INDIA'S NO.1 TILE COMPANY

Kajaria

August 31, 2022

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

BSE Limited
P.J. Towers
Dalal Street
Mumbai – 400 001

Dear Sirs,

This is in continuation of our letters dated August 25, 2022 and August 26, 2022. We wish to inform you that the 36th Annual General Meeting ('AGM') of the Company will be held through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM') on **Friday, September 23, 2022 at 3.00 p.m. (IST)**, in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular no. 14/2020 dated April 08, 2020, General Circular no.17/2020 dated April 13, 2020, General Circular no. 20/2020 dated May 05, 2020 and General Circular no. 02/2021 dated January 13, 2021, General Circular no. 19/2021 dated December 8, 2021, General Circular no. 21/2021 dated December 14, 2021, General Circular no. 02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs and the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and the Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the SEBI.

In this regard, we enclose a copy of the Notice of the 36th AGM (alongwith Annual Report for the financial year 2021-22), being despatched to the members of the Company.

In terms of Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members/Share Transfer Books of the Company will remain closed from Saturday, September 17, 2022 to Friday, September 23, 2022 (both days inclusive), for the purpose of the AGM and determining eligibility of members for final dividend, subject to approval of members at the AGM.

The final dividend on equity shares @ Rs. 3 per equity share of Re.1 each, as recommended by the Board of Directors, if declared at the AGM, will be paid on or before Saturday, October 22, 2022 to those members whose names appear as:

(a) Beneficial Owners as at the end of business hours on Friday, September 16, 2022 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of shares held in electronic form; and

(b) Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, September 16, 2022.

Kindly take the same on record.

Thanking you,

For Kajaria Ceramics Limited

KAJARIA CERAMICS LIMITED

R.C. Rawat
COO (A&T) & Company Secretary

Encl.: As above

KAJARIA CERAMICS LIMITED

[CIN: L26924HR1985PLC056150]
Registered Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001 **Phone:** +91-124-4081281
Corporate Office: J-1/B-1 (Extn.), Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044
Phone: +91-11-26946409 **Fax:** +91-11-26946407
E-mail: investors@kajariaceramics.com **Website:** www.kajariaceramics.com

NOTICE

NOTICE is hereby given that the 36th (Thirty Sixth) Annual General Meeting of the members of Kajaria Ceramics Limited (the 'Company') will be held on Friday, September 23, 2022 at 3:00 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business(es):

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2022 and Reports of Board of Directors and Auditors thereon:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the audited standalone financial statements of the Company including the Balance Sheet as at March 31, 2022, the statement of profit and loss, the cash flow statement for the financial year ended on March 31, 2022, notes to financial statements, reports of the Board and Auditors' thereon be and are hereby received, considered and adopted.

   RESOLVED FURTHER THAT the audited consolidated financial statements of the Company including the Balance Sheet as at March 31, 2022, the statement of profit and loss, the cash flow statement for the financial year ended on March 31, 2022, notes to financial statements, along with the Auditors' report thereon be and are hereby received, considered and adopted."

2. To declare a final dividend of Rs. 3/- per equity share:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT a final dividend of Rs. 3/- per equity share of Re. 1/- each fully paid up for the financial year 2021-22 be and is hereby approved and declared."

3. To appoint a Director in place of Mr. Chetan Kajaria (DIN: 00273928), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Chetan Kajaria (DIN: 00273928), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint a Director in place of Mr. Rishi Kajaria (DIN: 00228455), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Rishi Kajaria (DIN: 00228455), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. To re-appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for second term and to fix their remuneration:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof] and as recommended by the Audit Committee and the Board of Directors of the Company, M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration Number 001076N/N500013), be and are hereby re-appointed as the Statutory Auditors of the Company for second term of five consecutive years to hold office from the conclusion of the 36th Annual General Meeting ('AGM') of the Company till the conclusion of the 41st AGM of the Company, on such remuneration as may be decided by the Board of Directors of the Company in consultation with the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of Board of Directors) be and are hereby authorised to decide and/or alter the terms & conditions of the appointment, including the remuneration of the Statutory Auditors, for the relevant year during the aforesaid term of their re-appointment."

