

SOMANY CERAMICS LIMITED

Registered Office : 82/19, Bhakerwara Road, Mundka, New Delhi – 110 041

Phone : 011-2834 1085

Share Dept. : 2, Red Cross Place, Kolkata - 700 001

Phone : 033-2248 7406 / 07

E-mail: sclinvestors@somanytiles.co.in

Website: www.somanyceramics.com

CIN: L40200DL1968PLC005169

NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (Act) read with Rule 22 of Companies (Management and Administration) Rules, 2014, to transact the following special business by the Members of Somany Ceramics Limited by passing the following Resolutions through Postal Ballot:

- 1. To consider and approve issue of further securities**
- 2. To increase the aggregate limit for investment by the Foreign Institutional Investors/ Foreign Portfolio Investors and Non Resident Indians in equity share capital of the Company**

Members' consent is sought for the Resolutions appended below. The Statement pertaining to the said Resolutions under Section 102 (1) of the Act setting out the material facts and reasons for the Resolutions is also annexed herewith and is being sent to you along with a Postal Ballot Form for your consideration.

The Company has appointed **Mr. Pravin Kumar Drolia, Practicing Company Secretary**, as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope (if posted in India), so as to reach the Scrutinizer **on or before the close of business hours on Thursday, the 30 April, 2015**, the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed self-addressed pre-paid postage envelope shall be borne and paid by the Company.

We are pleased to offer e-voting facility also as an alternate for our Members which would enable you to cast your votes electronically, instead of sending physical Postal Ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in this notice.

The Scrutinizer will submit his report to the Chairman and Managing Director of the Company or in his absence to any other Director of the Company, after completion of scrutiny of postal ballots in a fair and transparent manner and **the result of the postal ballot will be announced on Saturday, 2 May, 2015 at 11.30 a.m. at 2, Red Cross Place, Kolkata - 700 001**. The date of announcement of the result of postal ballot shall be taken to be the date of passing of the Resolutions. The result of the postal ballot will also be displayed at the said address and posted on the Company's website www.somanyceramics.com, besides communicating to the National Stock Exchange of India Limited and BSE Limited. The result of the postal ballot shall also be announced through newspaper advertisement.

Proposed Resolutions:

Special Business

- 1. To consider and approve issue of further securities**

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

“RESOLVED THAT pursuant to the provisions of Section 23, 42, 62 and its related and applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s) thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (**“SEBI Regulations”**) and the provisions of the Foreign Exchange Management Act, 1999 (**“FEMA”**), and the rules and regulations made thereunder, as amended from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued by the Government of India (**“GOI”**), the Reserve Bank of India (**“RBI”**), the Foreign Investment Promotion Board (**“FIPB”**), the Securities and

Exchange Board of India (“SEBI”) including regulation for Qualified Institutions Placement (“QIP”) contained in Chapter VIII of SEBI Regulations, the Stock Exchanges (“Stock Exchanges”) where the equity shares of the Company (“Equity Shares”) are listed and any other appropriate authorities, institutions or bodies, as may be applicable in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the Stock Exchanges where the equity shares of the Company are listed (“Listing Agreements”), and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, the consent of the shareholders be and is hereby accorded to permit the Board of Directors (hereinafter referred to as the “Board” which shall be deemed to include Company Administrative Committee (“the Committee”), in its absolute discretion, to create, offer, issue and allot from time to time, in one or more tranches, in the course of one or more domestic and/or international offerings in one or more foreign markets or domestic markets to one or more eligible investors, whether or not they are members of the Company or are residents or non-residents of India, including but not limited to Qualified Institutional Buyers (“QIBs”) as defined under the SEBI Regulations through a Qualified Institutions Placement within the meaning of Chapter VIII of the SEBI Regulations or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), foreign institutional investors, Indian and / or multilateral financial institutions, mutual funds, pension funds, and / or any other categories of investors; Equity Shares, non-convertible debt instruments along with warrants and convertible securities other than warrants, or by way of an issuance of equity shares or Global Depository Receipts (“GDRs”) or Foreign Currency Convertible Bonds (“FCCBs”), whether or not to be listed on any Stock Exchange in India or overseas, to eligible investors including Foreign Institutions, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds or individuals, whether Rupee denominated or denominated in any foreign currency (such securities, “Specified Securities”), up to such number of equity shares of face value of Rs.2/- each (“Equity Shares”) for an aggregate amount not exceeding Rs. 150 Crore (including premium) at such price or prices, at market price(s) or at a permissible discount or premium to market price(s) in terms of applicable regulations to be determined by the Board at the time of issue, at its absolute discretion without requiring any further approval or consent from the shareholders of the Company and subject to the applicable regulations/guidelines in force.

