



**Date: 2<sup>nd</sup> November, 2023**

**BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai — 400 001  
Scrip Code: 531548**

**National Stock Exchange of India Ltd. (NSE)  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai — 400 051  
Symbol: SOMANYCERA**

Dear Sir/Madam,

**Subject: Notice of Postal Ballot**

Pursuant to Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we enclose herewith the Notice of Postal Ballot dated 26<sup>th</sup> October 2023 along with the Explanatory Statement for seeking approval from members for the agenda item as mentioned in the notice. The resolution is proposed to be passed by the members through remote e-voting process only.

In compliance with the applicable circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice is being sent to the Members of the Company who have their email addresses registered with the Company/Depositories and whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, 27<sup>th</sup> October, 2023 through electronic mode only. Please note that there will be no dispatch of physical copies of Notice or Postal Ballot forms to the Members of the Company and no physical ballot forms will be accepted by the Company.

The remote e-voting period commences from IST 09:00 AM on Friday November 03, 2023 and ends at IST 05:00 PM on Saturday, December 02, 2023. The results of the voting by postal ballot will be announced on or before Tuesday, December 05, 2023.

The Postal Ballot Notice can also be accessed at [www.somanyceramics.com](http://www.somanyceramics.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) and the same will be communicated to the Stock Exchanges.

This is for your information & records.

Thanking you,

Yours Faithfully,  
**For Somany Ceramics Limited**

**Amrish Julka  
Sr. GM (Legal) & Company Secretary  
M. No. F4484  
Encl: As Above**





## SOMANY CERAMICS LIMITED

**Regd. Office:** 2, Red Cross Place, Kolkata, West Bengal-700001  
**CIN:** L40200WB1968PLC224116, **website:** www.somanyceramics.com  
**Phone:** 033-22487406/5913, **E-mail:** corporateaffairs@somanyceramics.com

### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014]

Dear Shareholders,

Notice is hereby given that pursuant to Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (the “**Rules**”) read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 03/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, Government of India (the “**MCA Circulars**”), Securities and Exchange Board of India Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (“**SEBI Circulars**”), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended time to time), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) and pursuant to other applicable laws and regulations, the Company seeks approval of Shareholders via Postal Ballot through remote E-voting process (Voting through Electronic means) for the following:

#### **Approval for Buy-Back of fully paid-up equity shares of the Company-Special Resolution**

Members’ consent is sought for the proposals contained in the resolution given in this Postal Ballot Notice. The Explanatory Statement pursuant to Sections 102 and 110 of the Act pertaining to the said resolution setting out the material facts and related particulars is annexed hereto. The Company has engaged the services of Central Depository Services (India) Limited for the purpose of providing remote e-voting facility to its Members. The Notice will also be placed on the website of the Company (www.somanyceramics.com) and the website of Central Depository Services (India) Limited (“**CDSL**”) (www.evotingindia.com).

In the event the **Special Resolution** as set out in the notice is assented to by the requisite majority by means of e-Voting, it shall be deemed to have been passed at a General Meeting on the last date of e-voting i.e. Saturday, December 02, 2023.

In compliance with the aforementioned MCA/SEBI Circulars, the Company is sending Postal Ballot Notice by email to all its Members who have registered their email addresses with the Company or its RTA or depository/depository participants and the communication of assent / dissent of the Members will only take place through the remote e-Voting system. Members are required to communicate their assent or dissent through the remote e-voting system only. The detailed procedure to cast the vote forms part of the ‘Notes’ to this Notice.

The remote e-voting period commences from IST 09:00 AM on Friday November 03, 2023 and ends at IST 05:00 PM on Saturday, December 02, 2023. The Board of Directors has appointed Mr. Akshit Kumar Jangid, Partner of M/s. Pinchaa & Company, Jaipur, having Membership No. F11285 and CP No. 16300 as Scrutinizer at its meeting held on October 26, 2023 for conducting the Postal Ballot through remote e-Voting process in a fair and transparent manner and in accordance with the provisions of the Companies Act, 2013 and the rules made there under.

Please note that there will be no dispatch of physical copies of Notices or Postal Ballot forms to the Members of the Company and no physical ballot forms will be accepted by the Company. Members are requested to carefully read the instructions in this Postal Ballot Notice and record their assent (FOR) or dissent (AGAINST) through the remote e-Voting process not later than 05:00 p.m. (IST) on Saturday, December 02, 2023. Remote e-Voting will be blocked by CDSL immediately thereafter and will not be allowed beyond the said date and time.

After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman of the Company or to any person authorised by him. The results of the voting conducted through Postal Ballot (through the remote e-Voting process) along with the Scrutinizer's Report will be announced by the Chairman or such other person as may be authorised by him, on or before Tuesday, December 05, 2023. The same will be displayed on the website of the Company: [www.somanyceramics.com](http://www.somanyceramics.com), the website of CDSL: [www.evotingindia.com](http://www.evotingindia.com) and shall also be communicated to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the Company's Equity Shares are listed and be made available on their respective websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