Special Business:

6. To appoint Mr. Lalit Kumar Panwar (DIN: 03086982) as an Independent Director of the Company:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable rules, if any, read with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Nomination and Remuneration Policy of the Company, the Articles of Association of the Company and on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Lalit Kumar Panwar (DIN: 03086982), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member of the Company proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years to be effective from the conclusion of the 36^{th} Annual General Meeting of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of Board of Directors) be and are hereby authorised to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

7. To appoint Mr. Sudhir Bhargava (DIN: 00247515) as an Independent Director of the Company:

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable rules, if any, read with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Nomination and Remuneration Policy of the Company , the Articles of Association of the Company and on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Sudhir Bhargava (DIN: 00247515), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member of the Company proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years to be effective from the conclusion of the 36th Annual General Meeting of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of Board of Directors) be and are hereby authorised to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

By Order of the Board
For Kajaria Ceramics Limited

Ram Chandra Rawat
COO (A&T) & Company Secretary
[FCS No. 5101]

Place: New Delhi
Date: August 30, 2022

NOTES:

1. In view of the extraordinary circumstances due to outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('**MCA**') vide its General Circular no. 14/2020 dated April 08, 2020, General Circular no.17/2020 dated April 13, 2020, General Circular no. 20/2020 dated May 05, 2020 and General Circular no. 02/2021 dated January 13, 2021, General Circular no. 19/2021 dated December 8, 2021, General Circular no. 21/2021 dated December 14, 2021, General Circular no. 02/2022 dated May 5, 2022, read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and the SEBI's Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ('**Circulars**') has allowed the companies to hold the Annual General Meeting ('**AGM**' or '**Meeting**') become due in the year 2022 through Video Conferencing ('**VC**') / Other Audio Visual Means ('**OAVM**') without the physical presence of the Members at a common venue. Therefore, in compliance to the

Circulars, applicable provisions of the Companies Act, 2013 ('**Act**') and the SEBI Regulations, the 36th AGM of the Company is scheduled to be held through VC/OAVM in the manner given below. The deemed venue of this meeting shall be considered at the Registered Office of the Company situated at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001. In compliance with the General Circular no. 20/2020 issued by the MCA, item(s) mentioned in Special Business of the Notice of the AGM is considered unavoidable and forms part of this Notice.

2. In view of relaxation given by MCA / the SEBI, the Annual Report including Financial Statements, Auditor's report, Directors' Report, Notice of this AGM along with all the annexures and attachments thereof is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories, except those Members who request for the physical copy of the same. Members may note that the Notice and Annual Report of the Company for the financial year 2021-22 will also be available on the Company's website i.e. www.kajariaceramics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and is also available on the website of National Securities Depository Limited (agency for providing the remote e-voting facility).

3. The Explanatory Statement, pursuant to the provisions of Section 102 of the Act, in respect of Special Business to be transacted at the 36th AGM, is annexed and forms part of this Notice.

4. Brief resume and other particulars of Mr. Chetan Kajaria, Mr. Rishi Kajaria, Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**the Listing Regulations**') read with the Secretarial Standard on General Meetings ('**SS-2**') issued by the Institute of Company Secretaries of India, are annexed herewith as **Annexure A**.

5. Pursuant to Section 113 of the Act, Institutional / Corporate Members are requested to send to the Company certified copy of the Board Resolution / Power of Attorney authorizing their representative(s) to participate in remote e-voting or to attend and vote on their behalf at the Meeting at rupesh@cacsindia.com or investors@kajariaceramics.com or admin@mcsregistrars.com with a copy marked to evoting@nsdl.co.in, before e-voting/ attending the AGM, from their registered email address.

6. It is being informed that physical presence of the members has been dispensed with for attending the meeting through VC/OAVM, therefore, the facility to appoint proxy to attend and cast vote for the Members will not be available for this AGM and the Proxy Form, Attendance Slip and route map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. In case of joint holders attending the Meeting, only the member whose name appears to be first will be entitled to vote at the AGM.

9. Only bonafide members of the Company whose names appear on the Register of Members will be permitted to join the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from joining the AGM.

10. As per the provision of Section 72 of the Act, the facility for making Nomination is available for the Members in respect of their shareholding in the Company. The Members are requested to submit the complete and signed form SH-13 with their Depository Participant ('**DP**') who holds the shares in dematerialized form and those who are holding physical shares shall send the same to the Registrar and Share Transfer Agent - MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi 110020 (the '**RTA**').

