

# REPORT ON CORPORATE GOVERNANCE

## The Company's Philosophy on Corporate Governance

Kajaria's (the Company) governance philosophy is based on the trusteeship, transparency and accountability. We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is commitment to values aimed at enhancing an organization's brand and reputation.

As a part of the Company's growth strategy, we continuously review the Corporate Governance practices so that they can be best across the globe. The Company's Code of Conduct and Ethics and Code for prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business Practices.

The Board of Directors are responsible and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interest of the shareholders and other stakeholders.

**The Corporate Governance Philosophy of the Company is based on the following principles:**

- i. Appropriate composition of the Board of Directors;
- ii. Timely disclosure of material and financial information to the Board of Directors and stakeholders;
- iii. Systems and processes are in place to ensure financial control and Compliance of laws; and
- iv. Proper Business Conduct by the Board, Committees, Senior Management and Employees.

## Board of Directors

The Company firmly believes that an active, well-informed and independent Board is necessary to ensure the highest standards

of Corporate Governance to bring objectivity and transparency in the Management. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has vested with the requisite powers, authorities and duties.

## Selection of the Board

In terms of the requirement of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'), the Nomination and Remuneration Committee has been designated to evaluate the need for change in the composition and size of the Board of the Company and to select members to fill Board vacancies and nominating candidates for election by the shareholders at the Annual General Meeting.

## Composition

The Board comprises of such number of Executive and Non-Executive Directors (Independent Director) as required under the applicable legislations. The Board consists of eminent individuals from the Industry, management, technical, finance and marketing. The Company is managed by the Board of Directors in coordination with the Senior Management team. As on 31st March 2017, the Company has ten (10) Directors on its Board out of which five (5) are Executive Directors and five (5) are Independent Directors including one Woman Director. The Board periodically evaluates the need for change in its composition and size.

The details of composition of the Board, nature of directorship, Number of directorships in other companies, Chairmanship/ Membership of the Committee of each director in other Companies, attendance of the Directors at Board Meetings and last Annual General Meeting during the year 2016-17 are given below:

Name	Category of Director	Board Meeting held during his/her tenure	Board Meeting attended	Last Annual General Meeting attended	Directorship* in other companies	Committee Chairmanship of other Boards**	Committee Membership of other Boards**
Mr. Ashok Kajaria (DIN: 00273877)	Chairman & Managing Director (Promoter)	7	7	Yes	1	0	2
Mr. Chetan Kajaria (DIN: 00273928)\$	Joint Managing Director	7	6	Yes	1	0	1
Mr. Rishi Kajaria (DIN: 00228455)\$	Joint Managing Director	7	6	Yes	1	0	0
Mr. Dev Datt Rishi (DIN: 00312882)	Director – Technical (Executive)	7	6	Yes	1	0	0
Mr. Basant Kumar Sinha (DIN: 03099241)	Director – Technical (Executive)	7	3	No	1	0	0
Mr. Raj Kumar Bhargava (DIN: 00016949)	Director (Independent Non-Executive)	7	7	Yes	4	5	2
Mr. Ram Ratan Bagri (DIN: 00275313)	Director (Independent Non-Executive)	7	7	Yes	3	1	3
Mr. Debi Prasad Bagchi (DIN: 00061648)	Director (Independent Non-Executive)	7	7	Yes	8	1	7
Mr. H. Rathnakar Hegde (DIN: 05158270)	Director (Independent Non-Executive)	7	5	Yes	7	5	3
Mr. Sandeep Singhal (DIN: 00040491)@	Director (Independent Non-Executive)	7	1	No	1	0	0
Mrs. Sushmita Shekhar (DIN: 02284266)	Director (Independent Non-Executive)	7	7	Yes	2	0	0

\* Excluded the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 as per Regulation 26 of the Listing Regulations, but included Kajaria Ceramics Limited.

\*\* Included only the Membership / Chairmanship in Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies as per Regulation 26 of the SEBI (LODR) Regulations 2015 including Kajaria Ceramics Limited.

@ Ceased to be Director of the Company w.e.f. 7th February, 2017.

\$ Promoter Group

The Number of directorships, chairmanships and committee memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Mr. Ashok Kajaria, Chairman & Managing Director of the Company is father of Mr. Chetan Kajaria and Mr. Rishi Kajaria, Joint Managing Directors, of the Company. There is no

relationship between any of the Independent Directors.

As mandated by the SEBI (LODR) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), none of the directors of the Company are members of more than ten Board level committees nor are the Chairman of more than five Board level committees in other companies in which they are directors.

## Number of shares held by Independent Directors

Mr. Ram Ratan Bagri, Independent Director holds 40,000 Equity shares of the Company and Mr. Raj Kumar Bhargava, Independent Director hold 18,592 Equity shares of the Company. No other independent director, hold any share of the Company.

## Board Meetings

The Board meets at least once in every quarter to discuss and decide on inter alia business strategies/ policies and review the financial performance of the Company and its subsidiaries and other items on agenda. Additional meetings are held from time to time as and when necessary.

The notice of each Board Meeting is given in writing to each director of the Company. The agenda along with the relevant notes and other material information are sent to each director in advance and in exceptional cases tabled at the meeting.

Also, the Board meetings of the Company have been held with proper compliance of the provisions of Companies Act, 2013, Listing Regulations and Secretarial Standards, as applicable thereon.

During the financial year 2016-17, seven (7) Board Meetings were held, at least one in every calendar quarter and the gap between two consecutive Board Meetings did not exceed - one hundred and twenty (120) days. The dates on which the Board Meetings were held, are as follows:

28th April 2016, 27th May, 2016, 16th June, 2016, 11th July 2016, 3rd August 2016, 20th October 2016, and 24th January 2017.

## Post meeting follow up Mechanism

All the important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions. Action Taken Report on decisions / minutes of previous meetings is placed at the succeeding meeting of the Board / Committee for noting & signing thereon.

## Board Support

The Company Secretary attends the Board / Committee meetings and advises on compliances with applicable laws and governance.

## Separate Meeting for Independent Directors

The Independent Directors of the Company meet once in a calendar year without the presence of Executive Directors and Management Personnel. Such Meeting reviews the performance of Non- Independent Directors and the Board as a whole, review the performance of Chairman of the Board, access the quality,

quantity and timeliness of the flow of information between management and the Board that is necessary for it to effectively and reasonably perform its duties. A meeting of Independent Directors was held on May 15, 2017.

## Familiarisation Programme for Independent Directors

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter-alia explains the role, functions, duties and responsibilities expected from him/her as a director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, the Listing Regulations and other relevant rules & regulations. The Chairman & Managing Director also has one to one discussion with the newly appointed director to familiarize him/her with the Company's Operations. The Board Members are provided with necessary documents, reports and policies to enable them to familiarise with the Company's Procedures and Practices. Periodic presentations are made at the Board and Committee Meetings on Business and performance update of the Company.

The familiarization program has been uploaded on the website of the Company at <http://www.kajariaceramics.com/pdf/FamiliarisationProgrammeforIndependentDirectors.pdf>

## Audit Committee

During the year 2016-17, the Committee met five (5) times i.e. 28th April 2016, 11th July 2016, 3rd August 2016, 20th October 2016, and 24th January 2017. The composition of the Committee and details of meetings attended by the directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Raj Kumar Bhargava	Independent	Chairman	5
Mr. Ashok Kajaria	Executive	Member	5
Mr. Ram Ratan Bagri	Independent	Member	5
Mr. H. Rathnakar Hegde	Independent	Member	4
Mr. Debi Prasad Bagchi	Independent	Member	5

The Committee's Composition meets the requirements of Section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations. Members of the committee possess sound knowledge of accounts, audit, banking, finance and internal controls.

Mr. Ram Chandra Rawat, COO (A&T) & Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company held on 24th August 2016.

### Terms of Reference of Audit Committee

The Terms of reference of Audit Committee as per Provisions of Companies Act 2013 read with Listing Regulations inter alia includes the following:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the Board, the appointment/ re-appointment, and if required, replacement or removal of the statutory auditors, fixation of audit fee and approving payments for any other service rendered by statutory auditors.
- c) Discussion with the statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain areas of concern, if any.
- d) Recommending to the Board of Directors, the appointment / re-appointment of Cost Auditor of the Company.
- e) Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - i. Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Section 134 (3)(c) of the Companies Act, 2013.
  - ii. Changes, if any, in accounting policies and practices and reasons of the same.
  - iii. Major Accounting entries involving estimates based on exercise of judgement by management.
  - iv. Significant adjustments made in financial statements arising out of Audit.
  - v. Compliances with the listing and other legal requirements relating to financial statements.
  - vi. Disclosure of Related Party Transactions.
  - vii. Qualification in draft audit report.
- f) Reviewing with the management, the quarterly, half yearly and annual financial statements before submission to the Board.
- g) Reviewing with the internal auditor and statutory auditors, the adequacy of internal controls and steps taken for

strengthening the areas of weakness in internal controls.