RESOLVED FURTHER THAT in the event of a QIP or issuance of GDRs/FCCBs as mentioned hereinabove, the relevant date (“Relevant Date”) for the purpose of the pricing of the Specified Securities to be allotted, if any, shall mean, in case of allotment of Equity Shares, the date of the meeting in which the Board or the Committee decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board or the Committee decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as provided under applicable law, or such other time as may be prescribed by applicable law from time to time.

RESOLVED FURTHER THAT in the event of a QIP, in accordance with Regulations 86(1)(a) of the SEBI Regulations, a minimum of 10% of the Specified Securities shall be allotted to Mutual Funds and if the Mutual Funds do not subscribe to the said minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs, and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT in case of a QIP, in terms of the provisions of the SEBI Regulations, the Board may at its absolute discretion issue Equity Shares (including upon conversion of the Securities) at a discount of not more than five percent or such other discount as may be permitted under the applicable Regulations to the floor price as determined in terms of the SEBI Regulations and as may be amended from time to time.

RESOLVED FURTHER THAT the issue of Specified Securities shall be subject to the following terms and conditions:

- (i) The Equity Shares that may be issued and allotted directly or on conversion of other convertible or exchangeable securities that may be issued as aforesaid shall rank pari-passu with the then existing Equity Shares in all respects including dividend;
- (ii) The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of other convertible securities that may be issued as aforesaid shall be appropriately adjusted for corporate actions such as Bonus Issue, Rights Issue, Stock Split and Consolidation of Share Capital, Merger, De-merger, Transfer of Undertaking, Sale of Division or any such Capital or Corporate Restructuring;
- (iii) The allotment of the Specified Securities, or any combination of Specified Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations from time to time at such price being not less than the price determined in accordance with the provisions under Chapter VIII of the SEBI Regulations and as may be amended from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI Regulations.

- (iv) In case Specified Securities other than Equity Shares are issued pursuant to a QIP as aforesaid, such securities shall be converted into Equity Shares within sixty months from the date of allotment; and
- (v) In the event of a QIP as aforesaid, no subsequent QIP shall be made until the expiry of six months from the date of the prior QIP approved by way of this Special Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Specified Securities as described above, the Board, where required in consultation with the lead managers and/or other advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to the selection of QIBs to whom the Specified Securities are to be offered, issued and allotted, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT subject to the applicable laws, for the purpose of giving effect to the issuance of Securities, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the Securities, including, without limitation to the following:

- (a) decide the date for the opening and closing of the issue of Securities, including determining the form and manner of the issue, issue structure, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price (including the premium or discount to the floor price, as the case may be), face value, delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;
- (b) finalisation of the allotment of the Securities on the basis of the subscriptions received;
- (c) finalisation of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the preliminary and final offering circulars/placement document/prospectus/Offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Lead Manager(s)/ Underwriter(s)/ Advisor(s), in accordance with all applicable rules, regulations and guidelines;
- (e) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the Securities;
- (f) approval of the Deposit Agreement(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/FCCBs/other Securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (g) finalisation of the basis of allotment in the event of over-subscription;
- (h) authorisation to any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consent that may be required in connection with the issue and allotment of the Securities;
- (j) seeking the listing of the Securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (k) deciding the pricing and terms of the Securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/GDRs, as per applicable laws, regulations or guidelines;
- (l) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries or demat accounts as may be required in connection with the aforesaid issue;
- (m) all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that

may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board of Directors, may deem fit and proper in its absolute discretion to be most beneficial to the Company; and

- (n) To affix the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company, who shall sign the same in token thereof.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any of the terms or combinations of the terms in accordance with the prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or the redemption at the option of the Company and / or holders of any Securities including terms or issue of additional equity shares or variations of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities.

Provided that the issue of all equity shares referred to above shall rank pari-passu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Company and /or any agencies or the Board of the Company may issue depository receipts representing the underlying Equity Shares in the capital of the Company or such other Securities in bearer, negotiable or registered form with such features or attributes as may be required and to provide for the tradability thereof as per market practices and regulation (including listing on one or more stock exchange(s) in or outside India).

