SOMANY CERAMICS LIMITED

Regd. Office : 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041
Phone : 011-2834 1085, Fax : 011-2834 1085, E-mail : cs@somanytiles.co.in
Share Department : 2, Red Cross Place, Kolkata - 700 001
Phone : 033-2248 7406/07, Fax : 033-2248 7045, E-mail : sclinvestors@somanytiles.co.in

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-ordinary General Meeting of Somany Ceramics Limited will be held at Lakshmipat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 on Monday, the 10th February, 2014, at 10.00 A.M. to transact the following special business :-

Issue and Allotment of Equity Shares on Preferential basis

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory amendments thereto or modification or re-enactment thereof for the time being in force), such of the provisions of the Companies Act, 2013, as are in force and as may be applicable for issuance of further shares and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure of Requirements) Regulations, 2009 (**"ICDR Regulations"**), the applicable provisions of the Foreign Exchange Management Act, 1999 (**"FEMA"**) and the rules and regulations framed thereunder, the Foreign Exchange (Transfer of Issue or Issue of Security by a Person Resident Outside India) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, the extant foreign direct investment policy and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India and any other appropriate authorities and the Listing Agreement entered into between the Company and each of the Stock Exchanges viz; the BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed and subject to the Company obtaining all approvals, consents, permissions and/or sanctions from the appropriate governmental or regulatory authorities and other third party approvals; and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval and subject to other customary conditions precedent including the execution of definitive documents (hereinafter referred to as the **"requisite approvals"**), which may be agreed to by the Board of Directors of the Company (herein referred to as the **"Board"**, which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereafter may constitute to exercise its powers including the powers conferred by this resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue and allot 43,47,826 Equity Shares of Rs.2/- each (hereinafter referred to as the **"Shares"**) of the Company, representing approximately 11.19% of the post-preferential issued and paid up share capital of the Company, at a price of Rs.115/- per share aggregating to Rs.49,99,99,990/- (Rupees Forty-Nine Crore Ninety-Nine Lac Ninety-Nine Thousand Nine-Hundred Ninety only) which price is determined in accordance with Chapter VII of the ICDR Regulations, for cash at par, on a preferential allotment basis to Latinia Limited, an affiliate of Creador II LLC (hereinafter referred to as **"the Investor"**), at such time or times and on such terms and conditions and in such manner as it may be decided by the Board in this connection and as may be deemed expedient."

"RESOLVED FURTHER THAT the issue and allotment of the Shares to the Investor shall be subject to the conditions prescribed in the SEBI ICDR Regulations and shall be on the following terms and conditions:-

(a) The Shares shall be allotted within a period of 15 days from the date of passing of this resolution, provided that if any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.

(b) The price of the Shares has been calculated in accordance with the provisions of Chapter VII of the ICDR Regulations. The "Relevant Date" as per the SEBI ICDR Regulations for determination of minimum applicable price for issue of the aforesaid equity shares is 10th January, 2014 (which is 30 days prior to the date on which meeting of the General Body of shareholders is to be held in terms of Section 81 (1A) of the Companies Act, 1956 to consider the proposed issue of the Equity Shares. Since the relevant date falls on a weekend/holiday, the day preceding the weekend/holiday is considered as the relevant date).

(c) The shares so offered, issued and to be allotted to the Investor shall be in dematerialized form.

(d) The Shares allotted to the Investor shall be subject to receipt of necessary approvals and be listed and traded on the National Stock Exchange of India Limited and the BSE Limited and shall be subject to the [illegible] of Association of the Company.

for SOMANY CERAMICS LIMITED

AMBRISH JULKA
AGM (Legal) and Company Secretary

(e) The Investor shall be required to bring in 100% of the consideration on the shares to be allotted on or before date of allotment thereof.

(f) The Shares shall remain locked-in for such period as specified under the ICDR Regulations.

"**RESOLVED FURTHER THAT** the Shares allotted in terms of this resolution shall rank *paripassu* in all respects including as to dividend, with the existing fully paid up equity shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient in relation to all matters concerning the proposed issue and allotment of shares, the rights attached thereto, the listing thereof with the Stock Exchange(s) where the Company's shares are continued to be listed, making application to the relevant Depository(ies) for admission of the new equity shares as appropriate and to resolve and settle all question or difficulty(ies) that may arise in regard thereto and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the Shares and the utilization of the issue proceeds without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director or Directors or to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

"**RESOLVED FURTHER THAT** all actions taken by the Board or Committee thereof duly constituted or persons duly authorized for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board
For Somany Ceramics Limited

Ambrish Julka
Assistant General Manager (Legal) and
Company Secretary

Place : New Delhi
Date : 13th January, 2014

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING IN THE FORM ENCLOSED HERETO. A PROXY SO APPOINTED SHALL NOT BE ENTITLED TO SPEAK AT THE MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL.**

2. The explanatory statement in respect of the resolutions proposed pursuant to Section 102 of the Companies Act, 2013 setting out all material facts and the reasons thereto is annexed hereto. The Special Resolution mentioned herein shall be declared as passed if the number of votes cast in favour of such Special Resolution is not less than three times the number of votes cast against the said Special Resolution.

3. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company on all working days during office hours from 11.00 A.M. upto 2.00 P.M., till the date of this Extra-ordinary General Meeting and shall also be available at the said meeting.

4. Members who hold equity shares in dematerialized form are requested to write their client ID and DP-ID numbers and those who hold equity shares in physical forms are requested to write their Folio Number in the attendance slip for attending the meeting. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing such representative to attend and vote on their behalf at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Company proposes to raise long-term funds by way of preferential allotment of equity shares to Persons other than the 'Promoters and the Promoter Group' of the Company to meet the capital expenditure, working capital requirements, investments in joint venture(s) and for other general corporate purposes.

The Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including powers conferred by this resolution, or any person authorized by the Board or its Committee for such purpose) at their meeting held on 13th January, 2014 have approved issue and allotment of 43,47,826 (Forty Three Lacs Forty Seven Thousand Eight Hundred Twenty Six only) equity shares of the Company of face value Rs. 2/- (Rupees Two) each **("Shares")** representing approximately 11.19% of the post-preferential issued and paid-up share capital of the Company, by way of preferential allotment to Latinia Limited, an affiliate of Creador II LLC (Non Promoter Category) **("Investor")** at a price of Rs. 115/- (Rupees One Hundred and Fifteen only) per equity share (i.e. at a premium of Rs.113/- per share) for an aggregate consideration of Rs.49,99,99,990/- (Rupees Forty-Nine Crore Ninety-Nine Lac Ninety-Nine Thousand Nine-Hundred Ninety only) fully paid up for cash, which price is determined in accordance with the provisions of Chapter VII of the ICDR Regulations. The Company has signed a term sheet with Creador II LLC for issue and allotment of the Shares by way of preferential allotment to Creador II LLC through its affiliates on the terms and conditions mentioned in the term sheet subject to signing of the investment agreement with the Investor.

The Investor is Latinia Limited, a company limited by shares incorporated under the laws of Mauritius on 23rd October, 2013 having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius. Investment decisions by the Investor are approved by its Board of Directors which comprises of Mr. Brahmal Vasudevan, Mr. Soraj Bissoonauth and Ms. Resmah Bibi Choomka.

The entire share capital of the Investor is held by Creador II LLC, a public limited life company limited by shares incorporated under the laws of Mauritius with limited liability. Creador II LLC makes direct or indirect privately negotiated equity and equity-related investments in companies which have substantial business activity in Indonesia, Malaysia, Singapore and India.

The investor is registered with the Income Tax Authorities in Mauritius and has obtained Permanent Account Number (PAN) under the Indian Income Tax Act, 1961.

In terms of Section 81 (1A) of the Companies Act, 1956 read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time **("ICDR Regulations")**, the proposed preferential allotment requires approval of the Company's shareholders by way of a special resolution. The Board, therefore, seeks the consent of the Shareholders of the Company to the resolution set out in the accompanying notice, by way of a special resolution.

The investment will be subject to customary conditions precedent including the execution of definitive documents and receipt of shareholders approval and applicable governmental and regulatory approvals. The satisfaction of these conditions is not necessarily within the control of the Company.

It may be noted that under the terms of Chapter VII of the ICDR Regulations, it is necessary to disclose the details of the Investor and certain other matters relating to the preferential allotment to the shareholders of the Company while seeking their approval. The relevant disclosures are set out below:

DISCLOSURES:

a) Objects of the issue

The objects of raising capital by issuance of the Shares are to meet the capital expenditures, working capital requirements, investments in joint venture(s) and other general corporate purposes permitted by applicable laws.

The Company proposes to offer, issue and allot 43,47,826 equity shares of the Company representing approximately 11.19% of the post-preferential issued and paid-up share capital of the Company, by way of preferential allotment to the Investor at a price of Rs. 115/- (Rupees One Hundred and Fifteen only) per equity share (i.e. at a premium of Rs. 113/- per share) for an aggregate consideration of Rs.49,99,99,990/- (Rupees Forty-Nine Crore Ninety-Nine Lac Ninety-Nine Thousand Nine-Hundred Ninety only) fully paid up for cash, which price is determined in accordance with the provisions of Chapter VII of the ICDR Regulations.

b) Important terms and conditions

The proposed issue and allotment of the Shares to the Investor shall be on the following terms and conditions:

(i) 43,47,826 equity shares of the Company of Rs. 2/- each shall be allotted to the Investor at a price of Rs.115/- per share.

