

SOMANY CERAMICS LIMITED

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF SOMANY CERAMICS LIMITED (THE "COMPANY") FOR THE BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This public announcement (the "Public Announcement") is being made in relation to the Buyback of Equity Shares (as defined below) of the Company from the shareholders/beneficial owners of the Company through the tender offer route using the stock exchange mechanism, pursuant to Regulation 7(i) and other applicable provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (including any statutory modification(s), amendment(s) or re-enactments from time to time) ("Buyback Regulations") along with the requisite disclosures as specified in Schedule II of the Buyback Regulations read with Schedule I of the Buyback Regulations read with the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 including any further amendments thereof.

OFFER TO BUYBACK NOT EXCEEDING 14,70,588 FULLY PAID-UP EQUITY SHARES HAVING A FACE VALUE OF ₹ 2/- (INDIAN RUPEES TWO ONLY) EACH OF THE COMPANY ("EQUITY SHARES") AT A PRICE OF ₹ 850/- (INDIAN RUPEES EIGHT HUNDRED AND FIFTY ONLY) PER EQUITY SHARE, PAYABLE IN CASH, ON A PROPORTIONATE BASIS FROM ALL THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM.

Certain figures contained in this Public Announcement, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to 2 (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.

1. DETAILS OF THE BUYBACK OFFER AND BUYBACK OFFER PRICE

1.1. The board of directors of the Company (hereinafter referred to as the "Board", which expression includes any committee constituted by the Board to exercise its powers) at its meeting held on Thursday, October 26, 2023 ("Board Meeting Date") has, subject to approval of the shareholders of the Company by way of a special resolution through postal ballot, and subject to approvals of statutory, regulatory or governmental authorities, lenders as may be required under applicable laws, approved the buyback of its Equity Shares from the shareholders of the Company, not exceeding 14,70,588 Equity Shares (representing 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.) at a price of ₹ 850/- (Indian Rupees Eight Hundred and Fifty only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding ₹ 1,25,00,00,000/- (Indian Rupees One Hundred and Twenty Five Crores 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 (as defined below), stock exchange charges, advisor/legal fees, public announcement publication expenses and other incidental and related expenses and charges ("Transaction Costs") (such maximum amount hereinafter referred to as the "Buyback Size"), from all the shareholders/beneficial owners of the Equity Shares of the Company, as on December 15, 2023 (for further details on the Record Date, refer to paragraph 13 of this Public Announcement), on a proportionate basis through the "tender offer" route in accordance with the provisions of the Buyback Regulations (hereinafter referred to as the "Buyback").

1.2. In accordance with Section 68(2)(b) of the Act, the Board had sought the approval of the shareholders of the Company by way of a special resolution since the Buyback Size is more than 10% of the total paid-up equity share capital and free reserves of the Company. The shareholders of the Company approved the Buyback, by way of special resolution, through postal ballot, pursuant to the postal ballot notice dated October 26, 2023 (hereinafter referred to as the "Notice", which expression includes the explanatory statement laying out the terms and conditions with respect to the Buyback) the results of which were announced on Monday, December 04, 2023. In terms of Regulation 5(via) of the Buyback Regulations, the Board may, till one working day prior to the Record Date, increase the Buyback Price and decrease the number of Equity Shares proposed to be bought back, such that there is no change in the Buyback Size.

1.3. The Buyback is pursuant to Article 11 of the Articles of Association of the Company, Sections 68, 69, 70, 108 and 110 and all other applicable provisions, if any, of the Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, and Management Rules, to the extent applicable, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Buyback Regulations, 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"), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges") and/or other authorities, institutions or bodies, (together with SEBI, RBI and ROC, the "Appropriate Authorities"), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.

1.4. The Equity Shares are listed on the Stock Exchanges. The Buyback shall be undertaken on a proportionate basis from the holders of the Equity Shares of the Company as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations and shall be implemented 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 SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and such other circulars or notifications, as may be applicable, including any amendment or statutory modifications for the time being in force ("SEBI Buyback Circulars"). In this regard, the Company has requested to National Stock Exchange of India Limited to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, NSE will be the designated stock exchange ("Designated Stock Exchange").

1.5. The maximum amount required for the Buyback will not exceed ₹ 1,25,00,00,000/- (Indian Rupees One Hundred and Twenty Five Crores only) excluding the Transaction Costs, being 15.18% and 15.17% of the total of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company, as on March 31, 2023, respectively, which does not exceed 25% of the aggregate of the total paid-up capital and free reserves of the Company as per latest audited standalone and consolidated financials of the Company as on March 31, 2023. Further, under the Act and Buyback Regulations, 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 not exceeding 14,70,588 Equity Shares, representing 3.46% of the total issued and paid-up share capital of the Company as per audited financial statements as of March 31, 2023, the same is within the aforesaid 25% limit.