11. *Members holding shares in physical form are requested to notify/send the following in the Form ISR-1 to the RTA of the Company:*

    i) Any change or update in their mailing address;

    ii) Particulars of their PAN, Bank account & e-mail ids in case the same have not been registered with the Company;

    Further, please note that Members holding equity shares in electronic form are requested to contact to their respective DP with whom they are maintaining the Demat accounts for updation in address, e-mail ids, Bank details, Bank mandate, ECS mandate, etc.

    Pursuant to the amendment in Regulation 40 of the Listing Regulations, with effect from 1st April, 2019, any request for transfer of shares held in physical form shall not be processed, except in case of transmission or transposition of shares or in case of transfer deed(s) once lodged with the Company prior to 1st April, 2019 and returned/rejected due to deficiency in the documents. Thus, the Members holding shares in physical form are requested to dematerialised their shareholding, as the shares of the Company are under compulsory demat trading.

    The Company has dedicated e-mail ID, i.e. investors@kajariaceramics.com for Members to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act, Certificate from the Secretarial Auditors of the Company that the Kajaria Employee Stock Option Scheme, 2015 has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all the documents referred to in the accompanying Notice, are open for inspection in electronic form by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection by the members. Members seeking to inspect such documents can send an email to investors@kajariaceramics.com

13. The Registers of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 17, 2022 to Friday, September 23, 2022 (both days inclusive) in terms of the provisions of the Act and the Listing Regulations for the purpose of the AGM and determining the names of the members eligible for dividend on equity shares, if declared.

14. Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members, who have not encashed their dividend warrant for the financial year 2014-15 and/or the dividend warrants issued for any subsequent financial years so far, are requested to make their claim to the Company / the RTA of the Company or send an email to investors@kajariaceramics.com or admin@mcsregistrars.com. However, all the unclaimed dividend pertaining to the financial years before the financial year 2014-15 have been transferred to the Investor Education and Protection Fund ('IEPF') as per the provision of Sections 124 & 125 of the Act. Members may please note that no claim shall lie against the Company in respect of dividend which remains unclaimed/ unpaid for a period of seven consecutive years from the date it is lying in the unpaid dividend account.

    Unclaimed dividend information is available on the website of IEPF viz. www.iepf.gov.in and also on the website of the Company viz. www.kajariaceramics.com

15. The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including any statutory modification(s) or re-enactment(s) thereof (the 'IEPF Rules'), amongst other matters, provide for transfer of the shares, in respect of which dividend has not been paid or claimed for seven or more consecutive years, to IEPF Authority and the shares shall be credited to the Demat Account of IEPF Authority, within 30 days of such shares becoming due to be transferred to the IEPF.

    Accordingly, the Company had transferred total 5,64,212 equity shares of Re. 1/- each, in respect of which dividend had not been claimed by the shareholders for 7 consecutive years or more (i.e. During the year 2021-22: 56,030 equity shares, during the year 2020-21: 54,470 equity shares, during the year 2019-20: 36,618 equity shares, during the year 2018-19: 53,362 equity shares and during the year 2017-18: 3,63,732 equity shares) to IEPF Authority. Further, pursuant to the IEPF Rules, as on March 31, 2022, the IEPF Authority has released 9,720 equity shares of Re. 1 each to the claimant(s).

    Pursuant to the IEPF Rules, the unclaimed dividend for the financial year 2014-15 has become due for transfer in favour of the IEPF Authority on October 14, 2022 (i.e. Due date) and accordingly, both the unclaimed dividend and shares in respect of which dividend had not been claimed by the shareholders for 7 consecutive years or more will be transferred to the IEPF Authority within 30 days of the Due date.

    The Members may kindly note that both the unclaimed dividend and corresponding shares transferred to IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the procedure prescribed by the IEPF Rules.

16. Members who would like to express their views/ask questions before or during the meeting may send an email at Company's email address investors@kajariaceramics.com from their registered email id to the Company or RTA mentioning their views/questions along with their full name, demat account number/folio number, registered email id, mobile number and such other details as may be deemed fit by Tuesday, September 13, 2022. Only the views/questions of those shareholders will be taken-up who has mailed it to the Company within prescribed time and will be replied suitably. A Member who has been registered as a Speaker, will only be allowed to speak during the meeting, subject to the discretion of the Company.

