



Kajaria

“KAJARIA CERAMICS LIMITED”

September 12, 2023

Management:

Mr. Ashok Kajaria, Chairman & Managing Director
Mr. Chetan Kajaria, Joint Managing Director
Mr. Rishi Kajaria, Joint Managing Director
Mr. H Rathnakar Hegde, Independent Director & Chairman of the Audit Committee
Mrs. Sushmita Singha, Independent Director & Chairperson of the Nomination & Remuneration Committee and the Corporate Social Responsibility Committee
Dr. Lalit Kumar Panwar, Independent Director
Mr. Sudhir Bhargava, Independent Director and Chairman of the Stakeholders Relationship Committee of the Company
Mr. Dev Datt Rishi, Non-Executive Director
Mr. Kartik Kajaria
Mr. Ram Chandra Rawat, COO (A&T) and Company Secretary
Mr. Sanjeev Agarwal, Chief Financial Officer
Mr. Nalin Jain, Walker Chandiook & Co LLP, Statutory Auditors
Dr. S. Chandrasekaran, Chandrasekaran Associates, Secretarial Auditors

Moderator: Dear Members, good afternoon and warm welcome to all of you at the 37th 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 opened 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) & Company Secretary of Kajaria Ceramics Limited.

Mr. Ram Chandra Rawat: Dear Members, Chairman, Board of Directors and other stakeholders and dignitaries present at the AGM. I, Ram Chandra Rawat, COO (A&T) & Company Secretary of your Company, welcome all of you at the 37th AGM of the Company convened 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 purpose of quorum as per the circulars issued by the MCA and the SEBI read with Section 103 of Companies Act, 2013. Therefore, I declared the AGM as validly convened.

The venue of this AGM will be deemed at the Registered Office of the Company. The transcript of this AGM will be uploaded on the website of the Company. The Company has sent the Annual Report for the financial year 2022-23 and the notice of 37th AGM to all the members on their registered e-mail addresses available with the Company, Depositories, except who requested for the physical copy of the same and to all other persons who are entitled for the same. The same is also available on the websites of the Company, NSDL and 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 requests from few members to register them as speakers at the meeting. Accordingly, members who have pre-

registered themselves as the speakers 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 the requisite registers and all other documents as referred in the Notice are available for inspection electronically during the AGM. Members seeking to inspect such documents can also send their requests to investors@kajariaceramics.com.

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

Mr. Ashok Kajaria: Thank You Mr. Rawat. Namaskar and good afternoon to everybody. Dear Members, my fellow board members and other stakeholders and dignitaries present in this meeting, I welcome all of you at the 37th AGM of Kajaria Ceramics Limited. It is my 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 the time out 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. H Rathnakar Hegde, Independent Director & Chairman of the Audit Committee, Mrs. Sushmita Singha, Independent Director & Chairperson of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the Company, Dr. Lalit Kumar Panwar, Independent Director, Mr. Sudhir Bhargava, Independent Director and the Chairman of the Stakeholders Relationship Committee of the Company. Mr. Dev Datt Rishi, Non-Executive Director of the Company. We have also with us, Mr. Sanjeev Agarwal, Chief Financial Officer of the Company, Mr. Kartik Kajaria, he is elder son of Mr. Chetan Kajaria. Mr. Nalin Jain, Walker Chandiok & Co LLP, Statutory Auditors of the Company, Dr. S. Chandrasekaran, 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 through the video conferencing facility and vote electronically.

I warmly welcome you all at your Company's 37th Annual General Meeting, conducted for the fourth consecutive year through the virtual platform, a remarkable showcase of digital India dream. I am pleased to see the growing participation at this important forum, and on behalf of Kajaria's Board of Directors, I thank you for taking the time from your busy schedule to join us.

Coming directly to the business, I am delighted to mention that your Company has reported satisfying growth in a year that endured considerable volatility. This year has been remarkable as we crossed the 100 MSM mark in sales volume. This is a momentous milestone as your Company is the first in the domestic tile industry to cross this benchmark. I sincerely thank all our stakeholders for their unstinted support in making this dream come true.