- h) Reviewing the adequacy of internal audit function in the Company and discussing the findings and follow up with the internal auditors.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Evaluation of internal control and risk management system.
- k) Reviewing with the management, the statements of uses/ application of funds raised through an issue.
- l) Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- m) Approval or any subsequent modification of transaction of the Company with related parties.
- n) Review of inter-corporate loans and investments.
- o) Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- p) Reviewing the management discussion and analysis of financial condition and results of Operations.
- q) Valuation of undertakings or assets of the Company, whenever it is necessary.
- r) Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.
- s) Reviewing the functioning of the Whistle Blower Mechanism.
- t) Carrying out such other functions as mentioned in the terms of reference to the Audit Committee.

### Nomination and Remuneration Committee

During the year 2016-17, no meeting of the Nomination and Remuneration Committee was held. The composition of the Committee is as follows:

Name of the Committee Member	Category	Designation
Mr. Debi Prasad Bagchi	Independent	Chairman
Mr. Ashok Kajaria	Executive	Member
Mr. Ram Ratan Bagri	Independent	Member
Mr. H. Rathnakar Hegde	Independent	Member

The Composition of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013

and Regulation 19 of the Listing Regulations.

The Chairman of the Nomination and Remuneration Committee was present in the last Annual General Meeting of the Company held on 24th August 2016.

Terms of reference of the Committee, inter-alia, include:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Formulating the Criteria for evaluation of Independent Directors and the Board.
- Ensuring that:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - Remuneration to directors, key managerial personnel and senior management (one level below the functional heads) involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Devising a policy on Board Diversity.
- Formulating the detailed terms and conditions of the ESOP schemes which shall include the provisions as specified by Board in this regard.
- Framing suitable policies and procedures of ESOP to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.
- To approve the list of employees to whom the scheme is to be granted.
- To determine the procedure for winding up of the scheme.

## Risk Management Committee

During the year 2016-17, one (1) meeting of the Risk Management Committee was held on 24th January, 2017. The composition of the Committee and details of meetings attended by the directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Ashok Kajaria	Executive	Chairman	1
Mr. Chetan Kajaria	Executive	Member	1
Mr. Dev Datt Rishi	Executive	Member	1
Mr. H. Rathnakar Hegde	Independent	Member	1
Mr. R. C. Rawat	COO (A&T) & Company Secretary	Member	1
Mr. Sanjeev Agarwal	CFO	Member	1

The composition of the Risk Management Committee is as per Regulation 21 of the Listing Regulations.

Terms of reference of the Committee, inter-alia, include:

- Identifying, assessing and mitigating the existing as well as potential risk (including strategic, financial, operational and compliance risks) to the Company and to recommend the strategy to the Board to overcome them.
- Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy.
- Developing risk management policy, system and framework for the Company.
- Perform such activities related to this policy as requested by the Board of Directors or to address issues relating to any significant subject within its terms of reference.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its committees and individual directors including Chairman of the Board. The exercise was carried through a structured evaluation process covering various aspects of the Board including committees and every Directors functioning such as composition of Board and committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

The Directors express their satisfaction with the evaluation process.

## Remuneration

### A. Remuneration to Independent Directors

The Independent directors are paid remuneration by way of sitting fees for each meeting of the Board and Committee of directors attended by them. The total amount of sitting fees paid during the financial year 2016-17 was Rs. 15.93 Lakhs. The Independent Directors do not have any pecuniary relationship or transactions with the Company. The criteria of making payment to Non-Executive Directors is disclosed in the Nomination and Remuneration Policy of the Company which is given as Annexure- 4 to the Directors Report and is also disclosed on the website of the Company [https://www.kajariaceramics.com/pdf/nomination\\_remuneration\\_policy.pdf](https://www.kajariaceramics.com/pdf/nomination_remuneration_policy.pdf)

The details of remuneration paid to Independent Directors during the financial year ended 31st March 2017 is as under:

S. No.	Name of Non-Executive Director	Sitting Fees (Rs. in Lakhs)
1	Mr. Raj Kumar Bhargava	3.63
2	Mr. Ram Ratan Bagri	3.63

S. No.	Name of Non-Executive Director	Sitting Fees (Rs. in Lakhs)
3	Mr. Debi Prasad Bagchi	3.63
4	Mr. H. Rathnakar Hegde	2.72
5	Mr. Sandeep Singhal*	-
6	Mrs. Sushmita Shekhar	2.32

\* Ceased to be Director w.e.f. 7th February, 2017

### B. Remuneration to Executive Directors

The appointment and remuneration of executive directors including Chairman & Managing Director and Whole Time Directors is governed by the recommendations of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package and terms and conditions of appointment of Chairman & Managing Director and Whole Time Directors are governed by the respective agreements executed between them and the Company. Their remuneration package comprises of salary, perquisites and commission, if any, as approved by the shareholders at the General Meetings.

The details of remuneration paid to Executive Directors during the financial year ended 31st March 2017 is as under:

(Rs. in Lakhs)

S. No.	Name of Directors	Fixed Component		Performance Linked Incentive	Total
		Salary	Perquisites & other Benefits	Commission	
1.	Mr. Ashok Kajaria	210.00	164.50	-	374.50
2.	Mr. Chetan Kajaria	180.00	141.00	400.00	721.00
3.	Mr. Rishi Kajaria	180.00	141.00	400.00	721.00
4.	Mr. Dev Datt Rishi	47.57	37.27	-	84.84
5.	Mr. Basant Kumar Sinha	37.68	25.75	-	63.43

Presently, the Company does not have a scheme for grant of stock options to any director. As per the contract entered into with the executive directors, there is a notice period of 3 months and there is no severance fee to be paid to the directors.

### Stakeholders Relationship Committee

The Committee is responsible for the satisfactory redressal of investor's grievances and recommends measures for overall improvement in the quality of investor's services. During the year 2016-17, the Committee met five (5) times i.e. 27th May 2016, 30th June 2016, 15th September 2016, 31st December 2016, and 31st March 2017. The composition of the Committee and details of meetings attended by the directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Ram Ratan Bagri	Independent	Chairman	5
Mr. Ashok Kajaria	Executive	Member	5
Mr. Chetan Kajaria	Executive	Member	4

Mr. Ram Chandra Rawat, COO (A&T) & Company Secretary, is the Compliance Officer of the Company.

During the year 2016-17, 44 complaints were received. Out



of 44 complaints, 42 complaints were duly addressed. As on 31st March 2017, 2 complaints were pending, except the cases where the Registrar & Share Transfer Agent is constrained by dispute or legal impediment or due to incomplete or non-submission of documents by the shareholders.

Terms of reference of the Committee, inter-alia, include:

1. Review, on periodic basis, status of grievances relating to transfer, transmission of shares, issue of duplicate shares;
2. Monitor expeditious redressal of investor's grievances;
3. Review instances of non-receipt of Annual Report and declared dividend and
4. Consider all matters related to all security holders of the Company.

### Corporate Social Responsibility Committee

During the year 2016-17, the Committee met three (3) times i.e. 27th April 2016, 27th May 2016 and 24th January 2017. The composition of the Committee and details of meetings attended by the directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mrs. Sushmita Shekhar	Independent	Chairperson	3
Mr. Chetan Kajaria	Executive	Member	3
Mr. Rishi Kajaria	Executive	Member	3

Terms of reference of the Committee, inter-alia, include:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013 and rules made thereunder;
- (b) Recommend the amount of expenditure to be incurred on the CSR activities; and
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

### Business Responsibility & Sustainability Committee

During the year 2016-17, no meeting of the Business Responsibility & Sustainability Committee was held. The composition of the Committee is as follows:

Name of the Committee Member	Category	Designation
Mr. Ashok Kajaria	Executive	Chairman
Mr. Chetan Kajaria	Executive	Member

Name of the Committee Member	Category	Designation
Mr. Rishi Kajaria	Executive	Member
Dr. Rajveer Choudhary	COO (Works)	Member
Mr. Bhupendra Vyas	COO (Marketing)	Member
Mr. Rajeev Gupta	V.P. (HR)	Member

Terms of reference of the Committee, inter-alia, include:

- To oversee the implementation of the Business Responsibility Policy;
- To review the Business Responsibility performance of the Company;
- To carry out such acts as may be delegated by the Board of Directors or as may be prescribed by the law.

