



khaitan electricals limited
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"THRO COURIER"

KEH:SEC: 145 :2011-12

Dt. 30.01.2012

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.



SEBI/HO/II/P/20120131/1638140551

Dear Sir,

Sub: Request for interpretative Letter under the SEBI (Informal Guidance)
Scheme, 2003 regarding acquisition of shares by Promoters under
Regulations 3(2) of SEBI (Substantial Acquisition of Shares
and Takeovers) Regulations, 2011

We, Khaitan Electricals Limited (KEL) a Public Limited Company listed at BSE & NSE, having total paid-up capital of Rs.11,50,00,000 comprising of 1,15,00,000 Equity Shares of Rs.10/- each.

The promoters of the company viz., Mr. Shree Krishna Khaitan, family members, relatives and associate companies are holding 60,12,166 Equity Shares, which represent 52.28% of the total paid up capital of the Company as on 31.03.2011.

As per Regulation 3(2), the acquirer along with the persons acting in concert with him holding 25% or more, 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 75%), as creeping acquisition, which is maximum non-public shareholdings..

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 Khaitan Electricals-Limited (KEL).

In our case the promoters' shareholding in Khaitan Electricals Ltd., (KEL) as on 31.03.2011 stands at 52.28% (60,12,166 shares out of the 1,15,00,000 total shares issued by KEL). The promoters intends to acquire further 5.0% (575000 Shares) in total Share capital of the Company under Regulation 3(2) of SEBI (SAST) Regulations in Financial Year 2011-12 and further they are desirous to increase their holding by further 5% shares (5,75,000 shares) in each Financial Year 2012-13, 2013-14, 2014-15 in terms of SEBI (SAST) Regulations 3(2) without making any Public announcement, by way purchase from open market in normal segment on the Stock Exchanges. The said acquisition of 5% shares each in Financial Year 2011-12, 2012-13, 2013-14 & 2014-15 shall not be through bulk deal/block deal/negotiated deal/preferential allotment.

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

- (A) can the promoters of KEL acquire additional 5% (575000 shares) during the Financial year 2011-12 as per the Regulations 3(2) .
- (B) can the promoters further acquire 5% additional Shares (5,75,000 shares) as per Regulation 3(2) in each Financial Year 2012-13, 2013-14 & 2014-15 till reaching the level of 75% of the Share Capital of the Company..

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 31.03.2011 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, 2011.

We also request in terms of Para 11 of the SEBI (Informal Guidance) Schemes the application as well as your response may be given confidentiality. Since the proposed activity is in respect of listed shares and it involves a significant percentage of the outstanding shares and that too relating to acquisition by promoters, it is likely to affect the price and volume of trading.

We have remitted fee of Rs.25,000/- by State Bank of India DD No.932359 dated 25.04.2011 for seeking interpretative letter of SEBI under Informal Guidance Scheme. (Please refer our Letter No. KEH:SEC:015:2011-12 dtd.25.04.2011 & 103 dt. 03.10.2011).

We would highly appreciate your early action in this matter and will be pleased to provide additional information, if any, on hearing from you.

Thanking you,

Yours faithfully
for **KHAITAN ELECTRICALS LIMITED**



P.S.PRABHAKAR
CHIEF OPERATING OFFICER

Encl: as above