During the year, we made considerable investments in our tile business. The most promising investment was in the Continua Plus technology for tile manufacturing. We look forward to realizing the full benefits of this contemporary technology going forward. Besides this, we have also entered into a Joint Venture for putting up a tile manufacturing facility in Nepal with a capacity of 5.1 MSM per annum.

From a financial perspective, we reported healthy numbers. Our revenue from operations crossed the INR 4,000 crores mark with a considerable margin. Our profitability was impacted owing to higher gas prices and other inflationary headwinds. As a result, the EBITDA and Net Profit dipped marginally over the previous year.

Your Company has always looked upon challenges as opportunities to become better. This was amply demonstrated in financial year 2023. Since gas availability remained a perpetual concern and gas price volatility increased, we started using Biofuel along with Natural Gas in

some of our tile manufacturing operations, thereby effecting a structural transformation.

In continuing our policy of sharing the profits with our shareholders, the Board has recommended a final dividend of INR 3 per share. Together with the interim dividend of INR 8 per share already paid, the total dividend for financial year 2023 amounts to INR 11 per share.

Turning to the future, I am very optimistic on India's growth story. India is striding ahead with disciplined determination towards its vision of Amrit Kaal. India's resilient growth in the face of a dismal global environment is a testament to the slew of policy measures unleashed by our ambitious Government.

Our entire nation is buoyed by optimism and deeply engaged in realizing India's promise of moving up the global pecking order. What is noteworthy is that such an outlook prevails when the world is grappling with serious issues affecting growth across all major economies, making India shine as a beacon of hope for the world.

While the potential is increasingly alluring, we must remain mindful that we are not decoupled from the world and the adversities arising out of several global crises, namely climate change, persisting inflation, supply chain disruptions, muted demand conditions in some major economies and the impact of geopolitical dynamics.

At this juncture, I wish to reassure shareholders that your Company is perfectly positioned to capitalize on the opportunities that are visible on the horizon. Our robust Balance Sheet provides a sufficient runway to implement our strategic initiatives at will.

This year also marks the 35th anniversary of our Company's operations and it gives me immense pleasure to say that over these three and a half decades, we have created impressive wealth for our esteemed shareholders. As we advance, your Company and the entire Kajaria team will work untiringly to ensure we remain ahead of the sectorial curve.

Before I close, I thank all our stakeholders for their continued support. Moreover, I thank you, our valued shareholders, for your trust in our capabilities, which inspires us to drive the organization to greater heights. Thank you....Jai Hind.

Now, I request Mr. Rawat to proceed further.

Mr. Ram Chandra Rawat: Thank you, sir. The attention of the members is drawn to the fact that there is no qualification, reservation, address remark, comments, observation or disclaimer given by the Statutory Auditors and the Secretarial Auditors in their reports. Now, I would request the Chairman of the Company to take the proceedings further.

Mr. Ashok Kajaria: Thank you. As the notice is already circulated to all the members, I take the notice convened the AGM as read. Now, I would like to take up the resolutions as set forth in the notice of 37th AGM dated July 26, 2023.

There are three ordinary business as follows:

Item number one, ordinary resolution, relates to adoption of audited standalone and consolidated financial statements of the Company for the financial year ended 31st of March, 2023 and the reports of the Board of Directors and Auditors thereof.

Item number two, ordinary resolution, relates to declaration of a final dividend of INR 3 per equity share for the financial year 2022-23.

Item number three, ordinary resolution, relates to appointment of Director in place of Mr. Dev Datt Rishi, who retires by rotation at this AGM and being eligible has offered himself for re-appointment.

Before we proceed, I would like to inform the members that in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, the Company has provided the facility to cast the votes electronically during September 8, 2023 to September 11, 2023 on all resolutions set forth in the 37th AGM notice.

