



“Kajaria Ceramics Limited
38th Annual General Meeting”

September 06, 2024



MANAGEMENT:

MR. ASHOK KAJARIA – CHAIRMAN & MANAGING DIRECTOR – KAJARIA CERAMICS LIMITED

MR. CHETAN KAJARIA – JOINT MANAGING DIRECTOR – KAJARIA CERAMICS LIMITED

MR. RISHI KAJARIA – JOINT MANAGING DIRECTOR – KAJARIA CERAMICS LIMITED

MR. DEV DATT RISHI – NON-EXECUTIVE DIRECTOR – KAJARIA CERAMICS LIMITED

MR. SUDHIR BHARGAVA – INDEPENDENT DIRECTOR AND CHAIRMAN OF AUDIT COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE – KAJARIA CERAMICS LIMITED

MRS. SUSHMITA SINGHA – INDEPENDENT DIRECTOR AND THE CHAIRPERSON OF NOMINATION AND REMUNERATION COMMITTEE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE – KAJARIA CERAMICS LIMITED

DR. LALIT KUMAR PANWAR – INDEPENDENT DIRECTOR – KAJARIA CERAMICS LIMITED

MR. RAJENDER MOHAN MALLA – INDEPENDENT DIRECTOR – KAJARIA CERAMICS LIMITED

MR. RAM CHANDRA RAWAT – COO(A&T) & COMPANY SECRETARY – KAJARIA CERAMICS LIMITED

MR. SANJEEV AGARWAL – CHIEF FINANCIAL OFFICER – KAJARIA CERAMICS LIMITED

MR. KARTIK KAJARIA – HEAD (ADHESIVE DIVISION) – KAJARIA CERAMICS LIMITED

MR. NALIN JAIN – WALKER CHANDIOK & Co LLP, (STATUTORY AUDITORS)

MR. RUPESH AGARWAL – MANAGING PARTNER, CHANDRASEKARAN ASSOCIATES (SECRETARIAL AUDITORS)

MR. SHASHIKANT TIWARI – PARTNER, CHANDRASEKARAN ASSOCIATES (SCRUTINIZER)

Moderator: Dear members, good afternoon and a warm welcome to all of you at the 38th 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. Over to you.

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) and Company Secretary of your company welcome all of you at the 38th 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 requisite quorum as required under applicable law is present at the AGM through video conferencing. Participation of the members through video conferencing is accounted 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 conveyed. 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 Annual Report for the financial year 2023-24 and the Notice of the AGM, to all the members on their registered email addresses available with the Company/Depositories, except who have 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 / NSE. Members may note that facility for joining this AGM through video conferencing is made available for the members on a first come first basis.

The Company has received request from few members to register them as a speaker 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 inspection electronically during the AGM.

Members seeking to inspect the documents can also send their request to investor@kajariaceramics.com. Now, I would request Shri Ashok Kajariaji, Chairman of the Company to take the proceedings further.

Ashok Kajaria: Thank you Mr. Rawat. Namaskar, everybody. Dear members, my fellow board members and other stakeholders and dignitaries present at the meeting. I welcome all of you at the 38th 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 all for taking the time out to join us today. I would like first to introduce the board members present at the meeting:

Mr. Chetan Kajaria, Joint Managing Director of the Company.

Mr. Rishi Kajaria, Joint Managing Director of the Company.

Mr. Dev Datt Rishi, Non-Executive Director of the Company.

Mr. Sudhir Bhargava, Independent Director and Chairman of the Audit Committee and the Stakeholders Relationship Committee of the Company.

Mrs. Sushmita Singha, Independent Director and Chairperson of the Nomination and Remuneration Committee and the Corporate Social Responsibility Company of the Company.

Dr. Lalit Kumar Panwar, Independent Director of the Company.

Mr. Rajender Mohan Malla, Independent Director of the Company.

Mr. Sanjeev Agarwal, Chief Financial Officer of the Company.

Mr. Kartik Kajaria, Head (Adhesive Division) of the Company.

Mr. Nalin Jain, Walker Chandiook & CO LLP, Statutory Auditors of the Company.

Mr. Rupesh Agarwal, Chandrasekaran Associates, Secretarial Auditors of the Company.

The Company has made all efforts feasible to enable the members to participate in the AGM through the video conferencing facility and vote electronically. I would like to go through my speech.