1.6. Participation in the Buyback by shareholders will trigger tax on distributed income to shareholders and such tax is to be discharged by the Company. Further the Buyback of Equity Shares may be subject to taxation in India and/or in the country of residence of the Eligible Shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a Letter of Offer (as defined below), which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors for the applicable tax implications prior to participating in the Buyback.

1.7. The Buyback from the Eligible Shareholders who are residents outside India including foreign portfolio investors, foreign institutional investors and foreign corporate bodies, erstwhile overseas corporate bodies, and non-resident Indians etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999, as amended and the rules and regulations framed thereunder, Income Tax Act, 1961 and rules framed there under, and that such approvals shall be required to be taken by such non-resident shareholders.

1.8. The Buyback will not result in any benefit to the Promoter and Promoter Group and Directors of the Company except to the extent of the cash consideration received by them 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.

1.9. A copy of this Public Announcement is available on the website of the Company at www.somanyceramics.com, the website of the Manager to the Buyback at www.icicisecurities.com and is expected to be available on the websites of SEBI at www.sebi.gov.in during the period of buyback and on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com during the period of the Buyback.

2. NECESSITY FOR THE BUYBACK AND DETAILS THEREOF

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:

- The Company has no major capital expenditure/ investments planned in immediate future. Hence, surplus cash can be used to reward shareholders.
- 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.
- The Buyback will help to optimize the capital structure, thereby reduction in Weighted Average Cost of Capital.
- The Buyback will help in improving the financial ratios such as earnings per share, return on equity and return on capital employed.
- 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.

3. MAXIMUM AMOUNT OF FUNDS REQUIRED FOR THE 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 ₹ 1,25,00,00,000/- (Indian Rupees One Hundred and Twenty Five Crores only) (excluding Transaction Costs).
- The maximum amount mentioned aforesaid is 15.18% and 15.17% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company, as on March 31, 2023 (being the latest audited financial statements available as on the Board Meeting Date), respectively, which does not exceed 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per latest audited standalone and consolidated financials of the Company as on March 31, 2023.
- The funds for the implementation of the proposed Buyback will be sourced out of 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 to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.
- The borrowed funds from banks and financial institutions, if any, will not be used for the purpose of the Buyback.

4. BUYBACK PRICE AND THE BASIS OF ARRIVING AT BUYBACK PRICE

- The Equity Shares of the Company are proposed to be bought back at a price of ₹ 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 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 Stock Exchanges 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 ₹ 687.25 and ₹ 689.25 and as on the Board Meeting Date was ₹ 658.80 and ₹ 659.10 on the NSE and the BSE, respectively.

5. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK

The Company proposes to buy back not exceeding 14,70,588 Fully paid up Equity Shares of face value of ₹2/- (Indian Rupees Two only) each representing 3.46% of the total issued and paid-up equity share capital of the Company as per the audited financial statements as of March 31, 2023.

6. DETAILS OF PROMOTERS, MEMBERS OF THE PROMOTER GROUP, PERSONS IN CONTROL AND DIRECTORS OF PROMOTERS AND MEMBERS OF THE PROMOTER GROUP SHAREHOLDING AND OTHER DETAILS

6.1. The aggregate shareholding of the Promoters, members of the Promoter Group and of persons who are in control of the Company, as on the date of Postal Ballot Notice i.e., October 26, 2023 is 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
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
Total Shares:				2,32,69,489	54.78

6.2. Given that Promoters are either individual or trust, the requirement to disclose the aggregate shareholding of the Directors of Promoter and Promoter Group companies as per the latest shareholding pattern available as on the date of Postal Ballot Notice i.e. October 26, 2023 does not apply.

6.3. Except as disclosed below, none of the Directors and Key Managerial Personnel ("KMPs") of the Company hold any Equity Shares in the Company, as on the date of Postal Ballot Notice i.e. October 26, 2023:

Sr. No.	Name of the Directors/ KMPs	Designation	Number of Equity Shares	% 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	0.00
4.	Rameshwar Singh Thakur	Independent Director	-	-
5.	Ravinder Nath	Independent Director	-	-
6.	Rumjhum Chatterjee	Independent Director	-	-
7.	Siddharath Bindra	Independent Director	-	-
8.	Ghanshyam Girdharbhai Trivedi	Non-Executive Non Independent Director	2,000	0.00
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	-	-
Total Shares:			1,43,110	0.33

6.4. 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, Directors and KMPs of the Company during a period of six months preceding the Board Meeting Date, and from the date of the Board Resolution till the date of Postal Ballot Notice i.e. October 26, 2023.