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, issue, offer or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable for such purposes, including without limitation, the entering into arrangement for managing, underwriting, marketing, listing, trading, acting as depository, custodian, registrar, paying and conversion agent, trustee and to issue any offer document and sign all applications, filings, deeds, documents and writings, and to pay any fees, commissions, remunerations, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotments and utilization of the issue proceeds as it may, in its absolute discretion deem fit without being required to seek any further consent or approval of the member 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, and accordingly any such action, decision or direction of the Board shall be binding on all the members of the Company.”

2. To increase the aggregate limit for investment by the Foreign Institutional Investors / Foreign Portfolio Investors and Non Resident Indians in equity share capital of the Company

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

“RESOLVED THAT in supersession of the earlier resolution passed by the Shareholders at their Extra-Ordinary General Meeting held on 18 March, 2011 and pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2014 (**“Consolidated FDI Policy”**), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India (**“RBI”**) and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company (Board which term shall include any Committee thereof which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for purchase/acquisition of Equity Share by foreign investors including Foreign Institutional Investors (**“FIIs”**) / Foreign Portfolio Investors (**“FPIs”**) registered with the Securities and Exchange Board of India (**“SEBI”**), on their own account and/or on behalf of their SEBI approved sub-accounts or Foreign Portfolio Investors (**FPIs**), on the recognized stock exchange or in any other manner, subject to the condition that the aggregate holding of the FIIs/FPIs shall not exceed 40% of the paid up equity share capital of the Company, provided however that the shareholding of each FII / FPI, on its own account and on behalf of each of the SEBI approved sub-accounts of FPI shall not exceed 10% (ten per cent) of paid-up share capital of the Company or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.”

“RESOLVED FURTHER THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2014 (“Consolidated FDI Policy”), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India (“RBI”) and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company, (Board which term shall include any Committee thereof which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for purchase/ acquisition of the equity shares of the Company by permitted foreign investors including Non Resident Indians (NRIs) on the recognized stock exchange or in any other manner including investment under the Portfolio Investment Scheme (“PIS”), subject to the conditions that the aggregate holding of the NRIs shall not exceed 5% of the paid up equity share capital of the Company or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.”

“RESOLVED FURTHER THAT the Board or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and to represent the Company before any government authorities and delegating all or any of the power conferred herein to any Committee or Directors of the Company.”

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

**(Ambrish Julka)
Assistant General Manager (Legal) and
Company Secretary**

Place : New Delhi

Date : 24 March, 2015

NOTES:

1. The Board of Directors has appointed Mr. Pravin Kumar Drolia, Practicing Company Secretary, as the Scrutinizer to conduct the postal ballot process in a fair and transparent manner.
2. The Statement as required under Section 102 of the Companies Act, 2013 is appended to this Notice. A Postal Ballot Form is also enclosed.
3. The Notice is being sent to all the Members by post (and electronically by email to those Members who have registered their email IDs with the Company), whose names appear in the Register of Members/Record of Depositories as on 27 March, 2015. The voting shall be reckoned in proportion to the shares held by a Member in the paid up equity share capital of the Company as on 27 March, 2015.
4. The Notice has also been made available on the website of the Company i.e. www.somanyceramics.com
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form(s).

Instructions for Voting:

Voting through Physical Postal Ballot Form

1. A member desiring to exercise vote by Postal ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Registered Member will also be accepted. The envelopes may also be deposited personally at the address given thereon. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before Thursday, the 30 April, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member(s).

2. The members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.

E-Voting Facility

1. The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. The instructions for members for e-voting are as under:

- (a) Shareholders should log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Now, select the "Somany Ceramics Limited" from the drop down menu and click on "SUBMIT".
- (d) Now Enter your User ID.
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) For Physical Form : Member should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "Somany Ceramics Limited" on which you choose to vote.
- (l) 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.

- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) 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.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company.

General

1. **The e-voting period commences on Wednesday, 1 April, 2015 (9.00 a.m. IST) and ends on Thursday, 30 April, 2015 (5.00 p.m. IST). During this period, members of the Company, holding shares in physical form or in dematerialised form, as on the cut-off date 27 March, 2015, may cast their vote electronically.**
2. The shareholders are requested to carefully read the instructions printed on the backside of the attached Postal Ballot Form before exercising their vote.
3. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof.

