

ANNEXURE - B BUSINESS RESPONSIBILITY REPORT FOR 2019-20

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.

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.

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	2019-20
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)	1
b) Number of National Locations	54

Manufacturing units:

Unit	Location
Sikandrabad (Uttar Pradesh)	A-27 to 30, Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.) - 203205
Malootana (Rajasthan)	Alwar Shahpura Road, Village & Post Malootana, Tehsil: Thanagazi, Distt.: 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: J-1/B-1 (Extn.), Mohan Co-operative Industrial 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

1 Paid-up Capital (Rs.) - 15.90 Crores

2 Total Turnover (Gross) (Rs.) - 2571.80 Crores
 3 Total Profit/(Loss) After Taxes (PAT) (Rs.) - 278.80 Crores
 4 Total spending on Corporate Social Responsibility (CSR) for the financial year 2019-20 is Rs. 5.98 Crores which is about 2.14% of PAT.
 5 List of activities in which the expenditure in 4 above has been incurred - Refer Annexure 3 of the Directors' Report for the financial year 2019-20.

SECTION C: OTHER DETAILS

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

As on 31st March, 2020, the Company had 6 subsidiaries and 1 step down subsidiary. The details of the subsidiaries have been disclosed in the Annual Report for the financial year 2019-20.

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 & Managing Director

(b) Details of BR Head

S. No.	Particulars	Details
1.	DIN	00273877
2.	Name	Mr. Ashok Kajaria
3.	Designation	Chairman & Managing Director
4.	Telephone Number	+91-11-26946409
5.	E-mail id	investors@kajariaceramics.com

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 regulations of the Securities and Exchange Board of India. The Company has also adopted various standard specified by the International Organization for Standardization (ISO) as under: <ul style="list-style-type: none"> • ISO 9001:2008 for Quality Management System • ISO 14001:2015 for Environmental Management System • OHSAS 18001:2007 for Occupational Health & Safety Management System • SA 8000:2008 for Social Accountability Standards • ISO 22000:2005 for Preparation & Serving of Vegetarian Food/Non-Alcoholic Beverages for employees & visitors in its canteen • ISO 50001:2011 - Energy Conservation • Membership: India Green Building Council (IGBC) • CE Certified Product • BISL: ISI Certified product (IS15622/2017) 								
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.								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	https://www.kajariaceramics.com/pdf/BusinessResponsibilityPolicy.pdf								
7.	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Communication is on-going process. For this purpose, 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 has necessary structure in place to implement the policies.								
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 has 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?	As a part of compliance with ISO Standards adopted by the Company, an external agency evaluates the implementation of ISO Standards. However, the Company has not carried out independent audit / evaluation of working of the BR Policy 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 usually oversees the BR performance of the Company on annual basis.

- **Does the Company publish a BR or a 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 has started publishing the BR report from F.Y. 2016-2017. The BR report for F.Y. 2019-20 may be accessed through the Company's website link https://www.kajariaceramics.com/pdf/Business_Responsibility_Report_2019-20.pdf.

SECTION E: PRINCIPLE WISE PERFORMANCE
PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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

- 1. **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 fairest 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, leak of Unpublished Price Sensitive Information with respect to the Company, etc. The copy of the same is available on the website of the Company at https://www.kajariaceramics.com/pdf/whistel_blowing_policy.pdf. Your Company has provided dedicated e-mail address, Whistle officer: whistleofficer@kajariaceramics.com Chairman of the Audit Committee: 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.

2. 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 2019-20, 18 shareholder complaints were received by the Company and 1 shareholder complaint was pending at the beginning of the financial year 2019-20. All these 19 complaints were duly resolved and thus, no complaint is pending as on 31st March, 2020.

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, Rain Water Harvesting, 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 minimize transportation. Engagement of Transporters are done based on conditions like young vehicles, need for drivers to carry pollution certificates and drivers & support staff to always carry safety kits, etc. The Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

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?

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.

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

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 numbers of permanent employees were 2521 as on 31st March 2020.

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

The total temporary/contractual/casual employees were 1185 as on 31st March 2020.

3. Please indicate the number of permanent women employees:

There were 84 women employees as on 31st March 2020.

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

There was 1 permanent employee with disabilities as on 31st March 2020.

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 recognized employee association?

Less than 10%

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 at the workplace is available on the website of the Company at

https://www.kajariaceramics.com/pdf/prevention_of_sexual_harassment_at_workplace.pdf. No, complaints relating to sexual harassment were received during the financial year 2019-20.

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

o Permanent employees	:	53%
o Permanent women employees	:	51%
o Casual/ Temporary / Contractual employees	:	59%
o Employees with disabilities	:	100%

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 & marginalized stakeholders?

There are no identified disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized 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 webpage 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, the Company has the risk management mechanism in place to identify and assess the existing and potential risks across its operations.

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?

Yes, Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2019-20.

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 Sanitaryware
- iv. Bhiwadi Manufacturers Association
- v. Sikandrabad Industries Association
- vi. Indian Industry Association
- vii. Bhiwadi Chamber of Commerce and Industries

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 Corporate Social Responsibility Committee constituted by the Board.

The details and impact of the CSR programmes/ initiatives/ activities taken by the Company in the recognized 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 2019-20.

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 organizes 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 Company has also provided Toll Free Number facility to entertain the customer complaints and the Company always endeavors to resolve the complaints at the earliest.

The numbers of such cases are insignificant in comparison to the numbers of customers 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. The Company also displays all information as mandated by the regulators to ensure full compliance with relevant laws.

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