



“Kajaria Ceramics Limited – The 36th Annual General Meeting through Video Conferencing”

September 23, 2022



MANAGEMENT: MR. ASHOK KAJARIA – CHAIRMAN.
MR. CHETAN KAJARIA – JOINT MANAGING DIRECTOR.
MR. RISHI KAJARIA – JOINT MANAGING DIRECTOR.
MR. RAJ KUMAR BHARGAVA - INDEPENDENT DIRECTOR AND CHAIRMAN OF AUDIT COMMITTEE.
MR. DEBI PRASAD BAGCHI – INDEPENDENT DIRECTOR AND CHAIRMAN OF NOMINATION AND REMUNERATION COMMITTEE.
MR. H. RATHNAKAR HEGDE – INDEPENDENT DIRECTOR.
MRS. SUSHMITA SINGHA – INDEPENDENT DIRECTOR AND THE CHAIRPERSON OF STAKEHOLDERS RELATIONSHIP COMMITTEE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.
MR. DEV DATT RISHI – NON-EXECUTIVE DIRECTOR.
MR. RAM CHANDRA RAWAT – COO (A&T) COMPANY SECRETARY.

**MR. SANJEEV AGARWAL – CHIEF FINANCIAL
OFFICER.**

**INVITEE(S) MR. NEERAJ SHARMA – WALKER CHANDIOK & CO
LLP, STATUTORY AUDITORS.
MR. RUPESH AGARWAL - CHANDRASEKARAN
ASSOCIATES, SECRETARIAL AUDITORS.
DR. LALIT KUMAR PANWAR
MR. SUDHIR BHARGAVA**

Moderator: Dear members. Good afternoon and warm welcome to all of you at the 36th Annual General Meeting of Kajaria Ceramics Limited through video conferencing. As a reminder for the smooth conduct of the AGM, the members will be in mute mode and audio and video will be open only for the pre-registered speakers to speak at the AGM as per the pre-registration. I now hand over the proceedings to Mr. Ram Chandra Rawat, COO (A&T) and Company Secretary of Kajaria Ceramics Limited. Thank you and over to you sir.

Mr. Ram Chandra Rawat: Dear Members, Chairman, Board of Directors and other stakeholders and the dignitaries present at the AGM. I, Ram Chandra Rawat, COO and Company Secretary of your Company, welcome all of you at the 36th AGM of the company, conveyed through video conferencing in accordance with the circulars issued by the MCA and the SEBI. This is to confirm that the requisite quorum as required under applicable law is present at the AGM through video conferencing. Participation of the members through video conferencing is reckoned for the purpose of quorum as per circulars issued by the MCA and the SEBI read with Section 103 of the Companies Act 2013. Therefore, I declare the AGM as validly convened.

The venue of this AGM will be deemed at the Registered Office of the Company. The transcript of the AGM will be uploaded on the website of the Company. The Company has send the annual report for the financial year 2021-22 and notice of 36th AGM to all the members on their registered email address available with the company of the depositories, except who requested for the physical copy, has been send and to all other persons who are entitled for the same. The same is also available on the website of the Company, NSDL, and the stock exchanges, i.e. BSE and NSE. Members may note that the facility for joining this AGM through video conferencing is made available for the members on a first come first serve basis. The company has received request from few members to register them as speakers at the meeting. Accordingly, members who have pre-registered themselves as a speaker will be allowed to speak on the announcement of their names. I would also like to draw the attention of the members to the fact that requisite registers and all other documents as referred in the notice are available for the inspection electronically during the AGM. Members seeking to inspect such documents can also send their request to investors@kajariaceramics.com.

Now, I would request Mr. Ashok Kajaria, Chairman of the Company to take the proceedings further.

Mr. Ashok Kajaria: Thank you Mr. Rawat. Very good afternoon everybody. Dear Members, my fellow Board Members and other stakeholders and dignitaries present in this meeting. I welcome you all at the 36th Annual General Meeting of Kajaria Ceramics Limited. It is a pleasure to connect with all of you at this AGM and again meeting you virtually. On behalf of your Company's Board of Directors I would like to thank you for taking out your time to join us today.

