited held by its shareholders.

A copy of the proposed scheme alongwith the other documents are being separately filed to you, for seeking approval of the Scheme under clause 24(f) of the listing agreement.

Thanking You

Yours Sincerely
For ORIENT ABRASIVES LIMITED

Deepak C S
Company Secretary

Registered Office :
1307, Chiranjiv Tower,
43 Nehru Place,
New Delhi - 110019 (India)
Phone : +91-11-4642 5400
Fax : +91-11-2644 3859, 4642 5444
Email : ho@oalindia.com

Refractory Division :
SP-148, Industrial Area,
Bhiwadi, Dist. Alwar, Rajasthan
Abrasives Grains Division :
G.I.D.C. Industrial Area,
Porbandar, Gujarat
Website : www.orientabrasives.com