A very warm welcome to you to your Company's 38th Annual General Meeting. Despite your busy schedules, your participation shows your interest in the Company's performance and prospects, for which I am deeply appreciative and thankful. Your confidence and support motivate us to stay on course and contribute meaningfully to a resurgent India.

India, today, stands out in a world roiled by uncertainties. Businesses globally have had to navigate the aftermath of human conflicts, geopolitical shifts, supply chain disruptions, and technological transformations. Yet, amidst these uncertainties, we have remained steadfast, guided by our purpose and commitment to creating stakeholder value.

Our journey deeply resonates with the ethos of "Atmanirbhar Bharat". Through relentless innovation, strategic capacity enhancements and capitalising on emerging high-growth opportunities, we have not only established a business of global scale but also contributed significantly to the nation's self-reliance. In doing so, we have sustained our growth despite tough market conditions.

We ended the year on a positive note with an appreciable increase in profits and profitability, a testament to the value-addition strategy we have meticulously followed over the years. Further, we commissioned greenfield capacities dedicated to value-added products that will accelerate profitable business growth over the coming years.

Moreover, the recently concluded fiscal year was pivotal from a strategic perspective as we firmed up our future investment strategies, which we will initiate in the current year. In a breakthrough decision, we have set up our first manufacturing facility outside the Indian borders – in Nepal and you will be happy to know that the unit has started commercial production today.

We intend to invest Rs 225-250 crore per annum for the next three years in gearing our business for the next round of growth, which should take us past Rs 6,500 crore topline by FY27.

For Q1FY25, your company has delivered industry leading volume growth of 8% YoY which is significantly higher than its peers. The growth too was qualitative with the Company registering EBITDA margins for the quarter at 15%. Going forward, we aspire to achieve low double-digit volume growth for the fiscal year 2024-2025 with EBITDA margins likely to be in 15-17% margin range.

As we stand at the threshold of the next phase of our transformational growth journey, we are excited about our prospects, for every new beginning evokes new hopes and aspirations.

India, today stands as a dynamic land of opportunities. As the NDA 3.0 administration embarks on its new term, its dedication to advancing towards a Viksit Bharat is evident. The Union Budget commendably prioritises inclusive growth while ensuring macroeconomic stability. The focus on employment, skill development, MSMEs, agriculture, climate action, energy security, and next-generation reforms is poised to accelerate socioeconomic progress.

India's economic resurgence will significantly rub off on the real sector. Media reports suggest that the domestic real estate market will more than double from the current level by 2030. This is achievable as real estate is moving progressively from urban conclaves to tier 2 and 3 cities. I am happy to mention that we have focused on entrenching our dealer base in these promising new-age construction hubs to capitalise on emerging demand.

I am confident that Kajaria's commitment to innovation and transformative solutions will not only shape the trajectory of your Company but also contribute significantly to India's growth and global recognition as a manufacturing powerhouse.

As we move forward in our aspirations positively, I would like to gratefully acknowledge your continued trust and faith in us. I assure you of progressive growth in shareholder value year after year.

Continuing our policy of sharing profits with our shareholders, the Board has recommended a final dividend of Rs.6/- per share, together with the interim dividend of Rs.6/- per share already paid; the total dividend for FY24 amounts to Rs.12/- per share.

On behalf of your Company's Board, I would like to extend my deep appreciation to the banks, financial institutions, stakeholders, business associates and the state and Central Governments. Their support has been invaluable in driving your Company's growth.

Last but not least, I would also like to acknowledge the contribution of our employees. Without your continuous, untiring efforts and resilience, none of this would have been possible.

Take care of yourself and your families. Jai Hind, Namaskar.

Ram Chandra Rawat:

Thank you sir. The attention of the member is drawn to the fact that there is no qualification, reservation, adverse remark, comments, observation, or disclaimer given by the statutory auditors and the secretary auditors in their reports. Now, I would request the Chairman of the Company to take the proceedings further.

Ashok Kajaria:

Thank you Mr. Rawat. As the Notice has already circulated to all the members, I take the Notice to convene the AGM as read. Now, I would like to take up the resolutions as set forth in the Notice of the 38th AGM dated July 23, 2024. There are 4 ordinary business and 1 special business 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 ending 31st March, 2024 and reports of the Board of Directors and auditors thereon.

Item No. 2: (Ordinary Resolution): relates to a declaration of a final dividend of Rs. 6 per equity share for the financial year 2023-24.

Item No. 3: (Ordinary Resolution): relates to appointment of director in place of Mr. Chetan Kajaria, who retires by rotation at this AGM and being eligible has offered himself for reappointment.

