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Cera Sanitaryware Limited

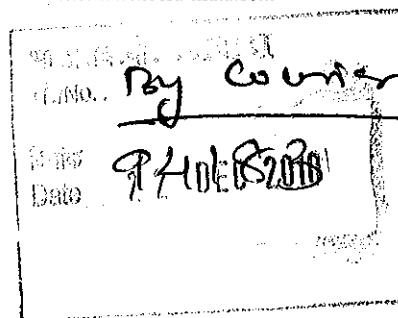
Madhusudan House, Opp. Navrangpura Telephone Exchange, Ahmedabad 380 006

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CSL/2010-11/449
December 21, 2010

Securities and Exchange Board of India,
Corporate Finance Department (CFD),
SEBI Bhawan,
Plot No. C4-A, 'G' Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051



Kind Attn. Ms. Neelam Bhardwaj, General Manager /
Mr. Deepmani Shah, Assistant General Manager

Dear Madam/Sir,

Sub: Request for interpretative letter under the SEBI (Informal Guidance) Scheme, 2003 regarding acquisition of Shares by Promoters under Regulations 11(1) & 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 - (SAST Regulations).

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We, Cera Sanitaryware Limited (CSL), a Public Limited Company listed at BSE & NSE, having total paid-up capital of Rs.6,32,74,370/- comprising of 1,26,54,874/- Equity Shares of Rs.5/- each.

The promoters of the Company viz Mr. Vikram Somany, family members and associate companies are holding 67,95,960 Equity Shares, which represent 53.70% of the total paid up capital of the Company.

1. As per Regulation 11(1), the acquirer along with the persons acting in concert with him holding 15% or more, but less than 55% of the total Shares / Voting rights of the Company, can acquire further 5% Shares in any financial year (with post acquisition holding does not exceed 55%), as creeping acquisition.
2. Further as per the Regulation 11(2) the acquirer together with persons acting in concert with him, who are holding 55% or more, but less than 75% Shares, if acquires any additional Shares, shall have to make a Public announcement to acquire additional Shares. **However, as per the second proviso to Regulation 11(2), the acquirer may {notwithstanding the acquisition made under Regulations 11(1)} acquire further 5% Shares of the total Shares of the Company, without making any Public announcement,** provided that the post acquisition holding does not exceed 75% of the total Shares of the Company through open market purchases in normal segment on the Stock Exchanges subject to other conditions mentioned therein.

In accordance with the provisions of Para 5(ii) of SEBI (Informal Guidance) Scheme 2003, we would like to seek the guidance of SEBI **by way of interpretative letter** in context of the following proposed transactions by the promoters of Cera Sanitaryware Limited (CSL).

In our case the promoters' shareholding in Cera Sanitaryware Limited as on 30.09.2010 stands at 53.70% (67,95,960 Shares out of the 1,26,54,874 total Shares issued by Cera Sanitaryware Limited). The promoters intends to acquire further 1.30% (1,64,220 Shares) and intends to go up to 55% of the total Share Capital of the Company under Regulations 11(1) of SEBI (SAST) Regulations and further they



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are desirous to increase their holding by further 5% Shares (6,32,744 Shares) in terms of second proviso to Regulations 11(2) of SEBI (SAST) Regulations without making any Public announcement, by way of purchase from open market in normal segment on the Stock Exchanges. The said acquisition of 5% Shares shall not be through bulk deal / block deal / negotiated deal / preferential allotment.

In the light of above, we seek your guidance on the following specific queries:

- (A) Can the promoters of Cera Sanitaryware Limited acquire additional 1.30% (1,64,220 Shares) during the Financial Year 2010-11 as per the Regulations 11(1) so as to reach the level of 55% of the total Share Capital of the Company.
- (B) Can the promoters further acquire 5% additional Shares (6,32,744 Shares) as per second proviso to Regulation 11(2) thereby reaching the level of 60% of the Share Capital of the Company.
- (C) Can the above acquisitions as mentioned in (A) & (B) be done in the Financial Year 2010-11 or in subsequent Financial Year(s).

You are requested to please advise in the above matter in accordance with para 5(ii) of the SEBI (Informal Guidance) Scheme, 2003.

For the sake of convenience and ready reference, we are enclosing herewith Shareholding pattern of the Company as on 30.09.2010 as per Annexure 'A'.

We request for interpretative letter from you on the above matter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 on the applicability of the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

We are enclosing herewith 'payable at par' Cheque No.891175 dated 21.12.2010 for Rs.25,000/- (Rupees Twentyfive thousand only), drawn on HDFC Bank Ltd., towards the fees payable for seeking interpretative letter of SEBI under Informal Guidance Scheme, 2003.

We will be pleased to provide any additional information on hearing from you and will be available for personal discussion at your convenience, if necessary.

We would highly appreciate your immediate action in the matter.

Thanking you,

Yours faithfully,
For Cera Sanitaryware Limited,

Narendra N. Patel
VP & Company Secretary

Encl: as above