ANNEXURE TO THE NOTICE

(Statement under Section 102 of the Companies Act, 2013)

ITEM NO. 1

The Board of Directors of the Company at its meeting held on 24 March, 2015, proposed to raise funds not exceeding Rs. 150 Crores (including premium) by issue of equity shares and/or any other financial instruments convertible into equity, or through Qualified Institutions Placement under SEBI Regulations and/or through issuance of securities in the Domestic/International markets by way of FCCBs/GDRs etc in one or more tranches and to utilize the net proceeds of the proposed issue towards capital expenditure and working capital requirements, funding growth opportunities including investing in existing and proposed business ventures, reduction in debts and general corporate purposes and for such other purposes as may be permitted by applicable laws, as set out in the resolution under item no. 1 of the accompanying notice.

As per the provisions of Regulation 85 of Chapter VIII of the SEBI Regulations, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The Board or the Committee may offer a discount of not more than 5% (Five percent) on the Floor price calculated for the QIP or such other discount as may be permitted under the SEBI Regulations. The "Relevant Date" for the purpose of Regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorised by the Board of the Company decides to open the proposed issue.

Pursuant to the provisions of Chapter VIII of the SEBI Regulations, the aggregate of the proposed Qualified Institutions Placements, if any, made by the Company in the same financial year shall not exceed 5 times, the net worth of the Company as per the audited balance sheet of the previous financial year.

The detailed terms and conditions for the abovementioned issue will be determined by the Board or a committee thereof, in consultation with the advisers, lead managers and such other authority(ies) as may be required to be consulted by the Company considering the prevailing market conditions/practices from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Board recommends for consent of the shareholders by passing an enabling Special Resolution pursuant to the provisions of Section 23, 42, 62 and other applicable provisions of the Companies Act, 2013 including any rules made thereunder, and in terms of the provisions of the listing agreements executed by the Company with the Stock Exchanges where the equity shares of the Company are listed. The Special Resolution as set out, in item no 1, if passed, will have the effect of permitting the Board or a committee thereof, to issue and allot Securities to any investor, who may or may not be existing members of the Company.

The Board believes that the proposed offering, if made, will be in the interest of the Company and therefore recommends Special Resolution contained in the accompanying notice under item No.1 of the Notice, for members' approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 2

In terms of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and the Consolidated FDI Policy 2014, the Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPIs") registered with the Securities and Exchange Board of India ("SEBI") can acquire and hold on their own account and on behalf of their SEBI approved sub-accounts together, up to an aggregate limit of 24% (twenty four per cent) of the paid up Equity Share capital of an Indian Company. The said Regulations further provide that the limit of 24% (twenty four per cent) can be further increased up to the sectoral cap/statutory ceiling as applicable, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India ("RBI").

Members of the Company at their Extra-Ordinary General Meeting held on 18 March, 2011 approved enhancement of such limit for purchase/acquisition of shares of the Company by FIIs, NRIs and other eligible Foreign Investors from 30% to 40% of the Paid-up Equity Share Capital of the Company.

As of 31 December, 2014, holding of FIIs, OCBs and NRIs was approximately 5.66%, 14.43% and 0.12% respectively of paid up Share capital of the Company. To make more space for FIIs / FPIs to invest in the equity of the Company, it is proposed to increase the present limit of FIIs / FPIs shareholding in the Company to 40% (forty per cent) of paid up equity share capital of the Company. The Board of Directors at their meeting held on 24 March, 2015, decided to (1) increase the aggregate permissible limit of FIIs / FPIs equity shareholding of the Company to 40% (forty per cent) of the paid-up Equity Share Capital of the Company, in accordance with applicable laws and (2) increase the aggregate permissible limit of Non Resident Indians (NRIs) in equity shareholding of the Company to 5% (five per cent) of the paid-up Equity Share Capital of the Company, in accordance with applicable laws and, subject to the approval of the Members.

Accordingly, the Resolution set out at item No. 2 of this Notice is proposed to enable the (1) FIIs/ FPIs to acquire equity shares of the Company upto the revised ceiling limit of 40% (forty per cent) of the paid-up Equity Share Capital of the Company (2) NRIs to acquire equity shares of the Company upto the revised ceiling limit of 5%.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

The Board recommends the passing of the Resolution under item No. 2 as a Special Resolution.

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

**(Ambrish Julka)
Assistant General Manager (Legal) and
Company Secretary**

Place : New Delhi

Date : 24 March, 2015