Item No 4: (Ordinary Resolution): relates to appointment of director in place of Mr. Rishi Kajaria, who retires by rotation at this AGM and being eligible has offered himself for reappointment.

Special Business:

Item No. 5: (Ordinary Resolution): relates to hold and continue to hold office or place of profit by Mr. Kartik Kajaria in the Company.

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) Regulations, 2015, the Company has provided the facility to cast their votes electronically during September 3, 2024 to September 5, 2024, on all resolutions set forth in the 38th AGM Notice. Members who have not cast their votes electronically and who are participating in the 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 a Scrutinizer for scrutinizing the voting process in a fair and transparent manner.

Moderator: Thank you very much. Before we go live with the Question and Answers session, here 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 the question. Please mention your name, folio number and the location from where you are joining. Each member registered as a speaker will have three minutes for his or her question and his or her audio and video will be open on the announcement of his or her name.

Ram Chandra Rawat: To avoid the repetition, all questions will respond 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. Tony Bhatia, Mrs. Urmila Jain, Mr. Santhosh Bhutani, Mr. Praveen Kumar, Mr. Narendra Singh Chauhan.

You may start.

Moderator: Thank you. Our first speaker shareholder, Mr. Tony Bhatia. Kindly join as panelists. Unmute your audio, switch on your camera and kindly proceed.

Tony Bhatia: Thank you. Respected Chairman, Board of directors and my shareholder friends. Dear Chairman, firstly you have given such a beautiful Chairman speech. There is an all-round progress in the Company under your leadership. In 1988, the Company, in the beginning of 1988, as a tile manufacturer, Kajaria has transformed into an aesthetic solution provider, showcasing excellent decor solutions across the Indian landmark.

Such marvelous, Mr. Chairman. Tile production, 80.47 MSM. Tile sales, 108.14 MSM. Faucet sales, 24.02 lakh pieces. Sanitaryware sales, 9.80 lakh pieces and revenue Rs. 4,578 crores. EBITDA, Rs. 700 crores. Net profit, Rs. 422 crores. Dividend, Rs. 6 final and Rs. 6 interim. You already gave us Rs. 12 dividend. I am a member of this Company and I have seen how hard you have worked to bring this Company to this level. I will praise you, Rishi ji, Chetan ji, all the board members and all the employees.

Okay, next sir. Having gained supremacy in the Indian tiles space, the Company ventured into related verticals, namely, bathware, plywood and adhesive to offer all relevant products under a single roof. There is a long progress, I am not going to repeat each and every progress that is already in the balance sheet. Mr. Chairman our quality is second to none, never my respected chairman our quality is second to none. Never compromise our quality.

You are giving extra income to the nation such a marvelous. Corporate governance you have shown in such a good manner for this credit goes to our CFO and our Company Secretary Mr.

Rawatji. You have also given a lot of attention to CSR activities This is also a praise of the Chairman. I have asked for 3 minutes Anyhow; I am not going to take much of the time. For the link and balance sheet, I would like to thank the Company Secretary and the Secretarial Department. They sent me the balance sheet and the link.

I am happy to be talking to you today. Chairman, once again I would like to congratulate you, the board, Rishi ji, Chetan ji, the pillars of this Company and all the employees who are working hard for this Company. I congratulate them. I hope for better results with God's grace with these words once again I support and second the balance sheet. God bless you Mr. Chairman. Thank you sir.

Ashok Kajaria:

Thank you.

Moderator:

Thank you very much. Our next speaker shareholder is Mrs. Urmila Jain. Kindly join as panelists and meet your audience, switch on your camera and proceed with your questions ma'am.

Urmila Jain:

Chairman sir, Namaskar to everyone. I am Urmila Jain from Delhi. My client ID is 10401292. I am welcome the 38th AGM. I listened to your speech and it was very good. You have openly told about the Company. This is a matter of pride for us. I support all the resolutions today. Our share rate is doing well in the market. Our Company is continuously giving dividends. This is the result of our management staff and the hard work of the Board team. This is very good for our Company. Sir, in your words, our Company's future is looking better. Sir, I would like to thank Mr. Rawat and Mr. Vinit in the Secretarial Department, who gave me the opportunity to speak through VC.

Sir, what new plans is our Company planning in the future? I would like to say that our Company should think about the bonus or split. It will be good for us and also good for small investors. Sir, our Company's growth is very good. The whole team of our Company tells us that the future ahead is very good. Those who work hard and with dedication, their goals are not far away. Our Secretarial Department talks all the shareholders and gives them answers through mail and phone immediately. Thank you very much. I pray for Company for good growth. Thank you Sir.