I would like firstly to introduce the board members present in the meeting. Mr. Chetan Kajaria, Joint Managing Director of the Company. Mr. Rishi Kajaria, Joint Managing Director of the Company. Mr. Raj Kumar Bhargava, Independent Director and the Chairman of the Audit Committee. Mr. Debi Prasad Bagchi, Independent Director and the Chairman of the Nomination

and Remuneration Committee, Mr. H. Rathnakar Hegde, Independent Director, Mrs. Sushmita Singha, Independent Director and the Chairperson of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company, Mr. Dev Datt Rishi, Non-Executive Director of the Company. Dr. Lalit Kumar Panwar, proposed to be appointed as Independent Director of the company at this AGM. Mr. Sudhir Bhargava, proposed to be appointed as an Independent Director of the company at this AGM. We have also with us Mr. Sanjeev Agarwal, Chief Financial Officer of our Company, Mr. Neeraj Sharma, Walker Chandiok, Statutory Auditors of the Company and Mr. Rupesh Agarwal, Chandrasekaran Associates, Secretarial Auditors of the Company.

The Company has made all efforts feasible under the current circumstances to enable the members to participate in the AGM video conferencing proceeding and vote electronically. Now I read my Chairman's speech.

Dear shareholders, I warmly welcome all of you to the 36th Annual General Meeting of Kajaria Ceramics Limited, being conducted for the third consecutive year through the virtual mode. Transitioning to this mode has proved beneficial as it has increased shareholders' participation. We very much appreciate your generous support and on behalf of the Kajaria Board of Directors, I thank you for taking out the time from your busy schedules to join us.

I am proud to present your Company's First Integrated Annual Report. The 2022 report provides a compelling view of our business's current state, joining both our financial and non-financial outcomes. Also, we have introduced 'Business Responsibility and Sustainability Report' ("BRSR") which contains detailed Environmental, Social and Governance ("ESG") disclosures. Though BRSR reporting is not mandatory for us for the financial year 2021-22 but being a responsible corporate, we have adopted the framework voluntarily.

Fiscal 2022 has been a year of exceptional growth. Against a backdrop of geopolitical volatility and high commodity prices, the company has posted the highest sales volume of 91.67 MSM (growth of 22% YoY) with record revenues Rs. 3,705 crores (growth of 33% YoY) for the financial year ended 2022. EBITDA margin for the year stood at a healthy 16.5%. Our Bathware business grew at 32% for the year and Plywood grew by 69% for the year; both these businesses account for 9% of our total revenues. The Board has recommended a final dividend of Rs.3/- per share. Together with the interim dividend of Rs.8/- per share already paid, the total dividend for FY22 amounts to Rs.11/- per share.

In keeping with the medium-term opportunities that are expected to play out, we have added our manufacturing capabilities Pan-India which commenced operations in the first quarter of FY23. Moreover, we are working out the contours of our subsequent strategic investments. I would also mention that after some lacklustre years the green shoots of recovery of the real estate sectors are clearly visible. The positive rub-off of this uptick is evident in our sales volumes and financials for the first quarter of FY23.

Friends, we meet at a time when India is the shining star on an otherwise dark global horizon. In such times, India responded to the pandemic with admirable resilience and posted a remarkable recovery driven by the Government's proactive policy measures to emerge as one of the fastest-growing major economies in the world.

On the global side, risks have heightened owing to geo-political tensions and severe economic stress caused by untamed inflation and supply-side disruptions. Recessionary trends and the growing debt burden of nations are also taking a toll on global economic health. The future appears challenging. Global risks have been further accentuated. The continuing war and increasingly geo-polarity have scaled prices of food, fuel, minerals and metals to unprecedented highs. It has destabilised the already fragile supply chain equation.