#### **RESOLUTION NUMBER 1:**

#### **APPROVAL FOR BUY-BACK OF FULLY PAID-UP EQUITY SHARES OF THE COMPANY.**

To consider and if thought fit to pass, the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with Article 11 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 108, 110 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (hereinafter called the **“Act”**), the Companies (Share Capital and Debenture) Rules, 2014, the Companies (Management and Administration) Rule, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) to the extent applicable and in compliance with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended (**“Listing Regulations”**) and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (**“Buyback Regulations”**), which expression shall include any modification or re-enactment thereof, and subject to such other approvals, permissions and sanctions and exemptions of Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**), Registrar of Companies, Kolkata (**“RoC”**), Income Tax Authority and/ or other authorities, lenders, institutions or bodies (together with SEBI, RBI and RoC, the **“Appropriate Authorities”**), as may be necessary which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which shall include any committee constituted/ to be constituted by the Board to exercise powers conferred by this resolution), consent of the Members be and is hereby accorded for the buyback of not exceeding 14,70,588 fully paid up equity shares of the Company having face value of INR 2 (Indian Rupees Two only) each (**“Equity Shares”**) representing 3.46% of the total number of Equity Shares in the paid up equity share capital of the Company as of March 31, 2023, at a price of INR 850/- (Indian Rupees Eight Hundred and Fifty only) per Equity Share (**“Buyback Price”**) payable in cash for an aggregate amount not exceeding INR 1,25,00,00,000 (Indian Rupees One Hundred and Twenty Five Crore only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as tax on buyback, securities transaction tax and goods and services tax (if any), stamp duty, printing and dispatch expenses, if any, filing fees to SEBI and any other Appropriate Authorities, stock exchange charges, advisor/legal fees, public announcement publication expenses and other incidental and related expenses and charges, (such

maximum amount hereinafter referred to as the “**Buyback Size**”) which represents 15.18% and 15.17% of the total of the Company’s paid-up capital and free reserves as per the audited standalone and consolidated financial statements of the Company as on March 31, 2023, respectively, being the latest audited financial information available as on the date of the Board Meeting recommending the proposal for the Buyback (which is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company, based on both standalone financial statements and consolidated financial statements of the Company, under the shareholders’ approval route as per the provisions of the Act and Buyback Regulations), from all the shareholders/ beneficial owners of the Equity Shares of the Company, including promoters and members of the promoter group, as on a record date to be subsequently decided by the Board (“**Record Date**”) through the “tender offer” route, on a proportionate basis as prescribed under the Buyback Regulations (hereinafter referred to as the “**Buyback**”) in compliance with the Buyback Regulations, the Board may, till one working day prior to the Record Date, increase the Buyback Price and decrease the number of securities proposed to be bought back in the Buyback, such that there is no change in the Buyback Size.

**RESOLVED FURTHER THAT** the Company, implement the Buyback using the “*Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting*” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 read with the SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and the SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/35 dated March 8, 2023, including any amendments or statutory modifications for the time being in force (“**SEBI Buyback Circulars**”).

**RESOLVED FURTHER THAT** in terms of Regulation 4 of the Buyback Regulations and Section 68 of the Act, the proposed Buyback be implemented from the existing shareholders as on record date (“**Record Date**”) in a manner the Board may consider appropriate, out of its free reserves and/or securities premium account and/or such other sources or by such mechanisms as may be permitted by applicable laws, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit under the applicable laws.

**RESOLVED FURTHER THAT** the Company shall earmark and make arrangements for adequate sources of funds for the purpose of the Buyback in accordance with the Buyback Regulations and the Act.

**RESOLVED FURTHER THAT** the funds borrowed from banks and financial institutions will not be used for the Buyback.

**RESOLVED FURTHER THAT** the Company may Buyback Equity Shares from all the existing shareholders on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders, as defined in the Buyback Regulations, as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buyback Regulations.

**RESOLVED FURTHER THAT** the Buyback from non-resident shareholders, Overseas Corporate Bodies, Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) etc., shall be subject to such approvals, if and to the extent necessary or required including approvals from the RBI under the applicable Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended if any, Income Tax Act, 1961 and rules framed there under, as amended if any, and that such approvals shall be required to be taken by such non-resident shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) / Authorised Representative(s) / Committee of the Company (“**Buyback Committee**”) in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback including the Record Date, entitlement ratio, the timeframe for completion of Buyback, and the appointment of brokers, solicitors, depository participants, escrow agents, advertising agencies and other advisors/ consultants/ intermediaries /agencies, professionals, service providers, as may be required, for the implementation of the Buyback; and to make all necessary applications to the Appropriate Authorities for their approvals including but not limited to approvals as may be required from SEBI, ROC, Stock Exchanges, RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder; and to initiate all necessary actions for preparation, signing, issuing and filing of the public announcement, the letter of offer and all other Buyback Offer Documents with respect to the Buyback with the Securities and Exchange Board of India, the stock exchanges and other Appropriate Authorities, if required; and to obtain all necessary certificates and reports from the statutory auditors and other third parties as required under applicable law; and to enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the Buyback Regulations; and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account, broker trading account as required or desirable in terms of the Buyback Regulations; and for the extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and to provide, finalise, execute and file such other undertakings, agreements, documents and correspondence, in connection with the Buyback with the Appropriate Authorities or third persons as may be required from time to time as may be required, desirable or considered expedient for the implementation of the Buyback.

**RESOLVED FURTHER THAT** the Board/ Buyback Committee be and is hereby authorised to, inter alia, increase the Buyback Price and decrease the number of shares proposed to be bought back, such that there is no change in the Buyback Size till one working day prior to the Record Date fixed for the purpose of Buyback.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate its power to Buyback Committee to do all such acts for obtaining requisite approval, consent, permission, if any as may be required, from its lender’s approving the proposed Buyback.