Members who have not cast their votes electronically and who are participating in this AGM will have an opportunity to cast their votes at the AGM through the e-voting system provided by NSDL and 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 very much. Before we go live with the questions and answers, here are some points to be noted for your convenience. Kindly turn your video when you're projected on the broadcast screen and proceed to ask the question. Please mention your name, folio number and the location from where you're joining.

Each member registered as speaker will have three minutes for his or her question. His or her audio and video will be open on the announcement of his/her names. I now hand over the proceedings to Mr. Ram Chandra Rawat. Over to you, sir.

Mr. Ram Chandra Rawat: To avoid the 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 the members registered themselves as the speaker. Mr. Toni Bhatia, Mr. Pramod Kumar Jain, Mr. Surender Kumar Arora, Mr. Gagan Kumar, Mr. Manjeet Singh.

Moderator: Thank you very much. We will now begin with the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. I now invite the first speaker shareholder, Mr. Toni Bhatia. Please accept the prompt on your screen. Unmute your audio and video from your device and proceed with your question. Ladies and gentlemen, we will wait for a moment while Mr. Bhatia unmutes his connection, Mr. Bhatia.

Mr. Toni Bhatia: Okay. Respected Chairman, eminent Board of Directors and my friends shareholders. Sir, Chairman, you gave us such a beautiful Chairman speech. And you have explained about the Company working, such a

fantastic working you gave was for that Chairman sir, entire Board, all employees whoever who has made the company to reach to this extent. I will congratulate and give best wishes and Kartik ji in this Company you have included him for this I congratulate you. I am 100% sure with God's grace, the Company will give us further best results.

Now I am coming to the points. Revenue from operations is INR4,382 crores and EBITDA INR 592 crores, although that is slightly lower, but I have full faith. Net worth INR 2,327 crores, that is also slightly lower. Anyhow, you gave us a dividend of 1100% total, interim and final, total 1100%, such a good dividend you gave us. I am thankful Mr. Chairman, thankful to you. There is all round progress in the Company, tiles, bathware, etc. There is all round progress. Our Company is number one in the tile company and seventh largest in the world.

Such a marvelous Mr. Chairman. Our Company brand that has been conferred with super brand 12 times consecutively this year 2022-23 despite facing persistent challenges our Company have crossed significant milestone and made remarkable progress. Chairman such a marvelous for this I am going to appreciate all, you, Chetanji and Rishiji. Yes. Corporate governance, you have shown in such a good manner for this credit goes to our Company Secretary Rawatji and CFO Agarwalji.

CSR activities in this regard, I will say, CSR activities. One important point, Mr. Chairman, page number 114, this is unclaimed dividend. You have transferred in IEPF; you have to do that. I had a request from you, Mr. Chairman, about this, because I have seen on page number 114, every year huge amount has been transferred to IEPF. So, I have a request from you, those who are not claiming, send them 2-3 reminders. I am giving you one example of my friend, Mr. Kinney, Bangalore based. Sir, strictly speaking, my respected Chairman, in many of his companies, Reliance 2,000 shares, ACC, 600 shares, like this, have gone to IEPF.

He says to me, I have gone crazy about the company and the office of IEPF, nothing is happening yet. So, my request to you, Mr. Chairman, is this, if you want to transfer, those who are not encashing, send them 2-3 reminders, if possible. About the quality, Mr. Chairman, I will tell you, never compromise on this. It is only the quality; it is the thing that has brought our Company to this position. So, big companies were much earlier than us, but it is your praise that you have left all the companies and today it is the number one Company, a tile company. It is worthy of praise.

Without taking much time, Mr. Chairman, once again, I thank you, Mr. Chairman, the entire board, Rishiji, Chetanji, and all the employees who have worked hard to bring this Company to this position. I hope that with God's grace, we will continue to show good results. And for the link, for the balance sheet, I thank the Company Secretary. I thank you. I said that I have a lot of difficulty in reading the balance sheet, send me a hard copy. I got the hard copy within 2-3 days. And for the link, I am talking to you today. I thank the Company Secretary. With these words, once again, I support and support the balance sheet. God bless you, Mr. Chairman. Thank you, sir.