Despite these near-term global risks, the India story remains intact and the economy is poised to remain one of the fastest growing in the world. This is primarily owing to the vision of the Government, its unwavering focus on ground breaking reforms and the timely introduction of policy interventions that continue to spur the economic momentum. The same was reinforced in Our Honourable Prime Minister speech on 15th August 2022 when we celebrated Azaadi Ka Amrut Mahotsav – the 75th anniversary of India's Independence. In his speech, he talked about “Amrit Kaal” and India@2047 and has given us a clear roadmap to make the next 25 years the most transformational period for our country. He has set an ambitious target of positioning India “among the top two economies of the world” by 2047. For this, he has defined a clear path through The Panch-Pran, or the Five Imperatives. This clarion call of ‘Nation Building’ is expected to unleash unprecedented growth opportunities for enterprises across sectors. Notwithstanding near-term challenges, your Company is optimistic about the prospects of the Indian economy. We are well poised to seize emerging opportunities and make a meaningful contribution to national priorities.

On behalf of the company, I want to assure you that we will leave no stone unturned in our efforts to evolve our approach to match the dynamics of the market. We are proud of our employees, for their dedication that has positioned us so well for the future. I offer sincere thanks to our JV partners, our vendors, our dealers, our finance partners and central & state governments for the continuous support. I thank you, our valued shareholders for your continued support which inspires us to drive the organisation to greater heights. I wish you and your families a healthier and happier future. I would also urge you to continue following all Covid-appropriate protocols. Because our war with this invisible enemy is not completely over. Stay Safe, Stay Healthy. Thank you friends for joining. Now, I will request Mr. Rawat to proceed further.

Mr. Ram Chandra Rawat: Thank you sir. The attention of the members is on to the fact that, there is no qualification, reservation, adverse remarks, comments, observation, or disclaimer given by the statutory auditors and in secretarial auditors in their reports. Now, I would request the Chairman of the company to take the proceeding further.

Mr. Ashok Kajaria: Thank you Mr. Rawat. As the notice is already circulated to all the members. I take the notice convening the AGM as read. Now I'd like to take up the resolutions as set forth in the notice of 36th AGM dated August 30, 2022, There are five ordinary businesses and two special businesses as follows.

Ordinary business:

Item No. 1- Ordinary resolution relates to adoption of audited standalone and consolidated financial statements of the company for the financial year ended 31st March 2022 and reports of the Board of Directors from hereon.

Item No. 2- Ordinary resolution relates to declaration of a final dividend of Rs.3 per share for equity share for the financial year 21-22.

Item No. 3- Ordinary resolution relates to appointment of Director in place of Mr. Chetan Kajaria who retires for rotation at this AGM and being eligible has offered himself for reappointment.

Item No. 4- Ordinary resolution related to appointment of Directors in place of Mr. Rishi Kajaria who retires by rotation at this AGM and being eligible has offered himself for reappointment.

Item No. 5 - Ordinary resolution relates to reappointment of Walker Chandiook & Co Chartered Accountants as a special auditor of the company for a second term and to fix their remuneration.

Special business:

Item No. 6- Special resolution relates to appointment of Dr. Lalit Kumar Panwar as an Independent Director of the company.

Item No. 7- Special resolution relates to appointment of Mr. Sudhir Bhargava as an Independent Director of the company.

Before we proceed, I would like to inform the members that in compliance with the provisions for the Companies Act 2013 and SEBI listing obligations and disclosure requirements regulations 2015 the company has provided the facility to cast the vote electronically during September 20, 2022 to September 22, 2022 on all resolutions set forth in the 36th AGM notice. Members who have not cast their votes electronically and who are participating this AGM will have an opportunity to cast their votes at the AGM through the e-voting system provided by NSDL. Members may please note that there will be no voting by show of hands. The company has appointed Mr. Shashikant Tiwari, Partner of M/s Chandrasekaran Associates, Company Secretaries, Delhi as Scrutinizer for scrutinizing the voting process in a fair and transparent manner.