### CSR Policy of the Company

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company i.e. [www.kajariaceramics.com](http://www.kajariaceramics.com)

As a part of initiative of CSR drive, the Company has implemented various CSR programmes / projects which made positive impacts mainly in the areas of health, sanitation, conservation of natural resources, sports and promoting education. The CSR programmes initiated by the Company includes taking steps for preventive health care, Swatch Bharat, constructing sanitation facilities in the schools near the manufacturing facilities, contributing to the education and social economic development of under privileged children and for slum area / rural area development.

These projects are in accordance with Schedule VII of the Companies Act, 2013.

Details of CSR initiative taken by the Company during the year is specified in the Annexure- 3 to the Directors Report.

### Management Committee

The Company has a Management Committee of Board of Directors set up to inter-alia oversee routine operations that arise in the normal course of the business such as decision on banking relations, delegation of operational powers, appointment of nominees under various statutes etc. The committee comprises of 4 directors (including one Independent Director) of the Board. The committee reports to the Board and the minutes of these meetings are placed before the Board for confirmation.

## Ethics / Governance Policies

### 1. Code of Business Conduct and Ethics

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Business conduct and Ethics ('the code'). The Company has in place a comprehensive Code of Conduct applicable to all employees and Directors. The code gives guidance and support needed for ethical conduct of business and compliance of laws. The code reflects the values of the Company viz. Company value, Ownership Mind-set, Respect, Integrity, One team and excellence.

A Code of Business Conduct and Ethics is available on the Company website <https://www.kajariaceramics.com/pdf/CodeofBusinessConductethics.pdf>

The code has been circulated to Directors and management personnel.

All members of the Board, the executive directors and senior officers have affirmed compliance to the Code as on 31st March, 2017.

A declaration signed by the Company's Chairman & Managing Director is published in this report.

### 2. Insider Trading Code

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to Promoters, Promoters Group, all Directors, Key Managerial Persons and such other designated employees who are expected to have access to unpublished Price Sensitive Information relating to the Company. The Company Secretary is the Compliance officer for monitoring the adherence to the said regulations.

### 3. Policy on Material Subsidiary

The Company has adopted a policy on material subsidiaries. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiaries is available on the website

of the Company <https://www.kajariaceramics.com/pdf/MaterialSubsidiaryPolicy-kajaria.pdf>

### 4. Related Party Transaction Policy

In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Related Party Transaction Policy. This policy is also available at Company's website at <https://www.kajariaceramics.com/pdf/RelatedPartyTransactionPolicy.pdf>

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related Parties. The policy specifically deals with the review and approval of Material Related Party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

### 5. Dividend Distribution Policy

Pursuant to the Regulation 43A of the Listing Regulations, the Company adopted the Dividend Distribution Policy. The said policy is uploaded at the Company's website i.e. [https://www.kajariaceramics.com/pdf/Dividend\\_Distribution\\_Policy.pdf](https://www.kajariaceramics.com/pdf/Dividend_Distribution_Policy.pdf). The details of the said policy are given as Annexure-A.

### 6. Risk Management Policy

The Company has adopted the Risk Management Policy and the same is also uploaded at the website of the Company i.e. [https://www.kajariaceramics.com/pdf/Risk\\_Management\\_Policy.pdf](https://www.kajariaceramics.com/pdf/Risk_Management_Policy.pdf)

### 7. Business Responsibility Report

Pursuant to the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective in the format as specified by the SEBI is given as Annexure- B. The Company has also framed and adopted the Business Responsibility Policy and the same is uploaded at the Company website at [https://www.kajariaceramics.com/pdf/agm\\_referencer/BusinessResponsibilityReport.pdf](https://www.kajariaceramics.com/pdf/agm_referencer/BusinessResponsibilityReport.pdf)



## General Body Meetings

a) The last three Annual General Meetings were held as per details given below:

Year	Date	Time	Venue	Details of Special Resolutions Passed, if any.
2013-14	1st August 2014	12.00 Noon	A-27 to 30, Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.) - 203205	NIL
2014-15	7th September 2015	3.30 P.M.	Crowne Plaza Today, Sector-29, National Highway-8, Gurgaon - 122001	<ul style="list-style-type: none"> <li>i. Approval of related party transactions</li> <li>ii. Issuance of ESOP to the employees of the Company</li> <li>iii. Issuance of ESOP to the employees of the Subsidiary Company</li> </ul>
2015-16	24th August 2016	4.00 P.M.	Crown Plaza Today, Sector-29, National Highway-8, Gurgaon - 122001	<ul style="list-style-type: none"> <li>i. Re-appointment of Mr. Ashok Kajaria as Chairman &amp; Managing Director of the Company</li> <li>ii. Sub-division of equity shares of the Company</li> </ul>

b) Special Resolution passed through Postal Ballot: During the year 2016-17, no Special Resolution has been passed through Postal Ballot.

c) **Special Resolution proposed to be conducted through Postal Ballot:** Pursuant to the Order dated May 4, 2017 of the National Company Law Tribunal ("NCLT"), Chandigarh Bench, a special resolution is proposed to be conducted through Postal Ballot or e-voting or voting by poll at the meeting venue for approval of the Scheme of Arrangement between Kajaria Securities Private Limited and the Company and their shareholders and creditors ("Scheme").

d) **Procedure for Postal Ballot:**

- In compliance with Regulation 44 of the Listing Regulations read with Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India ("SEBI") and Section 230(4) read with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, the Company will provide facility for casting votes by way of e-voting or postal ballot or voting by poll at the meeting venue to all its members. The Company proposes to engage the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members will have the option to vote either by postal ballot or e-voting or voting by poll at the meeting.
- The Company will dispatch notices of meeting and postal ballot form along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members / List of Beneficiaries as on a Cut-off date decided by Hon'ble NCLT. The Notice will be sent to members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding) / the Company's Registrar and Share

Transfer Agents (in case of physical shareholding). Physical copy of notice will be sent to the members (whose email is not registered). The Company will publish a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and other applicable rules and regulations.

- Voting rights will be reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date decided by Hon'ble NCLT. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutiniser on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutiniser shall submit his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot, e-voting and voting by poll will be announced by the Chairman. The results will also be displayed on the website of the Company i.e. [www.kajariaceramics.com](http://www.kajariaceramics.com), besides being communicated to the Stock Exchanges

e) Except as stated above, the Company did not hold Extra-Ordinary General Meeting of the Shareholders.

## Disclosures

a) **Materially Significant Related party transactions**

During the year 2016-17, there are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries or relatives that had potential conflict with the Company's Interest.

Suitable disclosure as required by Accounting Standard

('AS-18') has been made under Note No. 35 of the Financial Statements. The policy on dealing with related party transactions is also present on the Company's Website: <https://www.kajariaceramics.com/pdf/RelatedPartyTransactionPolicy.pdf>

- b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority during last three years

The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.

- c) Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy with vigil mechanism for directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. No complaint has been received during the year 2016-17.

The details of establishment of vigil mechanism have been disclosed by the Company on its website i.e. [https://www.kajariaceramics.com/pdf/whistle\\_blowing\\_policy.pdf](https://www.kajariaceramics.com/pdf/whistle_blowing_policy.pdf) and in the Board's Report

- d) A certificate on compliance with the conditions of the Corporate Governance under the Listing Regulations issued by M/s Chandrasekaran Associates, Company Secretaries forms part of this report.
- e) The Company has complied with all the corporate governance mandatory requirements specified in the Listing Regulations and following are the details of non- mandatory / discretionary requirements:

Details of Compliance with discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

The status of compliance with discretionary requirements of Part E of Schedule II of Listing Regulations is provided below:

- i) The Board: The Company has appointed an executive chairman, being the promoter of the Company.
- ii) Shareholders' Rights: As the quarterly and half yearly performance are published in the newspapers and are also posted on the Company's Website, the same are

not being sent separately to each household of the shareholders.