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any member to offer and / or any obligation on the part of Company or the Board to Buyback any Equity Shares, and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or the Buyback Committee be and are hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board and/or the Buyback Committee in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

By Order of the Board of Directors of  
For **Somany Ceramics Limited**

Place: Noida  
Date: 26.10.2023

Sd/-  
(Amrish Julka)  
**Sr. General Manager (Legal)**  
**& Company Secretary**  
M.No.: F4484

## Notes:-

1. An Explanatory Statement pursuant to Section 102 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013 setting out the material facts concerning the Special business as set out in the Notice and the reasons thereof is annexed hereto.
2. Pursuant to the provisions of MCA Circulars and SEBI Circulars, the postal ballot Notice is being sent to all the Members, through e-mail, whose names appear in the Register of Member/List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, October 27, 2023 (the cut-off date) and who have registered their e-mail address with the Company/Depository Participant (DP)/RTA.
3. Members who have not registered their e-mail address may download the said Notice from the Company's website: [www.somanyceramics.com](http://www.somanyceramics.com) or website of CDSL at [www.cdslindia.com](http://www.cdslindia.com) or may send request to the RTA of the Company at email id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
4. The Postal Ballot Notice is uploaded on the website of the Company i.e. [www.somanyceramics.com](http://www.somanyceramics.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com).
5. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the Members as on Friday, October 27, 2023 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or appears in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes. A person who is not a member as on the cut-off date, should accordingly treat this notice for information purposes only.
6. The remote e-voting period commences from IST 09:00 AM on Friday November 03, 2023 and ends at IST 05:00 PM on Saturday, December 02, 2023.
7. In compliance with the provisions of Section 108 of the Act read with relevant Rules made thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and MCA Circular(s), the Company is pleased to provide Members, facility to exercise their right to vote on the matter included in this Notice of the Postal Ballot by electronic means i.e. through remote e-voting services provided by CDSL. Members exercising e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes.
8. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
9. In terms of the MCA Circulars, the Company is sending Postal Ballot Notice in electronic form only and physical Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the shareholders for this Postal Ballot. Accordingly, the communication of the assent (FOR) or dissent (AGAINST) of the members would take place through the remote e-voting system only. Therefore, those shareholders who have not yet registered their email address are requested to get their email address registered by following the procedure given below:
  - (i) In light of the MCA Circulars, shareholders who have not registered their email address and in consequence could not receive the e-voting notice may temporarily get their email registered by contacting or writing a mail to Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, at the email id- [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or Company Secretary at the email id- [corporateaffairs@somanyceramics.com](mailto:corporateaffairs@somanyceramics.com). Post successful registration of the email, the shareholder would get soft copy of the Notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder(s) may write to the RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

- (ii) It is clarified that for permanent registration of email address, the shareholders are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited by following due procedure.
- (iii) Those shareholders who have already registered their email address are requested to keep their email address validated with their Depository participants/the Company's Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited to enable servicing of notices/ documents/ Annual Reports electronically to their email address.
10. The Resolutions, if passed by requisite majority, will be deemed to have been passed on the last date specified for e-voting i.e. Saturday, December 02, 2023 ("Meeting Date") in terms of the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India upon the declaration of Result on or before Tuesday, December 05, 2023.
11. The Scrutinizer shall after the conclusion of voting, unblock the votes cast through remote e-voting and submit a Scrutinizer's Report of the total votes cast in favour or against, if any on or before Tuesday, December 05, 2023, to the Chairman of the Company or any other person authorized by the Chairman, who shall countersign the same. The result of the Postal Ballot will be announced by the Chairman of the Company or any other person authorized by the Chairman, on or before Tuesday, December 05, 2023 at the deemed venue at F-36, Sector-6, Noida-201301 and shall also be displayed on the Notice Board of the Company's Registered Office. The result declared along with the Scrutinizer's Report shall also be uploaded on the Company's website i.e. [www.somanyceramics.com](http://www.somanyceramics.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) and shall simultaneously be Communicated to the Stock Exchange(s) within the stipulated time period as prescribed in this regard. The Scrutinizer's decision on the validity of e-voting will be final.
12. Shareholders must be aware that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate, claim from unclaimed suspense account, splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition etc. Therefore, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website [www.somanyceramics.com](http://www.somanyceramics.com) and also from the website of the RTA at [www.mdpl.in](http://www.mdpl.in).
13. The formats for Updation of KYC and nomination details in accordance with the SEBI Circular are available on the Company's website at [www.somanyceramics.com](http://www.somanyceramics.com) and also from the website of the RTA at [www.mdpl.in](http://www.mdpl.in).
14. Resolution passed by the members through postal ballot are deemed to have been passed as if they have been passed at a general meeting of the members.
15. Pursuant to the Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details pertaining to this Postal Ballot will be published in one English national daily newspaper and one Regional (Vernacular) daily newspaper.
16. All documents referred to in this Postal Ballot Notice will be open/available for inspection on the website as well as at the registered office of the Company by the Members of the Company during working hours on all working days except Saturdays, Sundays and public holidays between 11:00 A.M. to 01:00 P.M. upto and including the last day for remote e-voting i.e., Saturday, December 02, 2023. Any member seeking to inspect can send an e-mail to the Company at



corporateaffairs@somanyceramics.com with subject line "Inspection of Documents", mentioning their name, DP Id and Client Id and documents they wish to inspect.

## **17. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Friday, November 03, 2023 at 9:00 a.m. and ends on Saturday, December 02, 2023 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, October 27, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on 231031005 (EVSN) of Somany Ceramics Limited on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ppincha@gmail.com](mailto:ppincha@gmail.com) and [corporateaffairs@somanyceramics.com](mailto:corporateaffairs@somanyceramics.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT, SETTING OUT ALL MATERIAL FACTS

### Item No. 1: To consider and approve Buyback of fully paid-up equity shares of the Company

Pursuant to the provisions of the Companies Act, 2013, as amended, (the “Act”), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the “Share Capital Rules”), the Companies (Management and Administration) Rules 2014 (the “Management and Administration Rules”), as amended, to the extent applicable, Article 11 of the Articles of Association of the Company, and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (the “Buyback Regulations”), this Explanatory Statement contains relevant and material information to enable the shareholders holding Equity Shares of the Company to consider and approve the Special Resolution for the Buyback of the Equity Shares.