Moderator: Thank you. Before we go live with the questions-and-answers there are some points to be noted for your convenience. Kindly turn on your video when you are projected on the broadcast screen

and proceed to ask a question. Please mention your name, folio number and the location from where you're joining. Each member registered as speaker shareholder will have three minutes for his or her question. His or her audio and video will be opened on the announcement of his or her name. Over to you sir.

Mr. Ram Chandra Rawat: To avoid any repetition all questions will be responded at the end. Once you have asked your question you can mute and continue to watch the proceedings. I would like to welcome members registered themselves as speaker. Mr. Toni Bhatia, Mr. Pradeep Sood, Mr. Lokesh Gupta, Mr. Ajay Khurana, Mr. Ashok Kumar Jain.

Moderator: Thank you very much. We will now begin with the question-and-answer session. I now invite the first speaker shareholder, Mr. Toni Bhatia. Please unmute your audio and video from your device and proceed with your question.

Mr. Toni Bhatia: Respected Chairman sir, Board of Directors and my co-friends. I hope you won't mind me speaking in Hindi. Chairman sir firstly you gave us a beautiful Chairman speech, I am 100% sure our company has got a very, very bright future, and you gave us such a marvelous results also. I am thankful to you, entire board, Rishi, Chetan, and staff at all levels. I'm going to read out a few lines in this regard. Sir, our revenue is 3750 crores, EBITDA 611 crores, net worth 377 crores, EPS 23.59, final dividend Rs.3 and interim dividend you already gave us Rs.8 per share total comes to 1100%, Rs.11 on Rs.1 share such a marvelous Mr. Chairman, I'm thankful for giving us such a marvelous dividend, such a marvelous results you gave us I am thankful to you. Ceramics wall and floor tiles growth in sales 16% over 2021, polished vitrified tiles growth in sales 19% over 2021, glassitic vitrified tiles growth in sales 35%, bathware growth in sales 32%, ply wood this 123% such a marvelous Mr. Chairman, for that I would like to thank your sons as well Chetan and Rishi, the Board and to all employees I would like to praise everyone who have got us such results and its your hard work in this. I am a very old shareholder of your company, since inception just immediately after the public issue. I don't remember that nicely but in 97, Rs.10 share was put at a price of Rs. 5 and today I am happy to know that Rs.1 share is Rs.1200 such a marvelous work Mr. Chairman. I would request you to think about bonus share in coming times. I see Somany in which I am their share holder since 79, but you have defeated them and it should be appreciated. Today we have got more than 1700 dealers all over pan India, such a marvelous Mr. Chairman. One more thing, Mr. Chairman important point, in early days I saw that lot of our shares were transferred, I meant shareholders I had one request one of my friend was in Bangalore and he was into a Bank and he used to travel different cities and he had lot of shares in different companies like Reliance Industries, Hindustan Lever, ACC they have been transferred to IEPF. So, my respected Chairman, we also saw that on page number 116, lot of people's shares were transferred and you had send them registered post notice, that non-cashment of dividend so do look into their shares which went in the IEPF. You have shown the corporate governance you have shown in such a good manner for this the credit goes to CFO and Company Secretary, you have worked a lot of CSR activities and I would like to praise you all for that. Our Prime Minister Mr. Narendra Modi has also focused a lot of this and you are also doing the same that is good. I would like to say that if possible we should again start the

physical meeting so that we can meet you like we used to meet with you three years back, earlier in Gurgaon five star and before that we used to meet in Bulandshahr city earlier so if it's possible do think about physical meeting if he future permits. Not taking much time, I would also like to thank the secretarial department for providing me the link and the Chorus team who helped me to join. With these words, once again I support and seconded the balance sheet, god bless you Mr. Chairman. Thank you sir.

Mr. Ram Chandra Rawat: Thank you. Mr. Pradeep Sood.

Moderator: Thank you. Mr. Pradeep Sood, is connected on audio.