- iii) Modified opinion(s) in audit report: The Audit Reports on the Financial Statements for the year ended March 31, 2017 do not contain any modified opinion.
- iv) Separate posts of Chairman & CEO / Managing Director: As per the Articles of Association of the Company and in accordance with the provisions of the Companies Act, 2013, the Company continues to appoint one person as Chairman & Managing Director of the Company.
- v) Reporting of Internal Auditor: Independent Internal Auditor has been appointed and is reporting directly to the Audit Committee.

- f) CEO / CFO Certificate

The Chairman & Managing Director and CFO of the Company have given the "annual certification on the financial reporting and internal controls to the Board of Directors in accordance with the Listing Regulations. The Chairman & Managing Director and CFO of the Company also give quarterly certification on financial results while placing the financial results before the Board in terms of the Listing Regulations. The Annual Certificate given by the Chairman & Managing Director and CFO of the Company is published in this report.

## Means of Communication

### Quarterly, Half-Yearly & Annual Financial Results:

The quarterly, half yearly and annual financial results of the Company are sent to the Stock Exchanges immediately through permitted mode after these have been approved by the Board. These are widely published in the Economic Times, The Financial Express/ Jansatta and Business Standard (both English & Hindi).

These results are simultaneously posted on the website of the Company at [www.kajariaceramics.com](http://www.kajariaceramics.com)

### Investor Release

The official release made to institutional Investors / Analysts, if any, are sent to the Stock Exchanges and also posted on the Company's website.

## General Shareholders Information

Notice relating to Annual General Meeting is sent to the members at their registered address.

### Date, time and venue of the 31st Annual General Meeting ('AGM')

Date : 10th August, 2017

Time : 3.00 P.M.

Venue : Crowne Plaza Today, Sector-29, National Highway-8, Gurgaon - 122001

### Dates of Book closure :

5th August, 2017 to 10th August, 2017 (Both days inclusive)

**Financial Year :**

April 1 to March 31

**Financial Calendar (Tentative)**

First Quarter Results :	2nd week of August 17
Second Quarter/ Half Yearly Results :	4th week of October 2017
Third Quarter / Nine Months Results :	4th week of January 2018
Fourth Quarter / Annual Results for the year ending 31st March 2018 :	2nd week of May, 2018

**Dividend Payment date**

Dividend shall be paid to all eligible shareholders within 30 days from the date of declaration at the 31st Annual General Meeting.

Dividend history for the last 5 years is as under:

Year	Dividend Rate (%)	In per Share (Face value of Rs. 2/-)	Dividend Amount (Rupees in Crores)
2011-12	125	Rs. 2.50	18.40
2012-13	150	Rs. 3.00	22.08
2013-14	175	Rs. 3.50	26.45
2014-15	200	Rs. 4.00	31.79
2015-16	250	Rs. 5.00	39.73

**Unpaid / Unclaimed Dividend:**

All the unpaid / unclaimed dividend up to the financial year 2008-09 have been transferred to Investor Education and Protection Fund (IEPF). No claims will lie against the Company or the Fund in respect of unclaimed amount so transferred.

The unclaimed dividend declared in respect of the financial year 2009-10 is due to be transferred to the Investor Education and Protection Fund.

**Listing on Stock Exchanges:**

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 ('BSE').
- National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400051 ('NSE')

Listing fees for the financial year 2017-18 has been paid by your Company within the stipulated time.

Stock Code : 500233 (BSE) / KAJARIACER (NSE)

ISIN : INE217B01036

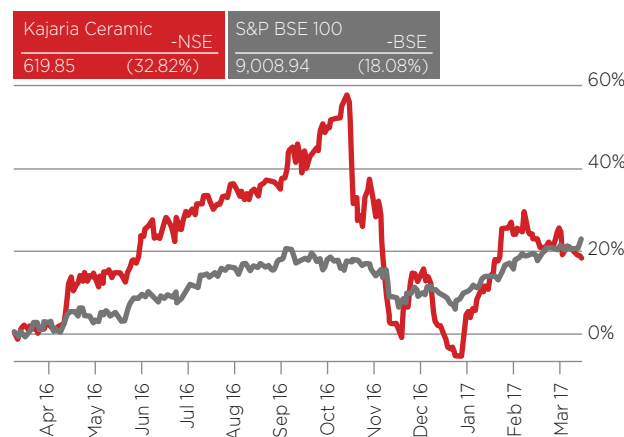
**Market Price Data:**

Monthly High and Low quotation of shares traded on BSE / NSE during the year 2016-17: (in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2016	1073.50	938.00	1074.80	936.15
May, 2016	1113.00	1040.00	1085.00	1035.00
June, 2016	1223.10	1050.00	1229.70	1070.00
July, 2016	1271.15	1187.75	1275.00	1185.00
August, 2016	1289.90	1221.00	1289.90	1220.05
September, 2016	1424.90	1265.05	1427.00	1265.00
October, 2016	1408.00	583.10	1409.90	582.00
November, 2016*	639.00	440.90	639.90	440.15
December, 2016*	540.00	437.30	541.05	437.35
January, 2017*	605.70	469.85	605.25	468.60
February, 2017*	610.65	554.00	609.80	553.10
March, 2017*	599.00	545.05	594.00	545.55

\* Equity shares have been split off from Rs. 2/- each to Re. 1/- each w.e.f. October 4, 2016.

**Performance in comparison to Broad Based Indices of BSE & NSE:**



### Registrar & Share Transfer Agent

The correspondence address of MCS Share Transfer Agent Limited is as follows:

MCS Share Transfer Agent Limited  
F- 65, Okhla Industrial Area, Phase- 1, New Delhi – 110020  
Phone No.: +91-11-41406149-52, Fax No.: 91-11-41709881  
E-mail ID: helpdeskdelhi@mcsregistrars.com

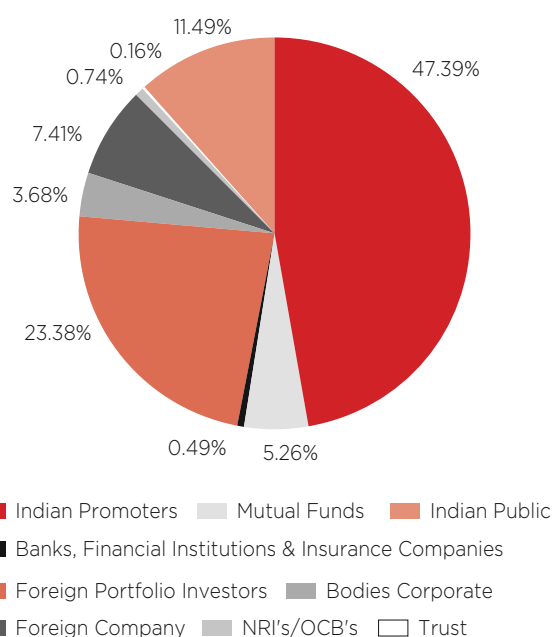
### Share Transfer System

MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent for handling the share registry work relating to shares held in physical and electronic form at single point. The applications and request received by the Registrar and Share Transfer Agent for the transfer of shares held in physical form are processed and the share certificate for the same are sent to the transferee within the stipulated period. A summary of all the transfers, transmissions, deletion requests, etc. approved by the Stakeholders Relationship Committee is placed before the Board of Directors from time to time.

### Shareholding Pattern as on 31.03.2017

Category	No. of Shares Held	Percentage of Shareholding
<b>Promoters</b>		
Indian Promoters	75321502	47.39
<b>Institutional Investors</b>		
Mutual Funds	8366674	5.26
Banks Financial Institutions & Insurance Companies	779728	0.49
Foreign Portfolio Investors	37164683	23.38

Category	No. of Shares Held	Percentage of Shareholding
Bodies Corporate	5848891	3.68
Foreign Company	11770840	7.41
NRI's/ OCBs	1168494	0.74
Trust	253174	0.16
Indian Public	18264014	11.49
<b>Total</b>	<b>158938000</b>	<b>100.00</b>



### Distribution of Shareholding as on 31.03.2017

Category Range	No. of Shareholders		No. of shares	
	Total	% of shareholders	Total	% of share capital
1-500	31693	83.72	3427908	2.16
501-1000	2919	7.71	2370644	1.49
1001-2000	1614	4.26	2513465	1.58
2001-3000	552	1.46	1423690	0.89
3001-4000	260	0.69	936891	0.59
4001-5000	175	0.46	811168	0.51
5001-10000	288	0.76	2062321	1.30
10001 and above	354	0.94	145391913	91.48
<b>Total</b>	<b>37855</b>	<b>100.00</b>	<b>158938000</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in depository systems of both the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As at 31st March 2017, 156314023 equity shares out of 158938000 equity shares of the Company, forming 98.35% of the Company's paid up capital is held in dematerialised form. The status of shares held in demat and physical format is given below:

Particulars	No. of Shares	%
Shares in Demat Form		
NSDL	152331626	95.84
CDSL	3982397	2.51
Shares in Physical Form	2623977	1.65
<b>Total</b>	<b>158938000</b>	<b>100.00</b>

### Outstanding GDRs / ADRs / Warrants or other Convertible Instruments

The Company has not issued any GDR/ADR / warrants or other convertible instruments during the year 2016-17.