The Board of Directors of the Company, at its meeting held on October 26, 2023 has, subject to the approval of the Members of the Company by way of special resolution and subject to such approvals of regulatory and/or statutory authorities and/or lenders as may be required under applicable laws, approved buyback of not exceeding 14,70,588 fully paid-up Equity Shares of face value of INR 2 each (“Equity Shares”), on a proportionate basis, through the tender offer method through Stock Exchange mechanism in accordance with the Act, Share Capital Rules, Management and Administration Rules, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Buyback Regulations, as amended from time to time, and the SEBI Buyback Circulars (*as defined below*), at a price of INR 850/- (Indian Rupees Eight Hundred and Fifty only) per Equity Share payable in cash for an aggregate consideration not exceeding INR 1,25,00,00,000/- (Indian Rupees One Hundred and Twenty Five Crore only) (“Buyback Size”) excluding any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as tax on buyback, securities transaction tax and goods and services tax (if any), stamp duty, printing and dispatch expenses, if any, filing fees to SEBI and any other regulatory and/or statutory authorities, stock exchange charges, advisor/legal fees, public announcement publication expenses and other incidental and related expenses and charges, Buyback Size which represents 15.18 % and 15.17 % of the total of the Company’s aggregate fully paid-up capital and free reserves as per the audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2023 respectively (being the latest audited financial information available as on the date of the board meeting recommending the proposal for the Buyback) excluding transaction costs, applicable taxes and other incidental and related expenses (“Buyback”). The Equity Shares proposed to be bought back represent 3.46 % of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2023.

Since the Buyback constitutes more than 10% of the total paid-up equity share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is necessary to obtain the consent of the Members of the Company, for the Buyback, by way of a **special resolution**. Accordingly, the Company is seeking your consent by means of postal ballot for the aforesaid proposal as contained in the resolution provided in this postal ballot notice.

Certain figures contained in this postal ballot notice have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Requisite details relating to the Buyback are given below:

**a. Necessity for the Buyback**

The Buyback of shares by the Company is proposed to reward the equity shareholders by way of returning surplus funds, which is in excess of the requirement for ordinary capital expenditure and current investment plans, in an expedient, effective and cost-efficient manner. Below are the broad reasons for the proposed Buyback:

- i. The Company has no major capital expenditure/ investments planned in immediate future. Hence, surplus cash can be used to reward shareholders.
- ii. The Buyback will help the Company to do fair distribution of surplus cash to its equity shareholders broadly in proportion to their shareholding, resulting in enhancing the overall return to shareholders.
- iii. The Buyback will help to optimize the capital structure, thereby reduction in Weighted Average Cost of Capital.
- iv. The Buyback will help in improving the financial ratios such as earnings per share, return on equity and return on capital employed.
- v. The Buyback gives the shareholders the choice to either (i) participate in the Buyback and monetize their shareholding or (ii) not to participate in the Buyback and get a resultant increase in their shareholding in the Company post Buyback, without additional investment.

**b. Maximum number of securities that the Company proposes to Buyback and the class of shares proposed to be bought back**

The Company proposes to Buyback of not exceeding 14,70,588 Equity Shares of face value of INR 2 (Rupee Two) each of the Company.

**c. Buyback Price and basis of determining the price of the Buyback**

The Equity Shares of the Company are proposed to be bought back at a price of INR 850/- (Indian Rupees Eight Hundred and Fifty only) per share ("**Buyback Price**").

The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") i.e. the stock exchanges, where the Equity Shares of the Company are listed.

The Buyback Price represents:

- premium of 19.90 % and 18.99 % over the volume weighted average market price of the Equity Shares on the NSE and the BSE, respectively, during the 3 (three) months preceding October 20, 2023, being the date of intimation to the StockExchanges regarding the Board Meeting Date ("**Intimation Date**")
- premium of 21.25 % and 21.41 % over the volume weighted average market price of the Equity Shares on the NSE and BSE respectively, during the 2 (two) weeks period preceding Intimation Date;

- premium of 23.68 % and 23.32 % over the closing price of the Equity Shares on the NSE and the BSE respectively, as on October 19, 2023, being the day preceding the Intimation Date.
- premium of 29.02 % and 28.96 % over the closing price of the Equity Share on NSE and BSE, respectively, as on October 26, 2023, on the Board Meeting Date.
- The closing market price of the Equity Shares as on the day preceding the Intimation Date was INR 687.25 and INR 689.25 and as on the Board Meeting Date was INR 658.80 and INR 659.10 on the NSE and the BSE, respectively.

**d. Maximum amount required for Buyback, its percentage of the total paid-up capital and free reserves and sources of funds from which Buyback would be financed**

- The maximum amount required for Buyback will not exceed INR 125 Crore (Indian Rupees One Hundred and Twenty Five Crore only) excluding any expenses incurred or to be incurred for the Buyback viz. brokerage costs, fees, turnover charges, taxes such as tax on Buyback, securities transaction tax and goods and services tax (if any), stamp duty, printing and dispatch expenses, if any, filing fees to SEBI and any other approvals of regulatory and/or statutory authorities, stock exchange charges, advisor/legal fees, public announcement publication expenses and other incidental and related expenses and charges. The said amount works out to 15.18 % and 15.17 % of the aggregate fully paid-up share capital and free reserves as per audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2023, respectively, which is within the prescribed limit of 25%.

ii. Source of funds:

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (retained earnings) and/or such other source as may be permitted by the Buyback Regulations or the Act.