Mr. Pradeep Sood: I welcome the Board of Directors and I am thankful to them for giving me time to speak. Chairman sir the way you have been working for the company with complete faith and devotion for the company is great and you have given new heights to the company's share and given us good dividend and good return and we have complete faith and we hope that in coming years you work in similar manner and give greater height to our company and shares and give us more dividend in future we have complete faith on you. I would like to thank Mr. Chetan, young generation who is following your path and taking the company towards success. I want to thank our company secretary as well for solving my grievances on email and we get instant replies for that. I would suggest to issue bonus shares and get better dividend than this. Our company is in such a position in which it's not a difficult task to do so. I would again thank you Mr. Chairman and our secretarial department too, Mr. Rawat, Sachin & Vinit ji. We request you to continue the same good work and all shareholders are with you and hoping for better results next time when we connect next time. Thank you very much.

Mr. Ram Chandra Rawat: Thank you Mr. Sood. Mr. Lokesh Gupta.

Moderator: Mr. Gupta please unmute your audio and video from your device and proceed.

Mr. Lokesh Gupta: Sir. I am Lokesh Gupta welcoming you Chairman sir and all board members. Sir I am a very old shareholder of the company, I do connect on physical meeting also and since two years connecting on VC mode as well. Sir your Chairman speech was excellent in which you mentioned everything about the company. Sir we saw the bad phrase of COVID and now everything is unlocked and we are progressing now. I would like to know two to three things, sir we are in export and there what benefit we are getting of the dollar change. Second is the raw material cost which has increased a lot so are we passing it further in such competitive market and what will that effect on our margin, do let us know about it. As earlier shareholders also said that I would like to thank you for your leadership and the work you did so far and for a healthy dividend also. Other shareholders also asked for bonus shareholders and I will join them for the same. Do think about a bonus share. Earlier shareholders mentioned about physical meeting but I would like to add one more point in it, if we are doing a physical meeting then do keep 10 to 15 minutes for VC mode so that people can connect with you. Everyone knows the weather of Delhi so it's good to use technology and stay connected, so do practice this. I won't say much about Mr. Rawat as we have been connected from with him from a long time and the way he

works is very nice, I connected with him yesterday and he shared me the link and I could connect. However the situation would be we will always connect with you like we did in the past and we will continue the same in future as well. Thank you sir.

Mr. Ram Chandra Rawat: Mr. Ajay Khurana.

Moderator: Thank you. Sir, there's some issue with the line for Mr. Ajay Khurana, we'll move on to the next speaker shareholder.

Mr. Ram Chandra Rawat: Ashok Kumar Jain.

Moderator: Mr. Jain. Please unmute your audio and video from your device and proceed with your question. Mr. Ashok Kumar Jain, please unmute your audio and video from your device and proceed with your question.

Mr. Ashok Kumar Jain: Thank you. It seems like there is some kind of lag in our connection. Thank you so much. So, first of all very good evening Mr. Chairman sir, all the Board of Directors on the 36th AGM and each and every member of the staff, as well as the management of Kajaria and all my co-shareholders who are present in this forum. So sir actually all my questions and all my doubts have already been covered in your glorious speech, as well as in the other questions that have been raised earlier. I also want to congratulate you for the good results and for the dividend payout that has been given in the last financial year. So sir as we see that today's scenario is increasing, and India is on a progress of becoming the fastest growing economy. So how are we planning in this regard for any reward of any kind to the shareholders, be it in the form of right issue, or bonus share or anything of such kind. The company as well as the infrastructure of our country is progressing at a very good pace, and it is also expected to progress at much faster in the coming future. So, is the company taking any further steps to protect the interests of the shareholders. So, that's my only question from you today. Again, I would like to thank the management as well as the compliance and secretarial department for giving me this opportunity to connect with you so much easily and put forward my doubt directly in this platform. Thank you.

Mr. Ram Chandra Rawat: Thank you.

Moderator: Thank you. Sir Mr. Ajay Khurana is reconnected on audio. Please proceed with your question.