### Other Information

a) Corporate Identification Number

L26924HR1985PLC056150

b) Reconciliation Audit for Share Capital

As on 31.03.2017

Reconciliation Audit for Share Capital is carried out at every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Audit Report inter alia confirms that the total listed and paid up capital of the Company is an agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and in physical form.

### Foreign Exchange Risk & Hedging Activities

There is no foreign currency loan outstanding as on 31st March 2017. The details of foreign currency exposure as on 31st March 2017 is provided in Note No. 43 of the Financial Statements. All import liabilities are unhedged because cost of forward premium was higher. However all import liabilities are paid on the due date.

### Plant Locations

The plants of the Company are located as under:

- A-27 to 30, Industrial Area, Sikandrabad, Distt Bulandshahr (U.P.)-203205.
- 19 Km Stone, Bhiwadi – Alwar Road, Village Gailpur, Distt Alwar (Rajasthan) -301707.
- Alwar Shahpura Road, Village & Post Malutana, Tehsil-Thanagazi, District Alwar (Rajasthan)-301022.

### Subsidiary Companies

The Company does not have any material non-listed subsidiary Company as defined in Listing Regulations.

### Address for Correspondence

i. Registered Office:

Kajaria Ceramics Limited  
SF-11, Second Floor, JMD Regent Plaza,  
Mehrauli - Gurgaon Road, Village Sikanderpur Ghosi,  
Gurgaon, Haryana - 122001  
Telefax: +91 - 124 - 4081281

ii. Corporate Office:

Kajaria Ceramics Limited  
J-1/B-1 (Extn.), Mohan Co-operative Industrial Estate,  
Mathura Road, New Delhi - 110044  
Phone: +91-11-26946409  
Fax: +91-11-26946407

### Email ID for Investors

The Company has designated investors@kajariaceramics.com as an email address especially for investors' grievance(s).

### Declaration related to code of conduct to Directors/ Senior Management

In accordance with the Listing Regulations, I hereby declare that all directors and senior management personnel have confirmed the compliance with the code of conduct as adopted by the Company.

For and on behalf of the Board

Ashok Kajaria

Place : New Delhi

Chairman & Managing Director

Date : 15th May, 2017

DIN: 00273877

# CEO & CFO CERTIFICATE

To  
Board of Directors  
Kajaria Ceramics Limited  
New Delhi

Dear Sir,

- A. We have reviewed financial statements and the cash flow statement of Kajaria Ceramics Limited for the year ended 31st March 2017 and that to the best of our knowledge and belief we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware and the steps taken or propose to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. significant change in internal control over financial reporting during the year;
  2. significant change in accounting policies made during this year and that the same have been disclosed in the notes to the financial statement; and
  3. instances to significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi  
Date: 15th May, 2017

Ashok Kajaria  
*Chairman & Managing Director*

Sanjeev Agarwal  
*CFO*



# CERTIFICATE ON COMPLIANCE

## WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

Kajaria Ceramics Limited  
SF-11, Second Floor, JMD Regent Plaza  
Mehrauli Gurgaon Road,  
Village Sikanderpur Ghosi,  
Gurgaon-122001

We have examined all relevant records of Kajaria Ceramics Limited (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Chandrasekaran Associates  
Company Secretaries

**Rupesh Agarwal**  
*Partner*

Place: New Delhi  
Date: 15th May, 2017

Membership No. ACS 16302  
Certificate of Practice No. 5673

# DIVIDEND DISTRIBUTION POLICY

## 1. INTRODUCTION

The Company aims at rewarding its shareholders by sharing a part of its profits after retaining sufficient funds for the growth of the Company. The Company has been able to pursue its aim over years and has been able to maintain fairness, consistency and sustainability while distributing profits to its shareholders. This policy has been framed with an objective to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

## 2. PURPOSE AND REGULATORY FRAMEWORK

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder (the 'Act') and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), as amended from time to time, this Policy provides guidance for declaration of dividend and its pay-out by the Company.

The Board of Directors (the 'Board') will consider the Policy while declaring / recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for recommending / declaring dividend, which takes into consideration all the relevant parameters/circumstances enumerated hereunder or other factors as may be decided by the Board.

## 3. CONCEPT OF DIVIDEND

Dividend is the share of the profit that a Company decides to distribute among its shareholders. The profits earned by the Company can either be retained in the business or can be distributed among the shareholders as dividend.

## 4. TYPES OF DIVIDEND

The Act deals with two types of dividend - Interim and Final.

### Interim Dividend

Interim dividend is the dividend declared by the Board between two Annual General Meetings as and when considered appropriate. The Board shall have the absolute power to declare interim dividend during the financial year, as and when deemed fit. The Act authorises the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements.

### Final Dividend

Final dividend is recommended for the financial year at the time of approval of the Annual Financial Statements. The Board shall have the power to recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

## 5. DIVIDEND DECLARATION

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- I. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- II. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- III. Out of I and II both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, a Company may declare dividend out of free reserves subject to the compliance with the Act.

## 6. PARAMETER / FACTOR GOVERNING DECLARATION OF DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The circumstances for dividend pay-out decision depends on various external and internal factors as under:

### EXTERNAL FACTORS:

The Board shall consider various external factors while declaring dividend including the following:

#### Economic Scenario

The Board shall endeavour to retain a larger portion of profits to build up reserves, in case of adverse economic scenario.

#### Market Scenario

The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.

#### Regulatory Restrictions / Obligations

In order to ensure compliance with the applicable laws, the

Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend.

Statutory obligations under the Act to transfer a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. may impact the decision with regard to dividend declaration.

Dividend distribution tax or any tax deduction at source as required by tax regulations in India, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.

#### Agreements with Lenders / Debenture Trustees

The decision of dividend pay-out may also be affected by the restrictions and covenants contained in the agreements entered into with the lenders or Debenture Trustees of the Company from time to time.

#### Other Factors

Other factors beyond control of the Management like natural calamities, fire, etc. affecting operations of the Company may impact the decision with regard to dividend declaration.

#### INTERNAL FACTORS:

The Board shall consider internal factors while declaring dividend including the following:

- Outlook of the Company in line with business plan
- Profitability;
- Capex needs for the existing businesses;
- Mergers and Acquisitions;
- Expansion / Modernization of the business;
- Cost of raising funds from alternate sources;
- Cost of servicing outstanding debts;
- Funds for meeting contingent liabilities
- Any other factor as deemed appropriate by the Board.

### 7. FINANCIAL PARAMETERS FOR DECLARING DIVIDEND

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavour to provide consistent return over a period of time. While deciding on the dividend, micro and macro economic parameters for the country in general and the Company in particular shall also be considered.

The Board shall endeavour to maintain the Dividend Payout Ratio (Dividend including Dividend Distribution Tax / Profit After Tax) between 20-25% of Consolidated Profit After Tax.

Taking into consideration the aforementioned factors, the Board shall endeavour to maintain a dividend payout.

### 8. UTILISATION OF RETAINED EARNINGS

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilised as under:

- Declaration of dividend - Interim or Final;
- Issue of fully paid-up bonus shares;
- Augmenting internal resources;
- Repayment of debt;
- Funding for Capex / expansion plans / acquisition;
- Any other permitted use.

### 9. CIRCUMSTANCES IMPACTING DIVIDEND PAYMENT

The decision regarding Dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in the business.

The circumstances under which the shareholders may expect dividend would depend upon certain factors mentioned in Clause 6 above.

### 10. PARAMETERS FOR VARIOUS CLASSES OF SHARES

The Authorised Share Capital of the Company is divided into Equity Shares of Re. 1/- each and Preference Shares of Rs. 100/- each. Currently, the Company has one class of issued and subscribed shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution.

As and when the Company shall issue other class of Equity Shares or other kind of shares, this Policy may be suitably amended.