17. ***To support the 'Green Initiative', the members who are yet to register / update their email address with the Company or DPs are once again requested to register / update the same for receiving the Notices, Annual Reports and other documents / communications through electronic mode.***

    Members are also requested to promptly intimate any change in their name, postal address, e-mail address, contact numbers, PAN, mandates, bank details, etc. to their DPs for equity shares held in dematerialised form and to the RTA of the Company in Form ISR - 1 for equity shares held in physical form.

INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING THE AGM THROUGH VC/OAVM AS PER THE CIRCULARS, ARE AS FOLLOWS:

18. The Company shall be providing two way teleconferencing facility for the ease of participation of the Members of the Company. The facility for joining the AGM through VC/OAVM will be opened 15 minutes before and after the scheduled time of commencement of the AGM.

19. Members are requested to participate on first come first serve basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, the Statutory Auditors and the Secretarial Auditors of the Company is not restricted on first come first serve basis. Participation is restricted up to 1000 members only.

20. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and SS-2 and Regulation 44 of the Listing Regulations (including amendments thereto) and the Circulars, the Company is pleased to provide:

    (i) facility to the Members to exercise their right to vote on resolution(s) proposed to be considered at the AGM by remote e-voting before the AGM; and

    (ii) facility of e-voting at the AGM to its Members, who have not cast their vote through remote e-voting, on resolution(s) proposed to be considered at the AGM.

    The facility of casting vote through remote e-voting system from a place other than venue of the AGM (the 'remote e-voting') and e-voting at the AGM will be provided by National Securities Depository Limited ('NSDL').

21. The remote e-voting period commences at 9:00 a.m. (IST) on Tuesday, September 20, 2022 and ends at 5:00 p.m. (IST) on Thursday, September 22, 2022. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-off date of Friday, September 16, 2022 ('**Cut-off date'**), may cast their vote by remote e-voting.

    No remote e-voting shall be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled for voting upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

22. The instruction for remote e-voting are as under:

    The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are as under:

    Step - 1 – Access to NSDL e-voting System:

    A. Login method for e-voting and joining the AGM for the shareholders holding shares in demat mode:

    In terms of the SEBI's Circular dated December 9, 2020 on e-voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility. Login method for Individual shareholders holding shares in demat mode is given below:

Type of shareholders	Login Method
Shareholders holding shares in demat mode with NSDL	1. Existing IDeAS users can visit the e-Services website of NSDL, viz.: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. Click on options available against the Company name or e-voting service provider i.e. NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining the Meeting & voting during the Meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Please select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please visit the e-voting website of NSDL and open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat

	account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against the Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining the Meeting & voting during the Meeting. 4. Members can also download NSDL Mobile App 'NSDL Speede' available on App Store / Google Play.
Shareholders holding shares in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Please click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile No. & Email ID as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Shareholders (holding shares in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Please click on options available against the Company's name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining the Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at the abovementioned website.

Helpdesk for the shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Shareholders holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Shareholders holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-3058542-43

B. Login method for e-voting and joining the Meeting for the shareholders other than the shareholders holding shares in demat mode; and shareholders holding shares in physical mode:

(i) Please visit at the e-voting website of NSDL and open the web browser by typing the URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

(ii) Once the home page of e-voting system is launched, please click on the icon 'Login' which is available under 'Shareholders/Members' section.

(iii) A new screen will open. Please enter User ID, password and Verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, please click on e-

voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in Demat account with NSDL	8 character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12******, then User ID is IN300***12******
For Members who hold shares in Demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12**************, then User ID is 12**************
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456, the User ID is 101456001***

(v) Password details are given below:

(a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

(b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which is communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Please open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

(vi) If you are unable to retrieve the password or have not received the 'initial password' or have forgotten your password:

- Please click on '**Forgot User Details/Password?**' (if your demat account is with NSDL/CDSL) option available at www.evoting.nsdl.com
- Please click on '**Physical User Reset password?**' (if you are holding shares in physical form) option available at www.evoting.nsdl.com
- If you are still unable to retrieve your password through above said options, you can send a request at evoting@nsdl.co.in, mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

(vii) After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

(viii) Now, please click on 'Login' button and the Home page of e-voting will open.

