

CERA

Cera Sanitaryware Limited

Regd. Office : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.
www.cera-india.com; Phone : (02764) 242329, 262619, 262638; Fax : (02764) 242465;
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

NOTICE OF POSTAL BALLOT

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 (the Act) read with the Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force (the Rules), the following special business be transacted by the members of Cera Sanitaryware Limited by passing resolution through Postal Ballot.

Your approval is sought for the resolution annexed herewith. The Explanatory statement pertaining to the resolution setting out the material facts and the reasons is annexed hereto along with Postal Ballot Form for your consideration.

E-Voting Option

We are pleased to offer e-voting facility also as an alternative which would enable you to cast your votes electronically, instead of physical postal ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in the Postal Ballot Form. References to Postal Ballot(s) below include votes received electronically.

The Scrutinizer will submit his report to the Chairman or any other Director of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the results of the postal ballot will be announced at 12.30 p.m. on Friday, the 22nd August, 2014 at the Registered Office of the Company. The result of the postal ballot will be posted on the Company's website www.cera-india.com.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached Self-addressed Postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on Monday, 18th August, 2014.

Special Business:

Creation of Charges u/s 180(1)(a) of the Companies Act, 2013 in connection with borrowings of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created / to be created by the Company as the Board may direct on all or any of movable and immovable properties and such of the assets of the Company, both present and future, in such a manner as the board may direct, together with power to take over the management / undertaking of the Company in certain events to or in favour of all or any of the Financial Institutions, Investment Institutions and their subsidiaries, Army Group Insurance Fund, Banks, Mutual Funds and other Bodies Corporate (hereinafter referred to as the 'Lending Agencies') / Trustees for the holders of debentures / bonds or other instruments to secure borrowings of the Company by way of loans / issue of debentures / bonds / credit facilities for working capital requirements or line of credit and / or other instruments

which may be issued on a private placement basis or otherwise, not exceeding ` 200 Crores (Rupees Two Hundred Crores only) which have been obtained / are proposed to be obtained from, or privately placed with the Lending Agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered into / to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Lending Agencies / Trustees or any of them, the documents, agreements or other writings for creating the mortgages, charges, hypothecations etc., and to accept or make any alterations, changes, variations to or in the terms and conditions, notwithstanding that the said documents, agreements and/or writings may contain a provision empowering the lending Agencies/ Trustees or any of them to take over the management of the business and undertaking or concern or undertakings and/ or concerns of the Company in certain events and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

Regd. Office :
9, GIDC Industrial Estate,
Kadi - 382 715
12th June, 2014

By Order of the Board of Directors

Narendra N. Patel
President & Company Secretary

NOTES:

- 1 Voting period commences on and from 20.07.2014 and ends on 18.08.2014 on close of working hours.**
2. Explanatory statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013, in respect of the business set out above is annexed hereto.
3. Board of Directors has appointed Shri Umesh Parikh, Partner of Parikh Dave and Associates, Company Secretaries, Ahmedabad, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
4. The voting rights of the Members shall reckoned as on 12th July, 2014 which is the cut-off date.
5. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the voting by Postal Ballot will be announced at 12.30 p.m. on Friday, 22nd August, 2014 at the registered office of the Company and the same will also be placed on the Company's website i.e. www.cera-india.com. The resolution will be considered as passed effectively on the date of announcement of the result by the Chairman or any other director.
6. The Scrutinizer's decision on the validity of a Postal Ballot form shall be final.

7. Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
8. In case a member(s) desires to exercise vote by Postal Ballot Form, he is requested to carefully read the instructions printed on the Postal Ballot Form. After completing the enclosed Postal Ballot Form, send the self-addressed Business Reply Envelope to the Scrutinizer. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent other than by regular post at the expenses of the registered member will also be accepted. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Monday, 18th August, 2014. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received. Also no other Form or Photocopy thereof is permitted.
9. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically instead of dispatching Postal Ballot. E-voting is optional. In case a member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for e-voting printed on the Postal Ballot Form. He can use the facility and log-in any number of times till he has voted on all the Resolutions or till the end of the voting period, whichever is earlier.

Members irrespective of who have registered their e-mails for receipt of documents in electronic mode under the green initiative and who wish to vote through Postal Ballot Form can seek duplicate form from the Company and send the same by post addressed to the Scrutinizer.
10. The attached Self-addressed envelope is only for the limited purpose of this Postal Ballot process and the same should not be used by the Shareholders for sending any other communication to the Company.
11. All the material documents referred to in the explanatory statement will be made available for inspection by the members at the Registered Office of the Company, between 11.00 a.m. and 1.00 p.m. on any working day up to the declaration of results on Postal Ballot.
12. Any query in relation to the resolution proposed to be passed by Postal Ballot may be addressed to the Company Secretary, Cera Sanitaryware Limited, Madhusudan House, Opp. Navrangpura Telephone Exchange, Ellisbridge, Ahmedabad – 380006.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

To meet the long term funds requirements of the Company from time to time, the Company is required to borrow money from the Financial Institutions, Investment Institutions, Army Group Insurance Fund, Banks, Mutual Funds and other Bodies Corporate as well as through the issue of debentures / bonds on a private-placement basis or otherwise as set out in the resolution. As security for these borrowings / issue of debentures / bonds, the Company is required to create mortgages and / or charges on immovable and movable properties of the Company as may be necessary under the terms of the borrowings / issue of debentures / bonds which may rank on pari passu or second charge basis or otherwise, with the existing charges created by the Company.

In terms of Section 180(1)(a) of the Companies Act, 2013 and rules made there under, it is necessary for the Company to obtain approval of the members for creation of the mortgages and / or charges in favour of the lending agencies / trustees as one of the conditions of these borrowings may provide a right to the lending agencies to take over the management/ undertaking of the Company in certain events.

As per the clarification with regard to Section 180 of the Companies Act, 2013, the resolution passed under Section 293 of Companies Act, 1956 prior to 12.09.2013 with reference to creation of security on assets of the Company will be valid for period of one year from the date of notification of Section 180 of the Companies Act, 2013. As such it is necessary to pass fresh resolution under Section 180 of the Companies Act, 2013 for creation of mortgages and / or charges on assets of the Company.

Pursuant to the provisions of Section 180(1)(a), 110 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under, approval of the members by way of Postal Ballot is required to be obtained through special resolution for creation of mortgages and / or charges by the Company.

It is, therefore, proposed to obtain the approval of the members for creating such mortgages, charges, hypothecations etc., on the immovable and movable properties of the Company in favour of the lending agencies as set out in Resolution of the notice.

Your Board recommends the resolution for passing by the members.

None of your directors or Key managerial personnel of the Company or their relatives are concerned or interested in the said resolution.

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12th June, 2014

By Order of the Board of Directors
Narendra N. Patel
President & Company Secretary