The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

The funds borrowed, if any, from banks and financial institutions will not be used for the purpose of the Buyback.

**e. Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis, through the tender offer route, as prescribed under the Buyback Regulations, to the extent permissible, and the “*Mechanism for acquisition of shares through Stock Exchanges*” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 read with the SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and the SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/35 dated March 8, 2023, including any amendments or statutory modifications for the time being in force (“**SEBI Buyback Circulars**”). The Buyback will be implemented in accordance with the Act read with the rules framed thereunder, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a Record Date for determining the names of the Members holding Equity Shares of the Company who will be eligible



to participate in the Buyback (“**Eligible Shareholder(s)**”). Consequent to the approval of the special resolution under this Notice, Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their entitlement.

The Equity Shares to be bought back are divided in two categories:

- i. Reserved category for small shareholders; and
- ii. General category for all other shareholders.

As defined in Regulation 2(i)(n) of the Buyback Regulations, a ‘**small shareholder**’ is a shareholder who holds Equity Shares having market value, based on closing price of shares on Stock Exchanges having highest trading volume as on the Record Date, of not more than INR 2,00,000 (Indian Rupees two lakh only) (“**Small Shareholders**”).

In accordance with Regulation 6 of the Buyback Regulations, 15% (Fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of the Buyback applicable in the category to which such shareholder belongs.

In accordance with Regulation 9(ix) of the Buyback Regulations, to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In the case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In the case of physical shareholders, where the sequence of PANs is identical, the Company will club together the Equity Shares held in such cases. Similarly, in the case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the Equity Shares held in such cases where the sequence of name of joint shareholders is identical.

Shareholders’ participation in Buyback will be voluntary. Eligible Shareholder(s) holding Equity Shares can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholder(s) holding Equity Shares may also accept a part of their entitlement. Eligible Shareholder(s) holding Equity Shares also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by Eligible Shareholder(s) holding Equity Shares as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the

“Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Buyback Circulars.

Income arising to the shareholders under the Buyback is exempt from income tax in India. However, the participation in the Buyback by non-resident shareholders may be taxable in their country of residence according to tax laws of their respective countries. The Buyback transaction would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant timetable will be included in the letter of offer to be sent to the Eligible Shareholder(s).

**f. Time limit for completing the Buyback**

The Buyback, subject to the regulatory consents and approvals, if any, is proposed to be completed within 1 (one) year from the date of passing of special resolution by the Members as contemplated in this postal ballot notice.

**g. Compliance with Section 68(2)(c) of the Act**

The aggregate paid-up share capital and free reserves as on March 31, 2023 is INR 823.60 crores and INR 823.79 crores as per audited standalone and consolidated financial statements of the Company, respectively. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate fully paid-up share capital and free reserves as per the standalone and consolidated audited financial statements of the Company as on March 31, 2023.

The maximum amount proposed to be utilized for the Buyback, is not exceeding INR 1,25,00,00,000 (Indian Rupees One Hundred and Twenty Five Crores only) and is therefore within the limit of 25% of the Company’s fully paid-up share capital and free reserves as per the audited standalone and consolidated audited financial statements of the Company as on March 31, 2023. Further, under the Companies Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year.

Since the Company proposes to Buyback up to 3.46 % Equity Shares, the same is within the aforesaid 25% limit.

**h. Details of holding and transactions in the shares of the Company**

- i. The aggregate shareholding of the Promoters and Promoter Group and persons who are in control as per the latest shareholding pattern available as on the Board Meeting Date i.e., October 26, 2023 and as on the date of this Notice are as follows:

Sr. No.	Name of the Promoter/Promoter Group	Classification	Designation	Number of Equity Shares held	% of Shareholding
1	Abhishek Somany (HUF)	Promoter	-	19,14,093	4.51

Sr. No.	Name of the Promoter/Promoter Group	Classification	Designation	Number of Equity Shares held	% of Shareholding
2	Anjana Somany	Promoter	-	10,84,468	2.55
3	Minal Somany	Promoter	-	6,90,108	1.62
4	Aanvi Somany	Promoter	-	3,00,000	0.71
5	Anushree Chopra	Promoter	-	2,01,407	0.47
6	Shrivatsa Somany	Promoter	-	1,19,538	0.28
7	Shreekant Somany	Promoter	Chairman & Managing Director	1,19,538	0.28
8	Ameya Somany	Promoter	-	65,000	0.15
9	Abhishek Somany	Promoter	Managing Director and Chief Executive Officer	19,538	0.05
10	Abhishek Somany-Trustee Of Shakthi Family Trust	Promoter	-	1,00,80,055	23.73
11	Shreekant Somany-Trustee Of Srijan Family Trust	Promoter	-	43,37,872	10.21
12	Shrivatsa Somany - Trustee Of Sanrakshith Family Trust	Promoter	-	43,37,872	10.21
<b>Total Shares:</b>				<b>2,32,69,489</b>	<b>54.78</b>

- ii. Given that Promoters are either individual or trust, the aggregate shareholding of the Directors of Promoter and Promoter Group Companies as per the latest shareholding pattern available as on the Board Meeting Date i.e., October 26, 2023 and as on the date of this Notice does not apply.
- iii. The aggregate shareholding of the Directors and Key Managerial Personnel of the Company as per the latest shareholding pattern available as on the Board Meeting Date i.e., October 26, 2023 and as on the date of this Notice, are as follows:

Sr. No.	Name of the Director/KMP	Designation	Number of Equity Shares held	% of Shareholding
1	Shreekant Somany	Chairman and Managing Director	1,19,538	0.28
2	Abhishek Somany	Managing Director and Chief Executive Officer	19,538	0.05
3	Vineet Agarwal	Independent Director	2,034	0.0048
4	Rameshwar Singh Thakur	Independent Director	-	-
5	Ravinder Nath	Independent Director	-	-
6	Runjhum Chatterjee	Independent Director	-	-
7	Siddharath Bindra	Independent Director	-	-
8	Ghanshyam Girdharbhai Trivedi	Non-Executive Non Independent Director	2000	0.0047
9	Salil Singhal	Independent Director	-	-
10	Amit Sahai	Chief Executive Officer -Tile Business	-	-
11	Sailesh Raj Kedawat	Chief Financial Officer	-	-
12	Ambrish Julka	Company Secretary	-	-
<b>Total Shares:</b>			<b>1,43,110</b>	<b>0.3395</b>

- iv. No Equity Shares were purchased or sold (either through the stock exchanges or off market transaction) by Promoter and Promoter Group, Directors of the Promoter company and persons who are in control of the Company during a period of six months preceding the date of the Board Meeting i.e., October 26, 2023 till the date of this notice.

**i. Intention of Promoter to participate in Buyback**

In terms of provisions of the Buyback Regulations, under the tender offer route, the Promoter and members of the Promoter Group have an option to participate in the Buyback. In this regard, the Promoter and members of the Promoter Group have expressed their intention to participate in the Buyback vide their letters dated 26.10.2023 and may tender up to (i) an aggregate maximum of **12,49,994** Equity Shares; or (ii) such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations.

Please see below the maximum number of Equity Shares intended to be tendered by each of the Promoter:

Sr. No.	Name of the Promoter / Promoter Group	Maximum Number of Equity Shares intended to be offered in the Buyback
1	Abhishek Somany (HUF)	1,02,822
2	Anjana Somany	58,255
3	Minal Somany	37,071
4	Aanvi Somany	16,115
5	Anushree Chopra	10,819
6	Shrivatsa Somany	6,421
7	Shreekant Somany	6,421
8	Ameya Somany	3,491
9	Abhishek Somany	1,049
10	Abhishek Somany- Trustee Of Shakthi Family Trust	5,41,484
11	Shreekant Somany- Trustee Of Srijan Family Trust	2,33,023
12	Shrivatsa Somany - Trustee Of Sanrakshith Family Trust	2,33,023
<b>Total Share:</b>		<b>12,49,994</b>

The Buyback will not result in any benefit to Promoter and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.

The details of the date and price of acquisition of the Equity Shares that the Promoters intend to tender are set out below:

i. Promoters

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Abhishek Somany (HUF)</b>					
1	17-Oct-19	1,02,822	2,05,644	-	Allotment of Equity Shares pursuant to the Scheme of Amalgamation*

\*Total allotment of 18,49,093 equity shares pursuant to the scheme of amalgamation.

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Anjana Somany</b>					
1	17-Oct-19	58,255	1,16,510	-	Allotment of Equity Shares pursuant to the Scheme of Amalgamation*

*\*Total allotment of 62,33,439 equity shares pursuant to the scheme of amalgamation.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Minal Somany</b>					
1	27-Aug-20	37,071	74142	-	Gift*

*\*Total acquisition of 10,70,108 equity shares through gift deed.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Aanvi Somany</b>					
1	27-Dec-21	16,115	32,230	-	Gift*

*\*Total acquisition of 3,00,000 equity shares through gift deed.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Anushree Chopra</b>					
1	27-Dec-21	10,819	21,638	-	Gift*

*\*Total acquisition of 80,000 equity shares through gift deed.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Shrivatsa Somany</b>					
1	13-Jan-22	6,421	12,842	-	Allotment of Equity Shares pursuant to the Scheme of Amalgamation*

*\*Total allotment of 19,538 equity shares pursuant to the scheme of amalgamation.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Shreekant Somany</b>					
1	13-Jan-22	6,421	12,842	-	Allotment of Equity Shares pursuant to the Scheme of Amalgamation*

*\*Total allotment of 19,538 equity shares pursuant to the scheme of amalgamation.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Ameya Somany</b>					
1	26-Aug-20	3,491	6,982	6,03,154	Market Purchase*

*\*Total acquisition of 34,455 equity shares.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Abhishek Somany</b>					
1	13-Jan-22	1,049	2,098	-	Allotment of Equity Shares pursuant to the Scheme of Amalgamation*

*\*Total allotment of 19,538 equity shares pursuant to the scheme of amalgamation.*

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Abhishek Somany- Trustee of Shakthi Family Trust</b>					
1	11-Feb-20	5,41,484	10,82,968	-	Inter se transfer in accordance with the SEBI Exemption order under Regulation 11(5) of SEBI (SAST) Regulations, 2011

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
					pursuant to settlement of shares in private family trusts.*

\*Total allotment of 1,00,80,055 equity shares.

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Shreekant Somany- Trustee of Srijan Family Trust</b>					
1	11-Feb-20	2,33,023	4,66,046	-	Inter se transfer in accordance with the SEBI Exemption order under Regulation 11(5) of SEBI (SAST) Regulations, 2011 pursuant to settlement of shares in private family trusts.*

\*Total allotment of 43,37,872 equity shares.