<u>Step - 2 – Process to cast your vote electronically and join the Meeting on NSDL e-voting system:</u>

(i) After successful login at Step -1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and the Meeting is in active status.

(ii) Please select 'EVEN' (Electronic Voting Event Number) of Kajaria Ceramics Limited and for joining the Meeting, you need to click on "VC/OAVM" link placed under 'Join Meeting'.

(iii) Now you are ready for e-voting as the voting page opens.

(iv) You can cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

(v) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(vi) You can also take printout of the votes cast by you by clicking on the print option on confirmation page.

(vii) Once you confirm your vote on the resolution, you will be not allowed to modify your vote.

General Guidelines for e-voting:

i. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at rupesh@cacsindia.com or investors@kajariaceramics.com or admin@mcsregistrars.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-voting' tab in their login.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries connected with e-voting, you may refer the frequently Asked Question (FAQs) for Shareholders and the remote e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or contact Ms. Pallavi Mhatre, Manager, NSDL, Trade World, A Wing, Fourth and Fifth Floor, Kamala Mills Compound, Lower Parel, Mumbai- 400013 through email at evoting@nsdl.co.in or on Toll Free No. 1800 1020 990 / 1800 22 44 30.

23. Process for those shareholders whose e-mail ids are not registered with the Company / depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolution(s) set out in this Notice:

    i. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@kajariaceramics.com

    ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DP-ID + CL-ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@kajariaceramics.com

    iii. If you are an Individual shareholder holding shares in demat mode, you are requested to refer to the login method explained at Step 1(A) above, i.e. Login method for e-voting and joining the AGM for shareholders holding shares in demat mode.

    iv. Alternatively, a shareholder may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

24. Instructions for members for e-voting on the day of the AGM are as under:

    i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

    ii. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolution(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

    iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote in the AGM.

    iv. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned under 'General Guidelines for e-voting'.

25. Instructions for members for attending the AGM through VC/OAVM are as under:

    i. A Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. The Members may access by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, you can see link of 'VC/OAVM link' placed under 'Join the Meeting' menu against the Company's name. You are requested to click on VC/OAVM link placed under Join the Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

    ii. Members are encouraged to join the Meeting through Laptops for better experience.

    iii. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

    iv. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    v. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

26. The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Friday, September 16, 2022.

27. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, September 16, 2022, only shall be entitled to avail the facility of remote e-voting / e-voting facility during the AGM. However, a person who is not a member as on the Cut-off date should treat this Notice for information purpose only.

28. Any person, who acquire shares of the Company and become a member of the Company after dispatch of the Notice of the AGM and holding shares as on the Cut-off date i.e. Friday, September 16, 2022, may obtain the login ID and password by sending a request (along with Name, Folio No./DP ID-Client ID, as the case may be and shareholding) at evoting@nsdl.co.in or admin@mcsregistrars.com.

    However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of shareholders holding shares in demat mode who acquires shares of the Company and becomes a shareholder of the Company after sending of the Notice and holding shares as of the Cut-off date i.e. Friday, September 16, 2022, may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-voting system'.

29. E-voting cast at the AGM together with vote cast through remote e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the AGM.

30. The Board of Directors of the Company has appointed Mr. Rupesh Agarwal or failing of him Dr. S. Chandrasekaran or failing of him Mr. Shashikant Tiwari, Practicing Company Secretaries of M/s Chandrasekaran Associates, Practicing Company Secretaries, having its office situated at 11F, Pocket - IV, Mayur Vihar, Phase- 1, Delhi- 110091, as the Scrutinizer to scrutinize the voting through remote e- voting and e-voting during the AGM, in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the Meeting, will count the e-voting cast during the Meeting and the vote cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, within the time permissible under the applicable laws, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him, who shall counter sign the same.

31. The results declared alongwith the report of the Scruitinizer shall be placed on the website of the Company www.kajariaceramics.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorised by him and the results shall also be communicated to BSE Limited and National Stock Exchange of India Limited. The results will also be displayed at the Registered Office as well as the Corporate Office of the Company.

32. Subject to receipt of requisite number of votes, the resolution(s) set out in the Notice of the AGM shall be deemed to be passed at the 36th AGM scheduled to be held on Friday, September 23, 2022.