Moderator: Thank you very much. I now invite the next speaker shareholder, Mr. Pramod Kumar Jain. Please unmute your microphone and proceed with your question.

Mr. Pramod Kumar Jain: Namaskar. I am Pramod Jain from Delhi. I thank the Chairman, the Board of Directors, and the Secretarial Department for giving me the opportunity to speak in this AGM. And I support all the proposals and resolutions today. Sir, I am a very old shareholder of the Company. I went to the physical meeting in Sikandrabad for 8 to 10 years. After that, I also attended all your AGMs in Gurgaon.

And for the past 4 years, I have been continuously watching VC. Today, it is my good fortune that I was given the opportunity to speak as a speaker in this. I thank the Secretarial Department very much. Sir, you

have explained in detail about the Company's present and future in your opening speech. There is no need to ask. My friend Tony Bhatia has also asked a lot of questions.

Sir, I want to know if the Company plans to give a bonus in the future. Today, our share is trading at a very good level. Please pay attention to this. Is there any proposal to raise funds in the future? Please let me know. And I thank the Secretarial Department very much. Sir, I thank you and your entire team. In your leadership, Kajaria will progress a lot. Thank you very much. I will take your leave. Namaste. Jai Jinendra.

Moderator: Thank you very much. I now invite the next speaker shareholder Mr. Surendra Kumar Arora. Please unmute your microphone and proceed with your question.

Mr. Surender Kumar Arora: Greetings, Chairman, sir. Myself Surender Kumar Arora, attending this meeting from Noida, Chairman, sir, first of all, I would like to congratulate you for your wonderful and very informative speech. That speech cleared many doubts. Thank you very much. Sir, I have two questions. First, what is our market share? Second, in the unorganized sector in the tile business, what is our plan to take that market share? Like any kind of secondary brand or like that, please let us know. Remaining sir, if you think of bonus, it will be good. For attending this meeting, Company Secretary and his team has taken lot of efforts and supported well, they should be praised for that. Thanks to everyone for their efforts. Thank you very much, sir.

Moderator: Thank you very much. I now invite the next speaker shareholder Mr. Gagan Kumar, please accept the prompt on your screen, unmute your audio and video from your device and proceed with your question.

Mr. Gagan Kumar: Good afternoon, Mr. Chairman, Board of Directors and fellow shareholders. Myself Gagan Kumar, I am joining this meeting from Delhi. As previous speaker said, I am also a very old shareholder in the Company and I have also attended AGMs in Sikandrabad and Gurgaon.

It looks good, when we see face value of share of INR 1, is now trading at INR 1,400.

And the amount of appreciation our investment has received by investing in this Company, there will be only few companies in which we have received such type of appreciation. I thank you and the Board for this. We invested in such a company, our hard earned money, which was appreciated by the share price and we got the dividend. Now only the bonus is left. If you think a little about the bonus, it will look very good.

Second question is, can you inform the initiative taken by the Company on sustainability and climate change. In our total income, how much is added through online, in per Please let us know. How much we spend under R&D, how much we spend on total income, tell us about it. My one point was already covered by the previous speaker, so I will not repeat it. I hope that, we will have a hybrid meeting in the near future.

We have not been able to meet you for many years. Today we are fortunate to meet you online. I hope that we will have a hybrid meeting in the near future. And we will be able to meet you again in the same way as we used to meet in the old days. Thank you so much for giving me this opportunity. And highest corporate governance under the leadership of our CFO and CS and the entire Secretarial team. Thank you so much.

Moderator: Thank you very much. I now invite the next speaker shareholder Mr. Manjeet Singh. Please accept the prompt on your screen, unmute your audio and video from your device and proceed with your question.