Mr. Ajay Khurana: Chairman sir good afternoon. First of all, I would like to congratulate you for your advice, and your blessings to junior, Kajaria Rishi and Chetan and all the Directors who have their experience in the line. But we want you should also continue to give your valuable guidance to us sir. Second sir, on the corporate side the company is doing well. They have given a good dividend but sir we want more, we want some bonus issue, they should be considered at a reasonable point of time by you sir. And the third one sir, this is the best opportunity which is given by your corporate affair department Mr. Rawat, Mr. Vinit and Chorus Call people who have enabled me to be on board with you on this virtual platform, which is the need of the hour

where every stakeholder whether it is a shareholder or director or an stakeholder, they can just join from every nook and corner of the world. It is not pan India, it is a pan world stage. And last but not least sir, so we want you should give a round of applause to our company secretarial department, which has done best compared to last year. Thank you sir, thank you very much for giving me the opportunity. Jai Hind sir. Thank you.

Mr. Ram Chandra Rawat: Jai Hind.

Moderator: Thank you. That was the last speaker shareholder. Over to Mr. Ram Chandra Rawat for further proceedings.

Mr. Ram Chandra Rawat: We confirm the question got from all the members, now I would request the Chairman to address the question raised by the members.

Mr. Ashok Kajaria: Good afternoon friends, I think few questions have been raised. Let me answer that, first let me tell you even at the difficult times, your company has decided two years back that, whatever will be your net profit out of that 40% to 50% we are distributing as a dividends am I correct, 40% to 50% is dividend. So, when it comes to that you can understand that the company is making sure that you and the shareholder gets adequate benefit of whatever the company earns.

Point number two regarding exports, let me tell you last year, I'll give you some data as well, last year the industry exported roughly about 12,700 crores is exports, this year because of the competitiveness of the Indian industry in spite of the raw material like gas being going up. The country will export something like 17,000 crores plus this year. So it's a positive atmosphere as far as a company is concerned. Third, the raw material cost basically our gas costs have gone up sky high because of the war and not only the cost has gone up there has been some cut in gas, which is causing some production to be cut also. And looking at that scenario still we increase the prices from 1st of September by about 2.5%, but we have not been able to pass on the entire cost to the trade yet because we have to see how the scenarios goes. I would also tell you about the one-month plant shutdown in Morbi too from 10th of August to 10th of September, because things were very, very tough on the ground. So, looking at that we are trying to do whatever best possible. And you would have noticed that one of our colleagues said, earlier in physical very few people were able to interact but now because of this video conferencing and zoom. Many, many people are able to connect whether they are sitting in any part of India or abroad they are able to connect and join us. So, right now we would like to continue with this because more and more people are getting involved, more and more people who would like to take the benefit of this.

So with this question I thank you all very much for sparing your valuable time to be with us today. And thanks a lot. I will now move on to the e-voting at the AGM. I hope that the membership cast their vote suitably. However, the members who have not yet cast their votes may cast vote now. The e-voting process will remain open for another 30 minutes from now. The combined results for the remote e-voting and e-voting at the AGM will be announced on the seat of the consolidated report of the scrutinizer, not later than two working days or three

days from the conclusion of this meeting, whichever is earlier. And the same will be submitted to the stock exchanges i.e. BSE and NSE and will be available on the websites of the company and NSDL. The same will also be displayed at the registered office as well as the corporate office of the company.

Friends, you might be aware the tenure of too far esteem Directors Mr. Raj Kumar Bhargava and Mr. Debi Prasad Bagchi, as the Independent Directors of the company will be completed on the conclusion of this AGM. I, on behalf of the board and all of you place on record sincere appreciation to both of them for the association with the company since more than a decade by providing their support, guidance and immense encouragement for growth of the company. I also like to tell you that I have learned a lot in the process from both these gentlemen and they have been guide and mentor to me also. I will take an opportunity to thank all of you who have supported us during this virtual meeting and participated in the best possible manner. I hereby declare the AGM is closed. Thank you very much.