Moderator:

Thank you very much. Our next speaker shareholder is Mr. Santosh Bhutani. Kindly join us as panelists. Sir, can we unmute your audio and video and proceed with your question?

Santosh Bhutani:

Sir, Santosh Bhutani and MP Bhutani, we are joining this meeting from New Delhi. Our last three digits is 054. Thanks for the opportunity regarding the AGM. I would like to thank the team of CS for accurate compliance made well in time. Annual report is very informative. All sections have been covered in very transparent and lucid manner. I am extremely confident that leadership team of Shri Ashok Kajariaji, Rishiji and Chetanji, Joint MD, and overall management team that our leadership team will hit more significant milestone and take the Company to the next phase of growth. Therefore, I know and you know very well always do what is right, not what is easy.

And my question to the leadership team is, what are some of the challenges and opportunities that you foresee in the coming time? There is a global issue, and you know, Ukraine and Russia war is still going on. Bangladesh, there is a very bad position, and some other countries. So, your

strategy to navigate internal and external challenges, sir, any equation plan for a Company in the coming time, because Company has sufficient fund for cash balance in the balance sheet.

Sir, if you would, if you talk about Viksit Bharat, there is a present currently population of India is 144 crores and after 20 years, this may touch 165 crores. So, hence, our demand and to meet the coming time, our demand and what is our steps, what will be our steps to increase the capacity and geographically expansion in the South area North and North East area and other part of the country where we are planning to install the new plant.

Sir, present literacy rate is very poor, female labor force is currently 37% currently working and this has to be touch 70%, skilled labor 32% currently, this has to be 100% for Viksit Bharat, a dream of our Prime Minister, present Prime Minister who turn after 60 years, third term and his word is he will bring the country at the best level, the dwell country and in three terms, in three times powers he will do the work for the interest of India, interest of the India vision, Viksit Bharat.

Sir, next what is your contribution in road safety, skill development and water conservation? Sir, as a shareholder I wish the Company all the best and hope to see a healthy growth in business and size of the Company in the coming time under the leadership of Chairman sir and one thing I want to ask sir, what is your position of QCC parameter and product positioning?

We know our product is number one and quality is better than the others, but unformally market is very growing on and is there any some steps towards to reduce this up unformally market selling the products and duplicate name also. May God fulfill all your wishes and keep you all happy, healthy, and safe. Thank you very much. Jai Hind. Namaskar to team and Chairman sir.

Ashok Kajaria: Thank you, Santosh Ji. Thank you.

Moderator: Thank you very much. Our next speaker shareholder is Mr. Praveen Kumar. Kindly proceed?

Praveen Kumar: A very, very good afternoon to my respected chairperson, MD, joint MD, well-decorated esteemed board of directors, my fellow shareholder. Myself Praveen Kumar joining this meeting from New Delhi. I have few observation which I love to share with the entire house, but before that in this financial year this is our first interaction with the management. So I wish the entire management team, each and every dedicated employee a happy, healthier and prosperous.

Coming down to my observation. Respected chairperson, I am very, very thankful for your hard work, dedication, devotion to bring this annual report to the shareholder. I think it is very, very in-depth and it is very, very informative for me also because I am part of the family, but as a whole to the industry also because you cover almost everything, what the global socio-economic situation where we stand and what the future like, so, I am very, very thankful.

And it was always a pleasure to listen to you. I have very, very good memories, respected chairperson when we used to meet physically. I see the sparkle in your eyes, you are so passionate about our Company, I mean that's reflect in our second generation due respect to Rishi ji, Chetan ji, and I personally met Kartik also I mean that's truly wonderful, three

generations, one company and 110% focus, God bless you all and I wholeheartedly support all the resolutions which you set up for the notice today.

My question to the management is, what will be the roadmap for a value creation in our Company for next two years, that's my only question, and I would love to thank our respected CFO, respected CS, and their entire team for bringing out higher standard of corporate governance to the retail investor. Sir, even during the course of year, if you have any update or any queries that will be promptly replied by email, I mean that truly shows that our Company is given a red carpet welcome to a retail investor, that truly wonderful as far as our investment is concerned in the Company.