By Order of the Board
For Kajaria Ceramics Limited

Ram Chandra Rawat
COO (A&T) & Company Secretary
[FCS No. 5101]

Place: New Delhi
Date: August 30, 2022

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration Number 001076N/N500013), were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting ('AGM') of the Company held on August 10, 2017, for a period of five consecutive years effective from the conclusion of the 31st AGM upto the conclusion of the 36th AGM of the Company. Hence, the tenure of M/s Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company will be completed at the conclusion of the 36th AGM of the Company.

As per the provisions of the Companies Act, 2013 ('the Act') and rules made thereunder, M/s Walker Chandiok & Co LLP, are eligible for re-appointment for second term of five consecutive years and they have given their consent for their re-appointment as the Statutory Auditors of the Company and has issued a certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Act and the rules made thereunder. M/s Walker Chandiok & Co LLP have confirmed that they are eligible for the said re-appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

Walker Chandiok & Co LLP ('WCC') was incorporated on January 01, 1935 and got converted to LLP on March 25, 2014. WCC is registered with the Institute of Chartered Accountants of India and has more than 85 years of experience in India providing audit, tax and advisory services. WCC presently audits more than 100 large and listed audits and is 4th largest firm by number of companies audited in India. The firm has more than 55 partners and is having 14 offices all across India.

Accordingly, on the recommendations of the Audit Committee, the Board of Directors ('the Board') of the Company, has recommended the re-appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration Number 001076N/N500013), as the Statutory Auditors of the Company by the shareholders of the Company, for the second term of five consecutive years from the conclusion of this 36^{th} AGM of the Company till the conclusion of the 41^{st} AGM of the Company, at an annual remuneration of Rs. 85 lakhs for the financial year ending March 31, 2023, excluding applicable taxes and reimbursement of out-of-pocket expenses.

The remuneration for the subsequent year(s) of their term will be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of the Company and the Statutory Auditors of the Company. There is no material change in the remuneration paid to M/s Walker Chandiok & Co LLP, the retiring Statutory Auditors, for the audit conducted for the year ended March 31, 2022 and the remuneration proposed to be paid to M/s Walker Chandiok & Co LLP for the financial year ending March 31, 2023.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality, reports, etc., M/s Walker Chandiok & Co LLP has been recommended to be re-appointed as the Statutory Auditors of the Company for the second term of five consecutive years.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval of the shareholders of the Company by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested, financially or otherwise, in the resolution set out at Item No. 5 of this Notice.

ITEM NOS. 6 & 7

Pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Articles of the Association of the Company, and on considering the expertise, integrity, skills, experience, knowledge of Dr. Lalit Kumar Panwar (DIN: 03086982) and Mr. Sudhir Bhargava (DIN: 00247515), the Board of Directors ('Board') of the Company on the recommendation of the Nomination and Remuneration Committee ('NR Committee'), has recommended to appoint each of them as the Independent Director(s) of the Company for a period of five consecutive years to be effective from the conclusion of the 36^{th} Annual General Meeting ('AGM') of the Company, who will not be liable to retire by rotation.

In view of this, it is proposed to appoint Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava as the Independent Director(s) on the Board of the Company for a period of five consecutive years to be effective from the conclusion of the 36^{th} AGM of the Company, who will not be liable to retire by rotation.

In the opinion of the Board of the Company, Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava fulfil the conditions specified in the Act and rules made thereunder read with the Listing Regulations for their appointment(s) as the Independent Director(s) of the Company and they are independent of the management.

The Board of the Company considers that association of Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava would be of immense benefit to the Company and accordingly, it is desirable to avail their services as the Independent Director(s) of the Company. The Board of the Company is of opinion that Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava are person of integrity, possess relevant expertise and vast experience and they are meeting the criteria of independence and on the recommendation of the NR Committee, the Board of the Company recommends appointment of Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava, as the Independent Director(s) of the Company.

The Company has received notices in writing from the member(s) under Section 160 of the Act proposing the candidature of Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava for the office of Director of the Company. They are not disqualified from being appointed as the Director(s) in terms of Section 164 of the Act and the Company has also received declaration from Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and their consent to act as the Director(s).

