

10th January, 2017

The Chairman
Messrs. Carborundum Universal Limited,
"Parry House",
No.43, Moore Street,
Chennai – 600 001.

Dear Sir,

Sub: Passing of Resolutions through Postal Ballot

Pursuant to the resolution passed by the Board of Directors of **M/s.Carborundum Universal Limited** on 28th October, 2016, we have been appointed as Scrutinizer to receive, process and scrutinize the postal ballot papers and e-voting in respect of the following resolutions:

Reference to the Companies Act, 2013	Type and Description of the resolutions
<p>Section 14 of the Companies Act, 2013</p>	<p>SPECIAL RESOLUTION</p> <p>RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act,2013 (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.</p> <p>RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider as necessary or desirable to give effect to this Resolution.</p>
<p>Section 62 (1) (b) of the Companies Act, 2013</p>	<p>SPECIAL RESOLUTION</p> <p>RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as 'SEBI SBEB Regulations'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment of the Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any</p>



Committee including the Nomination & Remuneration Committee which the Board may at its discretion authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), approval of the Members be and is hereby accorded to the introduction and implementation of Carborundum Universal Limited Employee Stock Option Plan 2016' (hereinafter referred to as the 'ESOP 2016') to create and grant from time to time, in one or more tranches, not exceeding 37,72,000 (thirty seven lakhs seventy two thousand only) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, including any Managing Director and Whole-time Director (other than Promoters/persons belonging to Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided by the Board, exercisable into not more than 37,72,000 (thirty seven lakhs seventy two thousand only) equity shares of face value of Re.1/- each fully paid-up, on such terms and in such manner as the Board may determine in accordance with the provisions of the applicable laws and the provisions of the ESOP 2016.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division(s) of the Company or other similar events, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the ceiling on the number of Options mentioned in the Resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are consolidated/split then the number of equity shares to be allotted and the exercise price payable by the Option grantees under the ESOP 2016 shall automatically stand augmented/reduced in the same proportion as the present face value of Re.1/- per equity share bears to the revised face value of the equity shares of the Company after such consolidation/sub-division, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of equity shares under the ESOP 2016 on the Stock Exchanges where the equity shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.



<p>Section 62(1)(b) of the Companies Act, 2013</p>	<p>SPECIAL RESOLUTION</p> <p>RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as 'SEBI SBEB Regulations'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment of the Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee including the Nomination & Remuneration Committee which the Board may, at its discretion authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), approval of the Members of the Company be and is hereby accorded to the Board of Directors to extend the benefits of the 'Carborundum Universal Limited Employee Stock Option Plan 2016' (hereinafter referred to as the 'ESOP 2016') to such person(s) who are in permanent employment of any existing or future subsidiary(ies) of the Company, including any Managing Director and Whole-time Director (other than Promoters/persons belonging to Promoter Group of such Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) of any existing or future subsidiary(ies) of the Company whether in or outside India as may be decided under the ESOP 2016, exercisable into corresponding number of equity shares of face value of Re.1/- each fully paid-up, on such terms and in such manner as the Board may determine in accordance with the provisions of the applicable laws and the provisions of the ESOP 2016 provided that the maximum number of Stock Options granted to eligible employees of both the Company and its subsidiary(ies) under the ESOP 2016 shall not cumulatively exceed 37,72,000 Options and resultant equity shares of face value Re.1/- each (as adjusted for any changes in the capital structure of the Company) on such terms and in such manner as may be determined by the Board in accordance with the applicable laws and provisions of the ESOP 2016.</p> <p>RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division(s) of the Company or other similar events, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the ceiling on the number of Options mentioned in the Resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.</p> <p>RESOLVED FURTHER THAT in case the equity shares of the Company are consolidated/split then the number of equity shares to be allotted and the exercise price payable by the Option grantees under the ESOP 2016 shall automatically stand augmented/reduced in the same proportion as the present face value of Re.1/- per equity share bears to the revised face value of the equity shares of the Company after such consolidation/sub-division, without affecting any other rights or obligations of the said grantees.</p>
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	<p>RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.</p>
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WE REPORT that the Postal ballot notice dated 28th October, 2016 under Section 110 of the Companies Act, 2013, ("the Act") (along with the Statement pursuant to Section 102 of the Act and Postal Ballot Form) was issued individually to all the members and the notices were despatched by Physical mode and Electronic mode through E-mails for those members who have provided e-mail ids on 10th December, 2016.

We report that as stated in the notice sent to the members, the Company had fixed 9th January, 2017 as the last date for receipt of Postal Ballots and E-Voting. As required under Rule 22 of the Companies (Management and Administration) Rules, 2014 an advertisement was published by the Company in "**BUSINESS STANDARD**" in 'English' on 12th December, 2016 and "**MAKKAL KURAL**" in vernacular language 'Tamil' on 11th December, 2016 informing about the despatch of the Postal Ballot forms, E-Voting and other related matters mentioned therein. We report that we have received the Postal Ballot forms and E-Voting particulars from the members during the period starting from **11th December, 2016 (9:00 a.m. IST) to 9th January, 2017 (5:00 p.m. IST)**. Karvy Computershare Private Ltd. had unblocked the members who had exercised the votes through e-voting after 5.00 P.M. on Monday, 9th January, 2017.

All the Postal Ballot forms and E-Voting particulars received upto the closure of working hours (**5:00 p.m. IST**) on Monday, 9th January, 2017, the last date fixed by the Company for receipt of the Postal Ballot forms and E-Voting, were considered for our scrutiny.

Envelopes containing Postal Ballot forms returned undelivered aggregated to 517 (Five hundred and seventeen only). These envelopes were not opened and they are separately maintained.