(ii) The Shares as may be allotted to the Investor shall be issued and allotted in the dematerialized form, subject to receipt of necessary approvals and be listed and traded on the National Stock Exchange of India Limited and the BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

(iii) The Shares as may be allotted to the Investor, shall be under lock-in for such period as specified under ICDR Regulations.

(iv) The proposed issue and allotment of the Shares will be governed by the applicable provisions of the Companies Act, 1956, the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the Listing Agreement entered into between the Company and the Stock Exchanges where the equity shares of the Company are listed, the ICDR Regulations, the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules

and regulations framed thereunder, as also the terms of the term sheet and the definitive Agreement to be executed in this regard. The Investor proposes to subscribe to the Shares pursuant to the applicable provisions of FEMA and the rules and regulations framed thereunder and the extant foreign direct investment policy in this regard.

(v) The "Relevant Date" as per the SEBI ICDR Regulations for the determination of the applicable price for the issue of the aforesaid preferential equity shares is 10th January, 2014, which is 30 days (thirty days) prior to the date of the Extra Ordinary General Meeting of the Shareholders of the Company for considering the proposed preferential allotment i.e 10th February, 2014. Since the relevant date falls on a weekend/holiday, the day preceding the weekend/holiday is considered as the relevant date. Since the equity shares of the Company have been listed on a recognized Stock Exchange for a period more than 26 (Twenty-six) weeks as on the relevant date, the Shares shall be allotted at a price not less than the higher of the following:-

a) The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; or

b) The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The 'recognized stock exchange' referred to above means any of the recognized stock exchanges in which the equity shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding twenty six weeks prior to the relevant date.

(vi) The allotment of the Shares is subject to Creador II LLC and/or Latinia Limited not having sold any equity shares of the Company during the 6 (Six) months preceding the relevant date. Creador II LLC and/or Latinia Limited have confirmed that they have not sold any equity shares of the Company during the 6 (Six) months preceding the relevant date.

c) **Proposal of the promoters/directors/key management persons of the Company to subscribe to the offer**

The promoters, directors and key management personnel of the Company do not propose to subscribe to the proposed preferential issue.

d) **Shareholding pattern of the Company before and after the proposed issue of Shares pursuant to the resolution**

The shareholding pattern of the Company prior to allotment of the Shares (As on 10th January, 2014, being the latest practicable date on which shareholders data was available prior to the approval and issuance of the notice to shareholders) and immediately following the allotment of the Shares, is set out below:-

Sl. No.	Category of Investor	Pre-Issue (As on 10.01.2014)		Post-Issue	
		No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
A	PROMOTERS SHAREHOLDING				
	Promoters and Promoters Group	2,18,39,360	63.31	2,18,39,360	56.22
	Sub-Total (A)	**2,18,39,360**	**63.31**	**2,18,39,360**	**56.22**
B	PUBLIC SHAREHOLDING				
I	INSTITUTIONAL INVESTORS				
	Muutal Funds	5,75,747	1.67	5,75,747	1.48
	Financial Institutions/Banks	10,030	0.03	10,030	0.03
	Foreign Institutional Investors	9,94,815	2.88	9,94,815	2.56
II	NON-INSTITUTIONAL INVESTORS				
	Bodies Corporate	19,96,967	5.79	19,96,967	5.14
	Latinia Limited	–	–	43,47,826	11.19
	Resident Individuals/HUF's	77,31,012	22.41	77,31,012	19.90
	Non-Resident Indians	66,340	0.19	66,340	0.17
	Overseas Corporate Bodies	12,57,500	3.65	12,57,500	3.24
	Other (Trust & Foundations)	25,229	0.07	25,229	0.07
	Sub Total (B)	**1,26,57,640**	**36.69**	**1,70,05,466**	**43.78**
	TOTAL (A+B)	**3,44,97,000**	**100.00**	**3,88,44,826**	**100.00**

This table shows the expected shareholding pattern of the Company upon consummation of the allotment and assumes that holding of all other shareholders shall remain the same post-issue, as they were on the date on which the pre-issue shareholding pattern was prepared.

e) **Time within which allotment will be completed**

Under regulation 74(1) of the ICDR Regulations, an allotment pursuant to a special resolution shall be completed within a period of 15 days from the date of passing of such resolution, provided that where permission or approval by any regulatory authority or the Central Government for allotment is pending, the period of 15 (Fifteen) days shall be counted from the date of such approval or permission, as the case may be. Accordingly, the allotment of the Shares shall take place within the applicable period mentioned above.

f) **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the issuer consequent to the preferential issue**

i) Identity of the proposed allottee and ultimate beneficial owners of shares proposed to be allotted and/or who ultimately control the proposed allottee.