### 11. DISCLOSURE

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.kajariaceramics.com](http://www.kajariaceramics.com).

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

### 12. EFFECTIVE DATE

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2016-17 onwards.

### 13. REVIEW / AMENDMENT

This Dividend Distribution Policy may be amended by the Board, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the provisions of the Act and the Listing Regulations, from time to time. Any amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

# BUSINESS RESPONSIBILITY REPORT

## FOR 2016-17

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26924HR1985PLC056150	
2.	Name of the Company	Kajaria Ceramics Limited ("the Company")	
3.	Registered Office	SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001	
4.	Website	www.kajariaceramics.com	
5.	E-mail id	investors@kajariaceramics.com	
6.	Financial Year Reported	2016-17	
7.	Sector(s) that the Company is engaged in (Industrial Activity code wise)	23913 (Manufacturing Ceramic Products)	
8.	List three key products that Company manufactures (as Per Balance Sheet)	The Company operates in only one segment i.e. Ceramic/ Vitrified Tiles	
9.	Total Number of Locations where business activity is undertaken by the Company		
a)	Number of International locations (provide details of major 5)	Nil	
b)	Number of National Locations	Unit	Location
		Sikandrabad (Uttar Pradesh)	A-27 to 30, Industrial Area, Sikandrabad, Distt., Bulandshahr (U P) -203205
		Malutana (Rajasthan)	Alwar Shahpura Road, Village & Post Malutana, Tehsil-Thanagazi, District Alwar (Rajasthan)-301022
		Gailpur (Rajasthan)	19 Km Stone, Bhiwadi – Alwar Road, Village Gailpur, Distt., Alwar (Rajasthan) -301707
	Registered Office	SF-11, Second Floor, JMD Regent Plaza, Mehrauli-Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001	
	Corporate Office	J1/B1 (Extn.), Mohan Co-operative Estate, Mathura Road, New Delhi – 110044	
10.	Markets served by the Company	The Company operates PAN India and also serves some of the international markets.	

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

- Paid-up Capital (Rs.) - 15.89 crore
- Total Turnover (Gross) (Rs.) - 2718 crore
- Total Profit/(Loss) After Taxes (PAT) (Rs.) - 270 crore
- Total spending on Corporate Social Responsibility (CSR) for the financial year 2016-17 is Rs. 3.37 crore which is 1.25% of PAT
- List of activities in which the expenditure in 4 above has been incurred  
- Refer Annexure 3 of the Directors' Report for the financial year 2016-17.

## SECTION C: OTHER DETAILS

### 1. Does the Company have any subsidiary Company / companies?

As on 31st March, 2017, the Company had 8 subsidiaries including 1 step down subsidiary. The details of the subsidiaries have been disclosed in the Annual Report for the financial year 2016-17.

### 2. Do the subsidiary Company / companies participate in BR initiative of the parent Company? if yes, then indicate the number of such subsidiary Company(s) :

None of the subsidiary companies, directly or indirectly, participate in BR initiatives of the Company.

### 3. Do any other entity / entities (e.g. Suppliers, Distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? if yes then indicate the percentage of such entity / entities (Less than 30%, 30% - 60%, More than 60%).

No

## SECTION D: BR INFORMATION

### 1. Details of Directors responsible for BR

#### (a) Details of the Director responsible for implementation of the BR policies

1. DIN : 00273877
2. Name : Mr. Ashok Kajaria
3. Designation : Chairman & Mg. Director

#### (b) Details of BR Head

S. No.	Particulars	Details
1.	DIN (if applicable)	The Company has constituted a Business Responsibility & Sustainability Committee to oversees the BR implementation. However, the Company does not have a BR head as of now.
2.	Name	
3.	Designation	
4.	Telephone Number	
5.	E-mail id	

### 2. Principle-Wise (as per NVGs) BR Policy / Policies

#### (a) Details of compliance (Reply Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy for...	Yes, the Company has policy for all the principles.								
2.	Has the policy being formulated in consultation with the relevant stakeholders	All the policies have been formulated in consultation with the Management of the Company.								
3.	Does the policy conform to any national / international standards? if yes specify	Yes, as stipulated by the applicable provisions of the Securities and Exchange Board of India.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO/ appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Chairman & Managing Director of the Company.								
5.	Does the Company have a specified committee of the Board / Director / official to oversee the implementation of the policy?	The Company has constituted a Business Responsibility & Sustainability Committee ("BRS Committee") to oversee the implementation of the policy.								
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.kajariac ceramics.com/pdf/BusinessResponsibilityReport.pdf">https://www.kajariac ceramics.com/pdf/BusinessResponsibilityReport.pdf</a>								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
7.	Has the policy been formally communicated to all the relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all the internal and external stakeholders of the Company.									
8.	Does the Company have in house structure to implement the policy/ policies	Yes, the Company have necessary structure in place to implement the policy.									
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company have necessary grievance redressal mechanism, to address the grievance of the relevant stakeholder.									
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company has not carried out independent audit / evaluation of its working by an internal or external agency as of now.									

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of Directors or CEO to access the BR performance of the Company. Within 3 months, 3 months – 6 months, annually more than 1 year.  
The BRS Committee may oversee the BR performance of the Company on annual basis.
- Does the Company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published?  
The BR report is published on annual basis. The Company is publishing the report for the first time for the financial year 2016-2017 and the same can be assessed through the link: [https://www.kajariaceramics.com/pdf/agm\\_referencer/BusinessResponsibilityReport.pdf](https://www.kajariaceramics.com/pdf/agm_referencer/BusinessResponsibilityReport.pdf)

## SECTION E: PRINCIPLE WISE PERFORMANCE

### PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Business should conduct and govern themselves with Ethics, Transparency and Accountability.

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend the group / joint ventures/ suppliers/ contractors/ NGOs/ others?

Our philosophy is based on the trusteeship, transparency and accountability. We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. Any business without ethics cannot win the trust of the stakeholders.

The policy relating to ethics, bribery and corruption is applicable only to the Company. The Company's Code of Business Conduct and Ethics affirms its commitment to the highest standards of integrity and ethics. The copy of the same is available on the website of the Company at <https://www.kajariaceramics.com/pdf/CodeofBusinessConductEthics.pdf>. Compliance with these principles is an essential element in your Company's business success.

Your Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices. The copy of the same is available on the website of the Company at [https://www.kajariaceramics.com/pdf/whistle\\_blowing\\_policy.pdf](https://www.kajariaceramics.com/pdf/whistle_blowing_policy.pdf). Your Company has provided dedicated e-mail address, Whistle officer: [whistleofficer@kajariaceramics.com](mailto:whistleofficer@kajariaceramics.com) Chairman of the Audit Committee: [chairmanauditcommittee@kajariaceramics.com](mailto:chairmanauditcommittee@kajariaceramics.com)

Though the Company encourages and expects the parties associated with its value chain partners like dealers, vendors, supplier, contractors, employees etc. to follow the Code of Business Conduct and principles envisaged in the policy while their interactions with Kajaria Ceramics Limited.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide the details thereof in about 50 words or so.

During the financial year 2016-17, 44 shareholder complaints were received by the Company, out of which



95% of the complaints has been satisfactorily resolved.

The Company did not have any significant external stakeholder complaint in the last financial year.

## PRINCIPLE 2: PRODUCT LIFE CYCLE SUSTAINABILITY

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in manufacturing and selling of tiles, which constitutes almost 99% of its total turnover.

The Company being a leading tile manufacturer in the world, has been innovating and launching products meeting multiple consumer needs, spanning across various income groups, from young to old and everyone in-between. The Company understands its obligations on social and environmental concerns, risks and opportunities.

The Company has deployed best in class technology and process to manufacture tiles which use optimal resources. The Company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw material during design and manufacture of products, focuses to accord highest priority in developing eco-friendly products which meet the best International standards. Further, the Company ensures that all processes, plant, equipment, machinery and material provided at functional site are safe to the people as well as environment.

In addition to the aforesaid, the Company has also taken various energy conservation initiatives like installation of roof solar plant, LED lights etc.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

It is important for your Company to manage the impacts of its product life cycle for the success of its operations. The life cycle of the product covers the entire value chain from sourcing of raw materials, to product manufacture, distribution, consumer use and disposal.

The resources involved in the manufacturing processes are efficient and sustainable and 100% of the inputs are sustainably sourced by the Company.

