

- k) Reviewing with the management, the statements of uses/ application of funds raised through an issue.
- l) Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- m) Approval or any subsequent modification of transaction of the Company with related parties.
- n) Scrutiny of inter-corporate loans and investments
- o) Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors.
- p) Reviewing the Management discussion and analysis of financial condition and results of Operations.
- q) Valuation of undertakings or assets of the Company, whenever it is necessary
- r) Approval of Appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.
- s) Reviewing the functioning of the Whistle Blower mechanism.
- t) Carrying out such other functions as mentioned in the terms of reference to the Audit Committee.

Nomination and Remuneration Committee

It comprises of four Directors. During the year under review, the Committee met two times on 14th January 2015 and 30th March 2015. The details of the meeting attended by the Directors are as follows:

Name of the Director	Category	No. of Meetings Attended
Mr. Debi Prasad Bagchi	Chairman	2
Mr. Ashok Kajaria	Member	2
Mr. Ram Ratan Bagri	Member	2
Mr. H. Rathanakar Hegde	Member	1

The Chairman of the Nomination and Remuneration Committee was present in the last Annual General Meeting of the Company.

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

1. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulating the criteria for determining qualifications, positive

- attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 3. Formulating the criteria for evaluation of Independent Directors and the Board.
- 4. Ensuring that—
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - (c) Remuneration to Directors, key managerial personnel and senior management (one level below the functional heads) involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- 5. Devising a policy on Board diversity
- 6. Formulating the detailed terms and conditions of the ESOP schemes which shall include the provisions as specified by Board in this regard.
- 7. Framing suitable policies and procedures of ESOP to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable
- 8. To approve the list of employees to whom the scheme is to be granted.
- 9. To determine the procedure for winding up of the scheme

Remuneration

A. Remuneration to Independent Directors

The Independent Directors are paid remuneration by way of sitting fees for each meeting of the Board and Committee of directors attended by them. The total amount of sitting fees paid during the financial year 2014-15 was ₹8.80 Lakhs. The Independent Directors do not have any pecuniary relationship or transactions with the Company. The criteria of making payment to non-executive directors is disclosed in the remuneration policy of the Company which is given as Annexure- VII to the Directors Report and is also disclosed on the website of the Company http://www.kajariaceramics.com/pdf/nomination_remuneration_policy.pdf.

The details of remuneration paid to Independent Directors during the financial year ended 31st March 2015 is as under:

S. No.	Name of Non- Executive Director	Sitting fees (₹ in Lakhs)	No. of Shares held as at 31st March 2015
1	Mr. Raj Kumar Bhargava	1.80	8296
2	Mr. Ram Ratan Bagri	3.40	20000
3	Mr. Debi Prasad Bagchi	1.60	-
4	Mr. H. Rathnakar Hegde	2.00	-
5	Mr. Sandeep Singhal	-	-
6	Mrs. Sushmita Shekhar	-	-

Presently the Company does not have a scheme for grant of stock options to its Directors.

B. Remuneration to Executive Directors

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

The details of remuneration paid to Executive Directors during the financial year ended 31st March 2015 is as under:

S. No.	Name of Directors	Fixed Component			Performance Linked Incentive	Total
		Salary	Perquisites & other Benefits	Commission		
1	Mr. Ashok Kajaria	166.80	130.66	~	297.46	
2	Mr. Chetan Kajaria	138.00	108.10	242.00	488.10	
3	Mr. Rishi Kajaria	138.00	108.10	242.00	488.10	
4	Mr. Basant Kumar Sinha	29.35	20.04	~	49.39	
5	Mr. Dev Datt Rishi	9.29	7.28	~	16.57	

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

Stakeholders' Relationship Committee

The Committee is responsible for the satisfactory redressal of investor's grievances and recommends measures for overall improvement in the quality of investors services. During the year, the Committee met six times on 30th April 2014, 28th July 2014, 1st August 2014, 10th October 2014, 31st December 2014 and 30th March 2015. The details of the meetings attended by the Directors are as follows:

Name of the Director	Category	No. of Meetings Attended
Mr. Ram Ratan Bagri	Chairman	6
Mr. Ashok Kajaria	Member	6
Mr. Chetan Kajaria	Member	6

Mr. R.C.Rawat, Executive. V.P. (A&T) & Company Secretary is the Compliance Officer of the Company.

During the year 40 complaints were received. All the queries and complaints received during the financial year ended 31st March 2015 were duly addressed and no queries are pending for reply on that date except where the Registrar & Share Transfer Agent is