The Investor is Latinia Limited, a Company limited by shares incorporated under the laws of Mauritius on 23rd October, 2013 having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius. Investment decisions by the Investor are approved by its Board of Directors which comprises of Mr. Brahmal Vasudevan, Mr. Soraj Bissoonauth and Ms. Resmah Bibi Choomka.

The entire share capital of the Investor is held by Creador II LLC, a public limited life Company limited by shares incorporated under the laws of Mauritius with limited liability. Creador II LLC makes direct or indirect privately negotiated equity and equity-related investments in companies which have substantial business activity in Indonesia, Malaysia, Singapore and India.

In compliance with Regulation 73(1)(e) of the ICDR Regulations, the Investor has informed the Company that:

(i) no single natural person holds more than 25% of shares or capital or profits of Creador II LLC;

(ii) no natural person has a controlling ownership interest in Creador II LLC; and

(iii) Creador II LLC is controlled by its Board of Directors which comprises of Mr. Brahmal Vasudevan, Mr. Kapildeo Joory and Mr. Zoubeir Khatib.

The share capital of Creador II LLC is held by Financial Institutions, family offices and high net worth individuals.

Creador II LLC and Latinia Limited belong to the Non Promoter category of the Company. Presently it is not holding any Shares in the Company.

ii) Percentage of post-preferential issued and paid-up share capital of the Company that may be held by the proposed allottee

Proposed Allottee	No. of equity shares to be held	% of Post Issue equity Capital
Latinia Limited	43,47,826	11.19%

iii) The proposed allotment would not result in any change in the control or management of the affairs of the Company. However there will be consequential change in the voting rights/ shareholding of the Company and the Investor will be entitled to nominate an Investor nominee on the Board of the Company subject to completion of the proposed investment.

g) **Requirement as to re-computation of price and lock-in of specified securities**

It is clarified that the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than six months prior to the relevant date and accordingly the provisions of Regulations 73(1)(f) and (g) of the ICDR Regulations are not applicable.

The Shares issued pursuant to the preferential allotment will be subject to lock-in as provided in the ICDR Regulations.

The certificate from the statutory auditors of the Company certifying that the issue of the Shares is being made in accordance with the requirement of the ICDR Regulations shall be made available for inspection as specified hereinafter.

Under Section 81(1A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies

Act, 1956 and ICDR Regulations to issue and allot equity shares on preferential basis as stated in the resolutions. The special resolution, if passed, will have the effect of allowing the Board to issue and allot shares of the Company to the Investor.

The documents related to the proposed resolution set out in the accompanying notice and the explanatory statement will be open for inspection at the Registered Office of the Company on all working days from 11.00 A.M. upto 2.00 P.M. till the date of this Extra-ordinary General Meeting and shall also be available at the said meeting.

The Directors, Managers, Key Managerial Personnel of the Company and their respective relatives are not concerned or interested, financially or otherwise, in the proposed preferential issue, except to the extent of their shareholding, if any, in the Company.

The Board recommends the passing of the Special Resolution as set out in accompanying notice.

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

Ambrish Julka
Assistant General Manager (Legal)
and Company Secretary

Place : New Delhi
Date : 13th January, 2014

SOMANY CERAMICS LIMITED

Regd. Office : 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

ATTENDANCE SLIP

I/We hereby record my/our presence at the Extra-Ordinary General Meeting of the Company held on Monday, the 10th February, 2014 at Lakshmipat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 at 10.00 a.m.

DP ID **		Master Folio No.	
Client ID **		No. of Share(s) held	

NAME OF THE SHAREHOLDER : _____ _____
(Signature)

NAME OF THE PROXY : _____ _____
(IN BLOCK LETTERS) (Signature)
(If attended by the proxy holder)

NOTE: You are requested to fill, sign and hand over the slip at the entrance.

** Applicable for Members holding shares in electronic Form

SOMANY CERAMICS LIMITED

Regd. Office : 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041

FORM OF PROXY

DP ID **		Master Folio No.	
Client ID **		No. of Share(s) held	

I/We ..... of .....
in the district of ....., being a Member/Members of SOMANY CERAMICS LIMITED hereby appoint
..... of .....
in the district of ..... or failing him .....
of ..... in the district of ..... as my/our proxy to attend and vote for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on Monday, the 10th February, 2014 at Lakshmipat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 at 10.00 a.m. and at any adjournment thereof

Signed this ..... day of 2014

Affix Re. 1.00 Revenue Stamp

_____
(Signature)

** Applicable for Members holding shares in electronic Form

NOTE: The Proxy to be effective should be filled, stamped, signed and deposited at the Registered Office of the Company at 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041, not less than 48 hours before the commencement of the meeting.

Book Post

If undelivered, please return to :

Maheshwari Datamatics Pvt. Ltd.

Unit : **Somany Ceramics Limited**

6, Mangoe Lane, Kolkata - 700 001