6.5. 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, Directors and KMPs of the Company during a period of twelve months preceding the Board Meeting Date, and from the date of the Board Resolution till the date of Postal Ballot Notice i.e. October 26, 2023.

7. INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUYBACK

7.1. In terms of provisions of the Buyback Regulations, under the tender offer route, the Promoter and members of the Promoter Group and persons who are in control of the Company have an option to participate in the Buyback. In this regard, the Promoters have expressed their intention to participate in the Buyback vide their letters dated October 26, 2023 and may tender up to: (i) an aggregate maximum of 12,49,994 Equity Shares (as detailed below); 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
Total Shares:		12,49,994

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

Sr. No.	Date of Transaction	No. of Equity Shares Acquired / Sold	Nominal Value (₹)	Transaction Value (₹)	Nature of Transaction
Abhishek Somany (HUF)					
1	October 17, 2019	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 (₹)	Transaction Value (₹)	Nature of Transaction
Anjana Somany					
1	October 17, 2019	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 (₹)	Transaction Value (₹)	Nature of Transaction
Minal Somany					
1	August 27, 2020	37,071	74,142	-	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 (₹)	Transaction Value (₹)	Nature of Transaction
Aanvi Somany					
1	December 27, 2021	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 (₹)	Transaction Value (₹)	Nature of Transaction
Anushree Chopra					
1	December 27, 2021	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 (₹)	Transaction Value (₹)	Nature of Transaction
Shrivatsa Somany					
1	January 13, 2022	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 (₹)	Transaction Value (₹)	Nature of Transaction
Shreekant Somany					
1	January 13, 2022	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 (₹)	Transaction Value (₹)	Nature of Transaction
Ameya Somany					
1	August 26, 2020	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 (₹)	Transaction Value (₹)	Nature of Transaction
Abhishek Somany					
1	January 13, 2022	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 (₹)	Transaction Value (₹)	Nature of Transaction
Abhishek Somany- Trustee of Shakthi Family Trust					
1	February 11, 2020	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 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 (₹)	Transaction Value (₹)	Nature of Transaction
Shreekant Somany - Trustee of Srijan Family Trust					
1	February 11, 2020	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 (₹)	Transaction Value (₹)	Nature of Transaction
Shrivatsa Somany - Trustee of Sanrakshith Family Trust					
1	February 11, 2020	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.

8. NO DEFAULTS

The Company confirms that there are no defaults 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;

9. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

As required by clause (x) of Schedule I in accordance with Regulation 5(iv) (b) of the Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- immediately following the board meeting, being October 26, 2023 ("Board Resolution") and the date on which the results of shareholders' resolution passed by way of postal ballot was declared ("Shareholder Resolution") approving Buyback offer, there will be no grounds on which the Company can be found unable to pay its debts;
- 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 the Shareholder Resolution; and
- that in forming the aforesaid opinion, the Board 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 (to the extent notified).

10. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE ACT

- All the Equity Shares of the Company are fully paid up;
- 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;
- The Company shall not raise further capital for a period of 1 (one) year from the expiry 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;
- The Company shall not issue any shares or other securities from the date of the shareholders resolution (including by way of bonus issue or convert any outstanding employee stock options/ outstanding instruments into Equity Shares) 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 Act and the Buyback Regulations;
- 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;

- The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, if any or through any investment company or group of investment companies;
- The Company shall not buyback its Equity Shares or other specified securities 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;
- 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;
- The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- The funds borrowed from banks and financial institutions will not be used for the Buyback;
- The aggregate maximum amount of the Buyback i.e., ₹ 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;
- The maximum number of Equity Shares proposed to be purchased under the Buyback (not exceeding 14,70,588 Equity Shares), does not exceed 25% of the total number of Equity Shares in the existing total paid-up Equity Share capital of the Company as on March 31, 2023;
- 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 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;
- There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act involving the Company, as on date;
- 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 and consolidated financial statements of the Company as on March 31, 2023;
- 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;
- 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;
- The Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations;
- That the Company shall not allow buy back of its shares unless the consequent reduction of its share capital is affected;
- The Company is not undertaking the Buyback to delist its Equity Shares or any other specified securities from the NSE and BSE;
- The Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Act and/or the Buyback Regulations and any other applicable laws;
- 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;
- Consideration of the Equity Shares bought back by the Company will be paid only by way of cash;
- 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
- 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 shall be true, fair and adequate information in all material aspects and shall not contain any misleading information.

11. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated October 26, 2023, received from the Statutory Auditors of the Company ("Auditors Report") addressed to the Board 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")

- This Report is issued in accordance with the terms of our engagement letter dated October 26, 2023.
- 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.
- 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

- 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.
- 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:

- Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
 - 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;
 - 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.
 - 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.
- 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:

- 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;
 - Examined authorization for buyback from the Articles of Association of the Company;
 - 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;
 - 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;
 - Examined that all shares for buy-back are fully paid-up;
 - Read the resolutions passed in the meetings of the Board of Directors;
 - Obtained required explanations and representations from management; and
 - Examined the Board of Directors' declaration for the purpose of buy-back and solvency of the Company.
- 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.
 - 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.
 - 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:

- 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.
- 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.
- 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.

₹ in Crores

Particulars		Standalone	Consolidated
Paid up Equity Share Capital As on March 31, 2023 (4,24,74,208 fully paid up Equity Shares of ₹ 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

12. PRIOR APPROVALS FROM LENDERS

As on the date of this Public Announcement, the Company has outstanding facilities with its lenders aggregating to ₹ 10,00,00,000. The Company has obtained such approvals as may be required from the lenders pursuant to the provisions of such facilities.

13. RECORD DATE AND SHAREHOLDER ENTITLEMENT

13.1. As required under the Buyback Regulations, the Company has fixed December 15, 2023 as the record date ("Record Date") for the purpose of determining the entitlement and the names of the Eligible Shareholders, who will be eligible to participate in the Buyback.

13.2. As per the Buyback Regulations and such other circulars or notifications, as may be applicable, in due course, Eligible Shareholders will receive a letter of offer in relation to the Buyback ("Letter of Offer") along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback. Even if the Eligible Shareholder does not receive the Letter of Offer along with a tender form, the Eligible Shareholder may participate and tender shares in the Buyback.

13.3. As required under the Buyback Regulations, the dispatch of the Letter of Offer shall be through electronic mode only, within two (2) working days from the Record Date and that if any shareholder requires a physical copy of the Letter of Offer, a request has to be sent to the Company or Registrar to the Buyback and the same shall be provided.

13.4. The Equity Shares proposed to be bought back by the Company shall be divided into two categories; (i) reserved category for Small Shareholders (defined below) and (ii) the general category for all other Eligible Shareholders.

13.5. As defined in Regulation 2(i)(n) of the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price of shares on the Stock Exchanges, on which the highest trading volume in respect of the Equity Shares on the Record Date was recorded, of not more than ₹ 2,00,000/- (Indian Rupees two lakh only).

13.6. In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buy back or the 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.

13.7. Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders in the Buyback.

13.8. In accordance with Regulation 9(ix) of the Buyback Regulations, in order 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 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 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 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. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the registrar and transfer agent as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

13.9. After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.

13.10. The participation of the Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders may opt to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback. Eligible Shareholders 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 Eligible Shareholders, if any.

13.11. The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder should not exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

13.12. The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buyback entitlement to tender Equity Shares in the Buyback. The settlement of the tenders under the Buyback will be done using the mechanism notified by SEBI Buyback Circulars.

13.13. 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.

13.14. Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders as on the Record Date who have their email IDs registered with the Company/ registrar and transfer agent/ depository. However, on receipt of a request by Registrar to the Buyback and Manager to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder (to whom Letter of Offer and Tender Form were emailed), the same shall be sent physically.

14. PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK

14.1. The Buyback is open to all Eligible Shareholders/beneficial owners of the Company holding Equity Shares either in physical or electronic form, as on the Record Date.

14.2. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" pursuant to the SEBI Buyback Circulars ("Stock Exchange Mechanism"), and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

14.3. For implementation of the Buyback, the Company has appointed ICICI Securities Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the Stock Exchange Mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

ICICI Securities Limited
 ICICI Venture House, Appasaheb Marathe Marg,
 Prabhadevi, Mumbai – 400025,
 Maharashtra, India
Tel No.: + 91 022 6807 7469
Fax No.: +91 22 6807 7801
Contact Person: Mitesh Shah
Email: mitesh.shah@icicisecurities.com
Website: www.icicisecurities.com
SEBI Registration No.: INZ000183631
CIN: L67120MH1995PLC086241

14.4. The Company shall request NSE, being the Designated Stock Exchange, to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the Acquisition Window will be as specified by NSE from time to time. For the purpose of this Buyback, National Stock Exchange of India Limited is appointed as the Designated Stock Exchange.