Further, the Company gives preference in selection of vendors for procurement of raw material, who comply with the various principles of sustainability. Majority of suppliers of raw material are located within a radius of 200 Km of

the manufacturing units of the Company which helps to minimise transportation.

3. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Local sourcing reduces costs, provides local employment benefits and reduced environmental footprint in sourcing.

The Company encourages the sourcing its raw material/stores and other consumables from local economy and small vendors, as far as possible. The Company's contractor who supplies labour services for plant operations employ workmen from nearby communities.

4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.

The production process of the Company is based on principles of optimising the material and energy resources. Therefore, the Company lays high degree of stress to reduce waste associated with its products.

In the said direction, it has installed Effluent Treatment Plant ("ETP") and filter processes at all of its plants and whatever, liquid and solid waste is generated, the same is being recycled and reused in the process. The current waste generation is less than 5% of the total production, majority of which is recycled.

## PRINCIPLE 3: EMPLOYEE WELL-BEING

Business should promote the well-being of all employees

1. Please indicate the total number of employees:

The total number of employees was 2,552 as on 31st March 2017 (on standalone basis).

2. Please indicate the total of employees hired on temporary / contractual / casual basis.

The total temporary/contractual/casual employees were 2,107 as on 31st March 2017.

3. Please indicate the number of permanent women employees: There were 69 women employees as on 31st March 2017.

4. Please indicate the number of permanent employees with disabilities:

There was 1 permanent employee with disabilities as on 31st March 2017.

5. Do you have an employee association that is recognised by management?

We respect the right of employees to free association without fear of reprisal, discrimination, intimidation or harassment. A small section of the employees at Sikandrabad (U.P.) plant have formed a representative group.

6. What percentage of your permanent employees is members of this recognised employee association?

Less than 5%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

We believe that our human capital is one of the most valuable resources to tap the perennial growth of the business.

The Company prohibits child labour, forced labour and involuntary labour in all units. It is ensured that no person below the age of eighteen years is employed in the workplace.

The Company is fully compliant with the prevailing laws on the prevention of sexual harassment of women at workplace. The policy for the prevention of sexual harassment of women at workplace is available on the website of the Company at [https://www.kajariaceramics.com/pdf/prevention\\_of\\_sexual\\_harassment\\_at\\_workplace.pdf](https://www.kajariaceramics.com/pdf/prevention_of_sexual_harassment_at_workplace.pdf). No, complaints relating to sexual harassment were received during the financial year 2016-17.

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

• Permanent employees	:	20%
• Permanent women employees	:	Nil
• Casual/ Temporary / Contractual employees	:	47%
• Employees with disabilities	:	Nil

#### PRINCIPLE 4: STAKEHOLDERS ENGAGEMENT

Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

There are no identified disadvantaged, vulnerable & marginalised stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details, in about 50 words or so.
- Not Applicable

#### PRINCIPLE 5: HUMAN RIGHTS

Business should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?

The policy is applicable only to the Company. The Policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights.

2. How many stakeholder's complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

#### PRINCIPLE 6: ENVIRONMENT

Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?

The policy is applicable to the Company and its subsidiaries.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. if yes, please give hyperlink for web page etc.

In order to address the global environmental issues like climate change, global warming, the Company has embedded many facets related to respecting and protecting environment in its operations and processes.

3. Does the Company identify and assess potential environmental risks?

Yes

4. Does the Company have any project related to clean development mechanism? If so, provide details hereof, in about 50 words or so. Also if yes, whether any environmental compliance report is filed?

The Company does not have any specific project related to clean development mechanism but it has installed Effluent Treatment Plant ("ETP") and filter processes at all of its plants and whatever, liquid and solid waste is generated, the same is being recycled and reused in the process.

Further, all the plants of the Company are based on the

principle of minimal environment footprint.

5. Has the Company undertaken any other initiatives on—clean technology, energy efficiency and renewable energy, etc. Y/N. if yes, please give hyperlink for web page, etc.

The Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy like installation of roof top solar plant in the factory & wind turbine to generate green energy.

Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost. The Company has also commissioned Rain Water harvesting projects within the plant and nearby villages.

6. Are the emission / waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2016-17.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.

Nil

#### PRINCIPLE 7: POLICY ADVOCACY

Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? if yes, name only those major ones that your business deals with:

The Company is member of following trade chambers, associations and forums:

- i. Federation of Indian Chamber of Commerce and Industry
- ii. PHD Chamber of Commerce
- iii. Indian Council of Ceramic Tile and Sanitary ware
- iv. Bhiwadi Manufacturers Association
- v. Sikandrabad Industries Association
- vi. Indian Industry Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)

Your Company is associated with above institutions

with an intention of mutual learning and contribution in development of processes. As and when required, the Company put forth its views on the issues faced by the industry with respective business forums and chambers.

#### PRINCIPLE 8: INCLUSIVE GROWTH

Business should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? if yes details thereof.

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has aligned its CSR programmes/ initiatives/ activities with the requirements of Companies Act, 2013. The Company's CSR activities are being monitored by the CSR Committee constituted by the Board.

The details and impact of the CSR programmes/ initiatives/ activities taken by the Company in the recognised fields are detailed in the CSR annexure attached to the Annual Report of the Company.

2. Are the programmes / projects undertaken through in house team / own foundation / external NGO/ government structure/ any other organisation?

The Company carries such programmes/ initiatives/ activities directly as well as indirectly and strives to ensure a better quality of life for the people while contributing towards a strong economy. All our CSR efforts stem from our well-articulated Corporate Social Responsibility (CSR) Policy and focus on some of the key priorities of the communities.

Assistance of external agencies / expert may be taken as and when required.

3. Have you done any impact assessment of your initiative?
- No formal impact assessment of the initiatives has been undertaken by the Company.

4. What is your Company's direct contribution to community development projects- Amount in Rs. and details of the projects undertaken.

Details of amount spent by the Company by way of CSR Programmes towards the development of the Community have been provided in Annexure 3 of the Directors' Report for the financial year 2016-17.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large.

This helps in increased reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

#### PRINCIPLE 9: CONSUMER VALUE

Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year.

The Company is dedicated to delivering products that satisfy the unmet needs of the consumers. The Company value customer satisfaction as one of its greatest assets. Therefore, it has put in place effective redressal mechanism for addressing customer complaints and handling consumer cases. The system has been created keeping the interest of customers, so that minimum hassles are caused to him/her. The system is periodically reviewed by management team as well. The Company regularly organises feedback and awareness programs for its customers across various

locations. Further all the dealers are advised to ensure that the customer complaints are redressed in the shortest possible time.

The number of such cases are insignificant in comparison to the number of customer in fold.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A

Customers have access to the Company's website which provides host of information on products and services. In addition, information is disseminated to the customers through display board, exhibitions, catalogue, advertisements etc.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide the details thereof, in about 50 words.

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

No

# DIRECTORS' PROFILE

## 1. Mr. Ashok Kajaria (DIN : 00273877)

Mr. Ashok Kajaria is the founding Chairman & Managing Director of the Company, holds a Bachelors in Science (BSc.) Degree and pursued Engineering (BSME) at UCLA (California), USA.

He is widely credited with spearheading a transformation of the tile industry in India and is best known for being the pioneer behind launching large format wall tiles in the country and his catalytic role in revolutionising tile display and marketing.

In his career spanning over 40 years, his vision and foresightedness as an entrepreneur, dynamic leadership, steadfast determination, and global marketing acumen has seen the rise of Kajaria from what started as a 1 MSM tile fledging in 1988 into an industry leader and most respected tile brand in India.

He is the Chairman & Managing Director of Kajaria Ceramics Limited and is the Chairman of Risk Management Committee, Management Committee and Business Responsibility & Sustainability Committee and a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Mr. Kajaria has held several important industry positions including President of PHD Chamber of Commerce, Chairman of the Indian Council of Ceramic Tile and Sanitaryware and member of the executive committee of Federation of Indian Chamber of Commerce and Industry.

Committed to the philosophy that the corporate sector should play a proactive role in promoting the cause of inclusive growth, Mr. Kajaria is keenly involved with the various philanthropic arms of the Company- providing structure and focus to the social outreach initiatives of the Company.

As on 31st March, 2017, he is holding 1047004 shares of the Company.

## 2. Mr. Chetan Kajaria (DIN : 00273928)

Mr. Chetan Kajaria is a Bachelor in Petrochemical Engineering (B.E) from Pune University and holds an MBA from Boston College, U.S.A.