During the course of scrutiny of Postal Ballot Forms we have not come across any mutilated Postal Ballot Forms.

We report that all the Postal Ballot forms and E-Voting particulars were scrutinized and processed and a computer statement containing the Shareholders Name



Address, Folio/Client ID Number, Postal Ballot Number, Number of Shares held, Number of Votes voted, Assented, Dissented and Rejected were generated.

We report that the ballot papers were reconciled with the records maintained by the Registrar and Transfer Agents of the Company.

The ballot papers, which were found defective have been treated as invalid and kept separately.

We report that out of **24686** Shareholders, we have received valid polled Ballot forms and E-Voting from **455** Shareholders and the details of polling results are given below:

Receipt of Postal Ballot Forms and E-Voting	11th December, 2016 (9:00 a.m. IST) to 9th January, 2017 (5:00 p.m. IST)		
Total No. of Shareholders	24686		
Total No. of Shares	188596642		
Particulars	As per Postal Ballot	As per E-Voting	Total
Postal Ballot Forms Received	302	155	457
Less: Invalid Forms*	2	-	2
Net Valid Forms	300	155	455

**Invalid Postal Ballot was not taken into account for the voting.*

ITEM 1 - Approval under Section 14 of the Companies Act, 2013 (Act) for amending the existing Articles of Association ('AOA') of the Company with the adoption of new set of AOA in alignment with the provisions of the Act (Special Resolution)

(i) Votes in **favour** of the resolution:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
154	125528973	294	1541046	127070019	99.98

(ii) Votes **against** the resolution:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
1	14766	6	11482	26248	0.02





(iii) **Invalid** Votes:

Number of members voted in E-Voting	Number of votes cast (Shares) -E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot
NIL	NIL	2	82	82

RESULT:

As the number of votes cast in favour of the resolution was not less than three times the number of votes cast against, we report that the **Special Resolution** under Section 14 of the Companies Act, 2013, with regard to Item 1 as set out in the Notice of Postal Ballot is passed in favour of the resolution with requisite majority.

ITEM 2 - Approval under Section 62(1)(b) of the Act for the Carborundum Universal Limited Employee Stock Option Plan 2016 ('ESOP 2016') and grant of Stock Options to employees of the Company under the ESOP 2016 (Special Resolution).

(i) Votes in **favour** of the resolution:

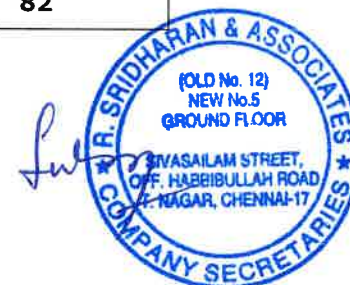
Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
142	122172829	289	1540667	123713496	99.16

(ii) Votes **against** the resolution:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
9	1036531	10	11661	1048192	0.84

(iii) **Invalid** Votes:

Number of members voted in E-Voting	Number of votes cast (Shares) -E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot
NIL	NIL	2	82	82





RESULT:

As the number of votes cast in favour of the resolution was not less than three times the number of votes cast against, we report that the **Special Resolution** under Section 62 (1) (b) of the Companies Act, 2013, with regard to Item No.2 as set out in the Notice of Postal Ballot is passed in favour of the resolution with requisite majority.

ITEM No. 3 - Approval under Section 62(1)(b) of the Act for granting Stock Options to the employees of the Company's subsidiary(ies) under the ESOP 2016 (Special Resolution).

(i) Votes in **favour** of the resolution:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
140	122172229	274	1535164	123707393	99.15

(ii) Votes **against** the resolution:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot	% of total number of valid votes cast
11	1037131	26	17164	1054295	0.85

(iii) **Invalid** Votes:

Number of members voted in E-Voting	Number of votes cast (Shares) - E-Voting	Number of members/ Proxies voted by Postal Ballot	Number of votes cast (Shares) - Postal Ballot	Total Number of votes cast through E-Voting and Postal Ballot
NIL	NIL	2	82	82

RESULT:

As the number of votes cast in favour of the resolution was not less than three times the number of votes cast against, we report that the **Special Resolution** under Section 62(1)(b) of the Companies Act, 2013, with regard to Item No.3 as set out in the Notice of Postal Ballot is passed in favour of the resolution with requisite majority.





We further report that as per the notice of Postal Ballot dated 28th October, 2016 approved by the Board of Directors on 28th October, 2016 the Chairman or any other Director of the Company may declare and confirm the above results of voting by postal ballot and e-voting in respect of the resolutions referred to herein on Wednesday, 11th January, 2017 at 11.00 a.m. at the Registered Office of the Company. 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 and on the Karvy's website - www.evoting.karvy.com besides being communication to the Stock Exchanges where the Company's shares are listed. A Compact Disc (CD) containing a list of equity shareholders who voted "FOR", "AGAINST" and those whose votes were declared invalid for each resolution is enclosed.

We further report that as per Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has complied with all the provisions of the Rules. We further report that as per the said Rules, the records maintained by us such as postal ballot papers including voting by electronic means, the computer register (to record the consent or otherwise received from the shareholders, which includes all the particulars of the shareholders such as the name, address, folio number, number of shares held, number of shares voted and number of shares assented, number of shares dissented, number of shares abstained, number of shares rejected), are in our safe custody which will be handed over to the Company Secretary after the Chairman of the meeting considers, approves and signs the minutes of the meeting.

We thank you for the opportunity given to us to act as Scrutinizer for the above Postal Ballot & E-Voting.

Thanking You

Yours faithfully,

For R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS G SUBRAMANIAM
ASSOCIATE
C P No. 8669
ACS No. 11194

Place: Chennai
Encl.: a/a