14.5. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Seller Member(s)") during normal trading hours of the secondary market. The Seller Members can enter orders for dematerialized shares as well as physical shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

14.6. In the event the Seller Member of any Eligible Shareholder is not registered with National Stock Exchange of India Limited as a trading member/ stockbroker, then that Eligible Shareholder can approach any National Stock Exchange of India Limited registered stock broker and can register himself by using web based unique client code application ("UCC") facility through that National Stock Exchange of India Limited registered stock broker (after submitting all details as may be required by such National Stock Exchange of India Limited registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register himself by using UCC facility through any other registered stock broker, then that Eligible Shareholder may approach the Company's Broker, to place their bids, subject to completion of KYC requirements as required by the Company's Broker.

14.7. Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will only be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.

14.8. The cumulative quantity of Equity Shares tendered shall be made available on the website of the National Stock Exchange of India Limited (i.e., www.nseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

14.9. Further, the Company will not accept Equity Shares tendered for Buyback which under restraint order of the court for transfer/ sale and/ or title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.

14.10. Procedure to be followed by Eligible Shareholders holding Equity Shares in Demat form:

- Eligible Shareholders who desire to tender their Equity Shares held by them in dematerialised form under the Buyback would have to do so through their respective Seller Member by indicating to the concerned Seller Member, the details of Equity Shares they intend to tender under the Buyback.
- The Seller Member(s) would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of NSE. For further details, Eligible Shareholders may refer to the circulars issued by NSE and NSE Clearing Limited ("Clearing Corporation").
- The details of the settlement number under which the lien will be marked on the Equity Shares tendered for the Buyback will be provided in a separate circular to be issued by NSE or the Clearing Corporation.
- The lien shall be marked in demat account of the Eligible Shareholders for the Equity Shares tendered in the Buyback. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by depositories to the Clearing Corporation.
- In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buyback shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer ("IDT") instruction shall be initiated by the Eligible Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Eligible Shareholder's securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of Equity Shares blocked in the Eligible Shareholders demat account shall be provided by the target depository to the Clearing Corporation.
- For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders no later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted such as bid ID number, application number, depository participant ID, client ID, number of Equity Shares tendered, etc.
- In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the Exchange Bidding System, the bid by such Eligible Shareholder shall be deemed to have been accepted. It is clarified that in case of dematerialized Equity Shares, submission of the tender form and TRS is not mandatory. After the receipt of the demat Equity Shares by the Clearing Corporations and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.
- The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company. In the event if any equity shares are tendered to clearing corporation, excess dematerialized equity shares or unaccepted dematerialized equity shares, if any, tendered by the eligible shareholders would be returned to them by clearing corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the shareholder broker's (seller member's) depository pool account for onward transfer to the eligible shareholder. In case of custodian participant orders, excess dematerialized shares or unaccepted dematerialized shares, if any, will be returned to the respective custodian depository pool account.
- Eligible shareholders who have tendered their demat shares in the buyback shall also provide all relevant documents, which are necessary to ensure transferability of the demat shares in respect of the tender form to be sent. Such documents may include (but not be limited to): (i) duly attested power of attorney, if any person other than the eligible shareholder has signed the tender form; (ii) duly attested death certificate and succession certificate/ legal heirship certificate, in case any eligible shareholder is deceased, or court approved scheme of merger/amalgamation for a company; and (iii) in case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

14.11. Procedure to be followed by the shareholders holding Physical Shares:

In accordance with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, Eligible Shareholders holding Equity Shares in physical form can participate in the Buyback. However, such tendering shall be as per the provisions of the Buyback Regulations. The procedure is as below:

- Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buyback will be required to approach their respective Seller Member(s) along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents include (i) the Tender form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares) (ii) original Equity Share certificate(s), (iii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the Eligible Shareholder's PAN card, (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Based on the documents mentioned in Paragraph 14.11(i) above, the concerned Seller Member shall place the bid on behalf of the Eligible Shareholder who is holding Equity Shares in physical form and intend to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.
- The Seller Member/Eligible Shareholder who places a bid for physical Equity Shares, is required to deliver the original Equity Share certificate(s) and documents (as mentioned in Paragraph 14.11(i) above) along with the TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the registrar to the Buyback i.e. Maheshwari Datamatics Pvt Ltd. ("Registrar") at the address mentioned at Paragraph 17 below or the collection centre of the Registrar details of which will be included in the Letter of Offer on or before the Buyback closing date. The envelope should be super-scribed as "Somany Ceramic Limited – Buyback 2023". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/Eligible Shareholder.
- The Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'Confirmed Bids' and displayed on the website of National Stock Exchange of India Limited.
- In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

14.12. The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt / provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

14.13. The reporting requirements for non-resident shareholders under RBI, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/ or the Seller Member.

15. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- The Company will pay the consideration to the Company's Broker who will transfer the consideration pertaining to the Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to the respective Eligible Shareholders. If any Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by the RBI or relevant bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' settlement bank account or onward transfer to such Eligible Shareholder.
- For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective stock broker's settlement accounts for releasing the same to such shareholder's account. For this purpose, the client type details would be collected from the depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the NSE and the Clearing Corporation from time to time.
- Details in respect of shareholder's entitlement for tender process will be provided to the Clearing Corporation by the Company or Registrar to the Buyback. On receipt of the same, Clearing Corporation will cancel the excess or unaccepted blocked shares in the demat account of the shareholder. On settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- In the case of inter depository, Clearing Corporation will cancel the excess or unaccepted shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with bid accepted detail as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target depository, source depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- Any excess or unaccepted physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned to the Shareholders directly by Registrar to the Buyback. The Company is authorised to split the share certificate and issue new consolidated share certificate or Letter of Confirmation in lieu thereof for the unaccepted Equity Shares in physical form, in case the Equity Shares accepted by the Company are less than the Equity Shares that are tendered.
- The Equity Shares bought back in dematerialized form would be transferred directly to the escrow account of the Company ("Company Demat Escrow Account") provided it is indicated by the Company Broker or it will be transferred by the Company Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- The Seller Member(s) would issue contract note to their respective Eligible Shareholders for the Equity Shares accepted under the Buyback. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Seller Member(s) upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Manager to the Buyback and the Company accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.
- The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Eligible Shareholders' sole risk. Eligible Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- The Equity Shares accepted, bought and lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

16. COMPLIANCE OFFICER

The Company has appointed Ambrish Julka, Company Secretary as the compliance officer for the purpose of the Buyback ("Compliance Officer"). Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. to 5:00 p.m. (IST) on any day except Saturday, Sunday and public holidays, at the following address:

Ambrish Julka, Company Secretary
Somany Ceramics Limited
Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116CIN
Tel. No.: +033-22487406/5913
Email: corporateaffairs@somanyceramics.com
Website: www.somanyceramics.com

17. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

In case of any query, the shareholders may also contact Maheshwari Datamatics Pvt Ltd, the Registrar to the Buyback/ Investor Service Centre for the purposes of the Buyback, on any day except Saturday and Sunday and public holiday between 10:00 a.m. to 5:30 p.m. (IST) at the following address:

Maheshwari Datamatics Pvt Ltd.
 Office No. 23, R.N. Mukherjee Road, 5th floor,
 Kolkata, West Bengal, 700001
Tel.: 033 - 22435809/22435029
Fax: 033 - 22484787
Contact Person: Mr. Ravi Bahl
E-mail: mdpldc@yahoo.com
Website: www.mdpl.in
Investor Grievance Email: mdpldc@yahoo.com
SEBI Registration. No.: INR00000353
Validity Period: Perpetual
CIN: U20221WB1982PTC034886

18. MANAGER TO THE BUYBACK

ICICI Securities Limited
 ICICI Venture House, Appasaheb Marathe Marg,
 Prabhadevi, Mumbai – 400025,
 Maharashtra, India
Tel No.: + 91 - 22 6807 7100
Contact Person: Ashik Joisar
Email: somanybuyback@icicisecurities.com
Website: www.icicisecurities.com
SEBI Registration No.: INM000011179
CIN: L67120MH1995PLC086241

19. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts full responsibility for all the information contained in this Public Announcement to the extent it pertains to the information related to the Company, and for the information in relation to the Company which may be contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued by the Company in relation to the Buyback, and confirms that the information in such documents issued by the Company contain and will contain true, factual and material information and does not and will not contain any misleading information.

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

Shreekant Somany	Abhishek Somany	Sailesh Raj Kedawat	Ambrish Julka
Chairman & Managing Director	Managing Director and Chief Executive Officer	Chief Financial Officer	Company Secretary

Date : December 5, 2023
Place : Noida