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (Rs.)	Transaction Value (Rs.)	Nature of Transaction
<b>Shrivatsa Somany - Trustee of Sanrakshith Family Trust</b>					
1	11-Feb-20	2,33,023	4,66,046	-	Inter se transfer in accordance with the SEBI Exemption order under Regulation 11(5) of SEBI (SAST) Regulations, 2011 pursuant to settlement of shares in private family trusts.*

\*Total allotment of 43,37,872 equity shares.

**j. Confirmations from Company as per the provisions of Buyback Regulations and Act**

- i. All the Equity Shares for Buyback are fully paid-up;
- ii. The Company, as per provisions of Section 68(8) of the Act, shall not make further issue of the same kind of Equity Shares or other specified securities including allotment of new equity shares under clause (a) of sub-section (1) of section 62 or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or Equity Shares issued to discharge subsisting obligations such as conversion of warrants,



stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

- iii. The Company shall not raise further capital for a period of 1 (one) year from the closure of the Buyback, i.e. the date on which the payment of consideration to shareholders who have accepted the Buyback offer is made except in discharge of subsisting obligations
- iv. The Company shall not issue any shares or other securities from the date of this resolution including by way of bonus issue till the expiry of the period of Buyback i.e., date on which the payment of consideration to shareholders who have accepted the offer of Buyback is made in accordance with the Companies Act and the Buyback Regulations;
- v. The Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- vi. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements;
- vii. The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- viii. The Company shall not Buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- ix. There are no defaults (either in past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company; In case any such default has ceased to subsist, a period of more than three years has lapsed;
- x. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- xi. The funds borrowed from banks and financial institutions will not be used for the Buyback;
- xii. The aggregate maximum amount of the Buyback i.e., INR 1,25,00,00,000 (Indian Rupees One Hundred and Twenty Five Crores only) does not exceed 25% of the total paid-up capital and free reserves based on both audited standalone or consolidated financial statements of the Company; whichever sets out a lower amount as on March 31, 2023;
- xiii. The maximum number of Equity Shares proposed to be purchased under the Buyback (up to 14,70,588 Equity Shares), does not exceed 25% of the total number of Equity Shares in the paid-up Equity Share capital of the Company as on March 31, 2023;
- xiv. The Company shall not make any offer of Buyback within a period of 1 (one) year reckoned from the expiry of the Buyback period i.e. date on which the payment of consideration to shareholders who have accepted the Buyback offer is made in accordance with the Companies Act and the Buyback Regulations; and the Company has not undertaken a Buyback of any of its securities during the period of 1(one) year immediately preceding the date of the board meeting;
- xv. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date;

- xvi. The ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice the paid-up share capital and free reserves based on both, audited standalone or consolidated financial statements of the Company; whichever sets out a lower amount as on March 31, 2023;
- xvii. The Buyback shall be completed within a period of 1 (one) year from the date of passing of special resolution by way of postal ballot;
- xviii. The Company shall not withdraw the Buyback offer after the public announcement of the offer of the Buyback is made, except where any event or restriction may render Company unable to effect Buyback;
- xix. The Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations;
- xx. That the Company shall not allow buy back of its shares unless the consequent reduction of its share capital is affected;
- xxi. The Company is not undertaking the Buyback to delist its Equity Shares or any other specified securities from the stock exchanges;
- xxii. Consideration of the Equity Shares bought back by the Company will be paid only by way of cash;
- xxiii. The Company shall not undertake the Buyback unless it has obtained prior consents of its lenders, in case of breach of any covenant with such lenders. The Company confirms that the covenants with lenders are not being breached pursuant to the Buyback;
- xxiv. The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Act; and
- xxv. The information pertaining to the Company as may be set out in the public announcement, letter of offer, any corrigenda and all offer documents with respect to the Buyback (“**Buyback Offer Documents**”) shall be true, fair and adequate information in all material aspects and shall not contain any misleading information.

**k. Confirmation from the Board**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- i. Immediately following the date of board meeting, being October 26, 2023 (“**Board Resolution**”) and the date on which the result of the shareholders’ resolution passed by way of postal ballot will be declared (“**Shareholder Resolution**”) approving the proposed Buyback offer, there will be no grounds on which the Company could be found unable to pay its debts.
- ii. As regards the Company’s prospects for the year immediately following date of the Board Resolution as well as the date of the Shareholder Resolution, having regard to Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will, in the Board’s view be, available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 (one) year from the date of Shareholder Resolution.

- iii. In forming the aforementioned opinion, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Act or Insolvency and Bankruptcy Code, 2016 (to the extent notified).

**I. Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency**

The text of the Report dated October 26, 2023, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below

**Quote**

Date: October 26, 2023

To,  
Board of Directors,  
Somany Ceramics Limited ("Company")  
2, Red Cross Place, Kolkata,  
West Bengal, India, 700 001.

Dear Sir/ Madam,

Re: Statutory Auditor's Report in respect of proposed buyback of equity shares by Somany Ceramics Limited (the "Company") pursuant to the requirements of the Companies Act, 2013 (the "Act") and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated October 26, 2023.
2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its Meeting held on October 26, 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Act and the Buyback Regulation.
3. The management of the Company has prepared the accompanying Annexure A- Statement of permissible capital payment as on March 31, 2023 ('the Statement') pursuant to the proposed buy-back of equity shares. The Statement contains the computation of amount of permissible capital payment towards buy-back of equity shares in accordance with the requirements of Section 68(2)(c) of the Act and based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2023. This Statement has been prepared by the Management, which we have initialled for the purposes of identification only.

