IS:15622:2006
CM/L 9829610

SOMANY

2nd June, 2017

To
The General Manager
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
Mumbai-400 001

The Secretary,
National Stock Exchange of India Limited
Exchange plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai-400 051

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This has reference to our earlier communication regarding decision of the Board of Directors of the Company pertaining to termination of Joint Venture Agreement entered between Keraben Grupo S.A. (formerly known as Keraben S.A.) and Somany Ceramics Limited in the year 2006. In this regard, we wish to inform you that said Joint Venture Agreement has been terminated with effect from 1st June, 2017. The details required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/CMD/4/2015 September 09, 2015is given in the enclosed annexure.

Thanking you,

Yours faithfully,
For Somany Ceramics limited

Ambrish Julka
DGM (Legal) & Company Secretary
M. No.: 4484

Annexure

Termination of Joint Venture Agreement on 1st June, 2017

S. No.	Particulars	Comments
1.	Name(s) of parties with whom the agreement is entered;	The agreement was entered in 2006 between Keraben S.A. (now known as **Keraben Grupo S.A.)** ("Keraben") a Company registered under the laws of Spain and SPL Limited (now known as **Somany Ceramics Limited**) ("SCL") (" collectively hereinafter the parties") for incorporation of new company i.e. Somany Keraben Private Limited (now **SKPL Ceramics Private Limited**) (hereinafter referred to as the **"JV Company")**
2.	Purpose of entering into the agreement;	The parties incorporated **JV Company**with the purpose of promotion, marketing, production and distribution of floor and ceramic tiles produced by SCL with technical know-how and or technical assistance/ design from Keraben.
3.	Shareholding, if any, in the entity with whom the agreement is executed;	The shareholding of **Keraben Grupo S.A. and Somany Ceramics Limited** (hereinafter individually referred to as **Party** and jointly as **Parties)** were in equal proportion i.e. 50:50 in JV Company.
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	The agreement was executed between **Parties** for promoting, distributing and selling the products i.e. floor and wall ceramics tiles in the Indian market and other countries.
5.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	**Keraben Grupo S.A.**is not related to promoter/promoter group/group companies of **Somany Ceramics Limited** in any manner.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	The incorporation of **JV Company** would not fall within related party transactions.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	The Equity shares were issued at face value i.e. Rs. 10/- each
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising	Both the parties appointed equal number of directors on the Board of **JV Company.** There is no conflict of

	out of such agreements, etc;	interest arising out of the JV agreement or formation of **JV Company**
9.	Name of parties to the agreement;	Keraben Grupo S.A and Somany Ceramics Limited
10.	Nature of the agreement;	Joint Venture Agreement
11.	Date of execution of the agreement;	27th October, 2006
12.	Details of amendment and impact thereof or reasons of termination and impact thereof.	**Reasons of termination** – The JV Company was not doing any operations due to unfavourable market conditions for last few years. It is decided to terminate the Joint Venture Agreement. Impact of termination – the **Parties** will agree to alter the Memorandum and Articles of Association and shall be free to make an exit and sell its shares to any third party. Upon sale of shares by any **Party** the covenants given in the Articles of Association for day-to-day functioning of the **JV Company** would no longer be effective.

Somany Ceramics Limited New Delhi