At the end, I just pray to the God that he will bless you with positivity, so that you will keep the momentum for the future. I am very, very proud to be part of such a legacy, we are number one in our space and we are adding a new product line, so that it will be a one-stop shop for the customer, that truly peace of mind, our company's credibility in the market is unbeatable at a very, very competitive rate.

I am very, very thankful to the R&D team, the marketing team, they are doing a wonderful job, and with this opportunity, I am very, very thankful to the entire management team to give me this opportunity to share my views and my observation. Thank you, sir, for a greater future of it. You are working really hard to create our value in the long term. Thank you sir. Jai Hind.

Ashok Kajaria: Thank you, Praveenji. Thank you.

Moderator: Thank you very much. Our next speaker shareholder is Mr. Narendra Singh Chauhan. Kindly accept the prompt and join as panelist.

Narendra Singh Chauhan: Yes. Good afternoon, CMD sir, Board of directors, and my fellow shareholders. First of all, sir, I would like to thank the entire secretarial department and Rawat sir who has given me this opportunity to share my views here in front of you. Sir, I support all the proposed resolutions in this AGM. Also, sir, I want to highlight that our stock price is performing good, which clearly indicates the work and the dedication the management and all the staff is putting in.

Sir, you have shared about the Company's performance in the last financial year, which is phenomenal and about the opening of new production plant, which is in operation as of now. Also, sir, regarding my question, I would like to know Company's views on net zero carbon emission and how we are using renewable or our plan to use renewable energy in our day-to-day operations. Also, sir, I want to know your thoughts on the share split and bonus part. That's all. Thank you very much, sir. And once again, I would like to extend my thanks to entire secretarial department, Rawat sir, who promptly solved our grievances upon time. Thank you very much, sir.

Moderator: Thank you very much. That was the last speaker shareholder. I now hand over the proceedings to Mr. Ram Chandra Rawat. Please go ahead.

Ram Chandra Rawat: We conclude the question session from all the members. Now, I would request the Chairman to address the question of the queries raised by the members.

Ashok Kajaria:

Thank you. Some of the questions which were raised by Mr. Bhutani. First of all, the markets are tough. Still, we are doing our job. As you all know, the geopolitical situation is tough. But at Kajaria, we are doing our job. Secondly, the three-year vision, which we have already shared with our shareholders at the meeting at the end of the quarter, last year performance, that Kajaria is looking at a scenario of Rs. 6,500 crores of turnover by March 2027 against Rs. 4,578 crores, which we did in March 2024. And we hope that for this scenario, we require a capex of about Rs. 225 crores to Rs. 250 crores every year. So that's what we will require to put up new plant. New plant will be put up depending on where the market will lead to. So that situation will arise depending on the market conditions.

As far as the skill level is concerned, yes, it is a thought which came. It has been the mission of the Prime Minister. Also, they have given certain type of incentive and initiative for the top 250 companies to absorb some of these. And people who are fresh, yes, we will be working on that as soon as the policy comes out. As far as the tax part is concerned, GST has been a big game-changer for the entire organized industry.

Whatever numbers you are seeing and the positive growth you are seeing for the last six years, one of the key reasons is GST. There was a lot of tax play before, but today that situation has minimized to a great extent. And GST is one of the big benefits, not only for the Company, but also for the bigger dealers of the Company who have been able to grow along with this tax regime.

Another question asked by one of the shareholders was on renewable energy. Yes, we have put solar panels in our three plants. That's at Gailpur, Sikandrabad and Malootana and Kalahashti also. So we are utilizing the solar. This is again a green thing. Plus our all plants are based on gas. Just for information, the tile has two things. One is called a spreader, one is a kiln. Kiln is always fired only on gas. Spray dryer, you have multiple aromatics like coal, biomass, gas, all this. So basically a tile industry is an industry where clean fuel is used.

On water thing, all our plants are utilizing. Tile plants require a lot of amount of water, but all our plants are not throwing a single ounce of water out of the plant. Everything is being reused in either the manufacturing or in gardening. So nothing - as far as water is concerned, nothing comes out of the plant. So the plant, the levels of water has also been like that for the last three, four years where it has not moved anything negative on that front.

I think I have tried to answer all the questions. Anything else you can come back and ask.

Ashok Kajaria:

So thank you everybody for putting these questions. We will now move on to the e-voting during the AGM. Hope that the members have cast their votes 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 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 AGM, 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 an opportunity to thank all of you who have supported us during this virtual meeting and participated in the best possible manner and taken time out for today's deliberations. I hereby declare the AGM closed. Thank you.

Moderator: Thank you very much.