**Management's Responsibility for the Statement**

4. The preparation of the Statement in compliance with Section 68(2)(c) of the Act and ensuring compliance with the Buyback Regulations is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

5. The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting or date of declaration of results of the postal ballot for special resolution by the shareholders at which the proposal for buy-back was approved and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buy-back was approved by the Board of Directors of the Company or date of declaration of results of the postal ballot for special resolution by the shareholders and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of Section 68 (6) of the Act and the Buyback Regulations.

Auditor's Responsibility:

6. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
  - i. we have inquired into the state of affairs of the Company in relation to the annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2023;
  - ii. the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2023 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations.
  - iii. the Board of Directors of the Company, in their Meeting held on October 26, 2023 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent (as defined in management responsibility above) within a period of one year from the aforesaid date or date of declaration of results of postal ballot for special resolution by the shareholders with regard to the proposed buyback are declared.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the criteria mention in paragraph 6 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the report. We have performed the following procedures in relation to the Statement:
  - i. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended March 31, 2023;
  - ii. Examined authorization for buyback from the Articles of Association of the Company;
  - iii. Examined that the amount of permissible capital payment for the buy-back as detailed in Annexure A in accordance with the requirements of section 68(2) (c) of the Act, based on the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2023;

- iv. Examined that the ratio of debt (secured and unsecured) owned by the Company, if any, is not more than twice the capital and its free reserve after such buyback based on audited standalone and consolidated financials of the Company as at and for the year ended March 31, 2023;
  - v. Examined that all shares for buy-back are fully paid-up;
  - vi. Read the resolutions passed in the meetings of the Board of Directors;
  - vii. Obtained required explanations and representations from management; and
  - viii. Examined the Board of Directors' declaration for the purpose of buy-back and solvency of the Company.
8. The annual audited standalone and consolidated financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated May 23, 2023. We conducted our audit of the annual standalone and consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
  9. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "Guidance Note") and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
  10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Buyback.

### **Opinion**

11. Based on inquiries conducted and our examination as above, we report that:
  - i. We have inquired into the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2023, which have been approved by the Board of Directors of the Company on May 23, 2023.
  - ii. The amount of permissible capital payment towards the proposed buyback of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68(2)(c) of the Act.
  - iii. The Board of Directors of the Company, at their meeting held on October 26, 2023 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company having regard to its state

of affairs, will not be rendered insolvent (as defined in management responsibility above) within a period of one year from the aforesaid date or date of declaration of results of postal ballot for special resolution by the shareholders.

#### Restriction on use

12. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company as mentioned in paragraph 2 above, (ii) to enable the Board of Directors of the Company to include in the public announcement and other documents pertaining to buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, and any other regulatory authority as per applicable law; and (b) the Central Depository Services (India) Limited, National Securities Depository Limited; and (c) can be shared with the Merchant Bankers in connection with the proposed buyback of equity shares of the Company for onward submission to relevant authorities in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buyback Regulations, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.  
Chartered Accountants  
(Firm Registration No.302049E)

Bimal Kumar Sipani  
Partner  
(Membership No. 088926)  
UDIN: 23088926BGXBMJ9485

Place: Noida (Delhi-NCR)  
Date: October 26, 2023

#### Annexure A to Statutory Auditor's Report dated October 26, 2023 - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Act and Buyback Regulations as amended, based on annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2023.

Particulars		Rs. in Crores	
		Standalone	Consolidated
Paid up Equity Share Capital As on March 31, 2023 (4,24,74,208 fully paid up Equity Shares of Rs 2 each)	(A)	8.49	8.49
Free Reserves as on March 31, 2023			
Securities Premium Account		169.92	169.92
General Reserve		61.12	61.91
Surplus in statement of profit and loss		584.07	583.47
Total Free Reserves	(B)	815.11	815.30

Total paid-up capital and free reserves	C= (A+B)	823.60	823.79
Maximum amount permissible towards buyback of equity shares in accordance with Section 68(2)(c) of the Companies Act, 2013 (25 % of Paid up equity capital and free reserves)	C*25%	205.90	205.95
Amount approved by the Board of Directors for buy-back in the meeting held on October 26, 2023		125.00	125.00
Buy back size as a percentage of total paid-up Equity Share Capital and free reserves		15.18%	15.17%

Note: The amount of paid up equity share capital and free reserves as at March 31, 2023 have been extracted from the annual audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2023.

For and on behalf of Board of Directors of Somany Ceramics Limited

Abhishek Somany  
Managing Director & CEO  
October 26, 2023

### Unquote

#### **m. Prior approvals from lenders**

As on the date of this notice, the Company has outstanding facilities with its lenders aggregating to INR 10,00,00,000/-. The Company shall obtain such approvals as may be required from the lenders pursuant to the provisions of such facilities.

#### **n. Other disclosures**

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding Equity Shares of the Company. The Directors, therefore, recommend the Special Resolution as set out in the accompanying Notice for approval by the Members.

None of the Directors of Key Managerial Personnel of the Company or their respective relatives is in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company or to the extent of the shareholding of the company of which they are members.

The Board recommends the resolutions set out at item no. 1 of this Notice to the Members for their consideration and approval by way of passing Special Resolution.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members to understand the meaning, scope and implications of the agenda item and to take decision thereon.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in any way concerned or interested in this resolution except to the extent of equity shares held by them in the Company.

By Order of the Board of Directors of  
For **Somany Ceramics Limited**

Sd/-  
(Ambrish Julka)

**Sr. General Manager (Legal) & Company Secretary**  
**M. No.: F4484**

Place: Noida  
Date: 26.10.2023