He is the Joint Managing Director of Kajaria Ceramics Limited and a member of the CSR Committee, Stakeholders Relationship Committee, Risk Management Committee, Management Committee and Business Responsibility & Sustainability

Committee.

He started his journey at Kajaria Ceramics Limited in the year 2000 and has been instrumental in giving a new dimension to the Company by opening international standard tile showrooms across the country which has today become an industry trend.

Mr. Kajaria is spearheading the ceramic tile vertical. He is responsible for the first ever acquisition in the Company's history- acquiring a ceramic tile plant in Gujarat for feeding the Western and Southern markets in February 2011.

He spread the concept of value added tiles in the ceramic tile vertical using digital technology from Spain by displaying at dealers' showroom across the country. He had also led the acquisition of a ceramic tile plant in Vijayawada, Andhra Pradesh in April 2012, marking the Company's entry into the growing markets of South India. He has played a key role in making Kajaria Ceramics Limited a leading manufacturer of ceramic wall & floor tiles in India.

As on 31st March, 2017, he is holding 1339880 shares of the Company.

## 3. Mr. Rishi Kajaria (DIN : 00228455)

Mr. Rishi Kajaria holds a B. Sc. in Business Administration from Boston University, U.S.A.

He is the Joint Managing Director of Kajaria Ceramics Limited and is a member of the CSR Committee, Management Committee and Business Responsibility & Sustainability Committee.

Mr. Rishi Kajaria joined Kajaria Ceramics in the year 2003 and spearheads the vitrified tile vertical. Initially, he opted for trading vitrified tiles rather than joining the race of setting up capacities. After importing for 5 years, he decided to manufacture them. The first production unit for vitrified tile was started in Sikandrabad in 2010. Subsequently, Kajaria Ceramics commissioned a huge expansion of vitrified tiles at Gailpur in 2011.

He has also launched high-end showrooms dedicated to showcase glazed vitrified tiles imported from Europe and China targeted at the HNI community in India – seeding the market and living up to the repute of Kajaria brand of marketing aspiration. He commissioned a unit at Gailpur to manufacture glazed vitrified tiles matching the globally-sourced variants and offered it to the Indian customers at considerably lower prices.

He was instrumental in acquiring three tile companies in Morbi, Gujarat and One in Rajahmundry, Andhra Pradesh. With this strategy, he added capacity without any gestation period and acquired reach (West and South) which was critical to capitalise on the various pan-India opportunities. This resulted in additional sales volumes and profit acceleration for the Company. Mr. Kajaria is also responsible for spearheading the lateral shift of the Company into Sanitaryware and faucets in keeping with the overall growth master plan.

As on 31st March, 2017, he is holding 1805716 shares of the Company.

#### **4. Mr. Dev Datt Rishi** (DIN : 00312882)

Mr. Dev Datt Rishi is a B.Sc. (Engineering) Chemical Hons graduate with a Diploma in Management.

He was appointed as Director-Technical of the Company w.e.f. 14th January 2015.

He is an eminent technical professional having experience in a wide spectrum of industries like Chemicals, Fertilizers, Pesticides and Ceramics. He was associated with Kajaria Ceramics since inception in January 1987 when the first tile plant was conceived at Sikandrabad. For more than 20 years, he managed all operations meticulously. Under his dynamic leadership, the Company successfully carried out various expansions. His knowledge and techniques have contributed to production of international standards quality tiles. He has rich experience in the field of production, quality control, R&D, technology transfer, standardization, projects, training and organization development, etc. He was on the Board of the Company w.e.f. 14th May, 1993 and resigned on 30th April 2010. He was again appointed on the Board w.e.f. 14th January 2015.

As on 31st March 2017, he holds 400 shares of the Company.

#### **5. Mr. Basant Kumar Sinha** (DIN : 03099241)

Mr. Basant Kumar Sinha is a B. Tech. (IIT Kanpur), PGDM (AIMA). He has been appointed as Director-Technical w.e.f. 1st May, 2010.

He started his career as Graduate Engineer with Hindustan Sanitaryware and Industries Ltd. and subsequently served with Orient Ceramic Industries Ltd., as General Manager with Somany Tiles, as Senior Vice President with Asian Granito Ltd. and as Technical Director with Kaneria Granito Ltd. before joining Kajaria Ceramics. He has rich experience of about 46 years in the management of production, quality control, R&D, technology transfer, standardization, projects, outsourcing, training and organization development etc. in the field of Tiles

& Sanitaryware.

As on 31st March, 2017, he does not hold any shares of the Company.

#### **6. Mr. Raj Kumar Bhargava** (DIN : 00016949)

Mr. Raj Kumar Bhargava, a B.A. (Hon.) and M.A. is a retired IAS officer.

He is an Independent Director and joined the Board of the Company on 9th November, 1998. He is Chairman of Audit Committee of the Company.

He has served as Industry Secretary, Finance Secretary, Irrigation & Power Secretary and Chief Secretary in U.P. He has also served Government of India as Jt. Secretary Petroleum, Jt. Secretary Industries, Secretary Home and Secretary Urban Development. He has wide experience in industry, finance and infrastructure.

He is holding Directorships in various other public Limited companies.

As on 31st March, 2017, he is holding 18,592 shares of the Company.

#### **7. Mr. H. Rathnakar Hegde** (DIN : 05158270)

Mr. H. Rathnakar Hegde is a Science Graduate.

He is an Independent Director and joined the Board of Director of the Company on 17th January 2012. He is member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee of the Company.

He has served the banking industry for four decades. His most recent position was as the Executive Director of the Oriental Bank of Commerce (OBC), a premier public sector bank in India. Mr. Hegde assumed his responsibilities at OBC on May 16th, 2008. Prior to this Mr. Hegde held the position of General Manager (Credit, Human Resource, Treasury, and Marketing) at Vijaya Bank that was the culmination of 38 years of exemplary service in various capacities. Mr. Hegde has a formidable wealth of knowledge of the Indian Banking Industry.

He also serves on the Boards of several Companies.

As on 31st March, 2017, he does not hold any share of the Company.

#### **8. Mr. Ram Ratan Bagri** (DIN : 00275313)

Mr. Ram Ratan Bagri is a B.Sc. (Engg.), M.S. (Sans) & FIPHE (New York).

He is an Independent Director and joined the Board of Directors



of the Company on 21st January, 2000. He is a Chairman of the Stakeholders Relationship Committee and member of Audit Committee, Nomination & Remuneration Committee and Management Committee of the Company.

He has formally served M/s Geo Miller & Co. Pvt. Ltd. as Sr. Project Engineer from 1967 to 1972 a leading designers and contractors in the field of Public Health Engineering. Since June 1972, he is Managing Director of Clear Water Ltd., a Company specialising in setting up projects on turnkey basis in the field of Public Health Engineering. He is a renowned industrialist and expert in the field of Engineering and Finance.

He also serves on the Boards of several Companies.

As on 31st March, 2017, he is holding 40,000 shares of the Company.

### 9. Mr. Debi Prasad Bagchi (DIN : 00061648)

Mr. Debi Prasad Bagchi, retired IAS officer, MA (Economics) and M.Phil in Public Administration.

He is an Independent Director and joined the Board of the Company on 29th June, 2007. He is a Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Management Committee of the Company.

During his tenure with Government of India, he was also Chief Secretary to Government of Orissa, and is also serving the Board of Directors of the other companies of different business. He has rich experience in General Administration, Management

Strategy, Government Industry Relationship and Corporate Governance. He has also served Government of India as JS, AS, and Secretary.

He also serves on the Boards of several companies.

As on 31st March, 2017, he does not hold any share of the Company.

### 10. Mrs. Sushmita Shekhar (DIN : 02284266)

Mrs. Sushmita Shekhar, a post graduate in English from Patna University. She has completed a Diploma course in Urban Town Planning from the Human Settlement Management Institute (HSMI), New Delhi and a Certification course in Enhancement of Managerial Capability from the Indian Institute of Management (IIM) Lucknow.

She was appointed as an Independent Director w.e.f 30th March 2015. She is Chairperson of CSR Committee.

She has over 28 years of experience in the industry, international organisations and development sector. She has held various posts / assignments in various organisations including PHD Chamber of Commerce and Industry, Sulabh International Social Service Organisation and took various assignments for Government of India.

Presently she is President of MA. (My Anchor) Foundation, an NGO. She also serves on the Boards of several companies.

As on 31st March, 2017, she does not hold any share of the Company.