Mr. Manjeet Singh: Kajaria management team and Secretarial team and my co-shareholder, I welcome you all and I pray that everyone stays healthy. The way Kajaria has increased its business, we feel that, in 2023-24, it will bring more good business. We expect this from you. We have presented the June quarter results, in which our net sale is high and our profit is also high year to year. Our net sale is high and our profit is also high, For the

good result, I congratulate you. I would like to say that the promoter's holding is less. Will you think about it? Can you buy back? If you have any such expectations, then discuss it in the board meeting.

Sir, you are the world's peer. We have placed our hopes on you for bonus. And we expect bonus from you. We have shown continues 13% growth shown from last 10 years, from 2013 to 2023. Our plants are dependent on renewable energy? If you tell us about this, it will be good. Our plants have a water harvesting system. If not, then there are some plans to implement them?

And the employees who work on our plant, what is the standard level of their insurance? Does the Company provide them with insurance or do they provide it themselves? Joint venture was coming up with Nepal, what is the progress of that? If you tell us a little about to the shareholder's investment and the code of BSE is 500233 & NSE symbol is KAJARIACER, thank you for the Secretarial team and management of Kajaria.

Thank you for the management team of Kajaria Ceramic. Thank you for the Secretarial team of Kajaria Ceramic. The Secretarial department has connected us to you. We are talking to you smoothly. I would like to congratulate you on this. To the Secretarial department and to you, also. Thank you for the Kajaria. Thank you.

Moderator: Thank you very much. That was the last speaker shareholder. I now hand over the proceedings to Mr. Ram Chandra Rawat. Over to you, sir.

Mr. Ram Chandra Rawat: We conclude the questions-and-answers sessions from all these members. Now, I request the Chairman to address the questions raised by the members.

Mr. Ashok Kajaria: Thank you. I think some of the questions already answered, which were asked. Let me try to answer. One is unclaimed dividend as asked by Tony Bhatia ji. I agree, we will send more reminders and see what can

be best done. And as you agree, once the term is over, we have no option but to put it to and transfer it to the government.

Surender Aroraji asked about the market share. The market share, the tile industry is roughly today about INR 60,000 crores. INR 42,500 crores is domestic and INR 17,500 crores is exports. We are more domestic oriented company and out of INR 42,500 crores, Kajaria did a turnover of almost INR 3,900 crores for tiles. So our market share is roughly about 9.5%. And now, after GST, there is no difference between the Morbi players/regional players or any of the national players. So, at taxation front, that issue doesn't stand anymore.

Gagan ji asked about this climate thing. If you read our ESG report, it covers all the topics. Online ad, we are spending about INR 10 crores. What we did last year was about INR 10 crores. R&D, we spent about INR 7.5 crores. Then renewable energy, we have started using biofuel at our two plants in the Gailpur and Sikandrabad. Roughly, biofuel, in these two plants is about 35% as of today. And for the total gas consumption, is about 18% to 20% for all the seven plants.

Then regarding the water, you will be happy to note that none of the plants of Kajaria takes out/throws out a single ounce of water. Although, a tile plant uses a lot of water, but whatever water is being used, it is recycled. So nothing comes out of the plant.

Insurance for people, we are one of the few companies who has done term insurance for our people. That's something like life insurance, where if an accident happens, his family gets a certain amount of money depending on the pay grade he's in. So I think I have answered most questions. As far as bonus point is concerned, I have no comment. Thank you.

Now, I will now move on the e-voting during the AGM. I hope that the members have cast their votes suitably. However, the members who have not yet cast their vote may cast vote now. The e-voting process will remain open for another 30 minutes from now. The combined results of

the remote e-voting and e-voting at the AGM will be announced on receipt 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 BSE, NSE and will also 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.

I will take this opportunity to thank all of you who have supported us during the virtual meeting and participated in the best possible manner.

I hereby declare the AGM as closed. And thank you all once again.