The terms and conditions of appointment of Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava shall be available, electronically, for inspection by members from the date of circulation of this Notice upto the date of the 36^{th} AGM. The said terms and conditions are also available at the Company's website www.kajariaceramics.com. The disclosures prescribed under Regulation 36 of the Listing Regulations read with the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in **Annexure-A** of the Notice.

Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava are not debarred from holding the office of the director by virtue of any SEBI order or any other such authority pursuant to BSE Circular LIST/COMP/14/2018-19 dated June 20, 2018 and NSE circular NSE/CML/2018/24 dated June 20, 2018. Accordingly, the Board recommends the resolution(s) in relation to the appointment of Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava as the Independent Director(s), for the approval by the shareholders of the Company.

Dr. Lalit Kumar Panwar and Mr. Sudhir Bhargava, the proposed appointee, may be deemed to be concerned or interested in these resolution(s) with respect to their appointment(s). None of the other Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 6 & 7 of the Notice.

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Annexure-A

Information pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India regarding the Directors proposed to be appointed/ re-appointed:

Name of Directors	Mr. Chetan Kajaria (DIN: 00273928)	Mr. Rishi Kajaria (DIN:00228455)	Dr. Lalit Kumar Panwar (DIN: 03086982)	Mr. Sudhir Bhargava (DIN: 00247515)
Date of Birth	24.12.1974	14.10.1978	11.07.1955	12.01.1955
Age as on March 31, 2022	47 Years	44 Years	67 Years	67 Years
Date of first appointment on the Board of the Company	15.01.2000	26.07.2003	The Board has recommended, for his appointment as an Independent Director of the Company to the shareholders of the Company for their approval at the 36th Annual General Meeting of the Company.	The Board has recommended, for his appointment as an Independent Director of the Company to the shareholders of the Company for their approval at the 36th Annual General Meeting of the Company.
Qualification	B. Engg. (Petrochem) from Pune University and MBA from Boston College, U.S.A.	B.Sc. in Business Administration from Boston University, U.S.A.	Ph.D. in Tourism, M.Sc. and B.Sc.	Master in Public Administration, M.SC. and B.Sc.
Experience	He started his journey at Kajaria Ceramics Limited in the year 2000 and has been instrumental in giving a new dimension to the Company by opening international standard tile showrooms across the country which has today become an industry trend. He is spearheading the ceramic tile vertical. He is responsible for the first ever acquisition in the Company's history- acquiring a ceramic tile plant in Gujarat for feeding the Western and Southern markets in February 2011. He spread the concept of value added tiles in the ceramic tile vertical using digital technology from Spain by displaying at dealers' showroom across the country. He had also led the acquisition of a ceramic tile plant in Vijayawada, Andhra Pradesh in April 2012, marking the Company's entry into the growing markets of South India. He has played a key role in making Kajaria Ceramics Limited a leading manufacturer of ceramic wall & floor tiles in India.To entrench the presence of the Kajaria brand into every Indian household, he successfully contoured the Group's presence into the plywood space by adopting an asset-light operating model.	He joined Kajaria Ceramics in the year 2003 and spearheads the vitrified tile vertical. Initially, he opted for trading vitrified tiles rather than joining the race of setting up capacities. After importing for 5 years, he decided to manufacture them. The first production unit for vitrified tile was started in Sikandrabad in 2010. Subsequently, Kajaria Ceramics commissioned a huge expansion of vitrified tiles at Gailpur in 2011. The next capacity addition came through joint ventures in Morbi, Gujarat. With this strategy, he added capacity without any gestation period and acquired reach. He identified the opportunity in the Bathware segment and started Kajaria Bathware. He is also responsible for spearheading the lateral shift of the company into Sanitaryware and faucets in keeping with the overall growth master plan.	He is a retired IAS officer and he has wide experience in the academics, bureaucracy, management & industry. He served as the Secretary of the Ministry of Tourism / Ministry of Minority Affairs of Govt. of India and also with the Govt. of Rajasthan including Vice Chancellor, Rajasthan ILD Skills University, Jaipur (Rajasthan), Chairman of Rajasthan Public Service Commission, Secretary of the Department of Education / Department of Urban Development and housing / Department of Mines and Petroleum / Department of Labour and Employment and Secretary to the Chief Minister of Rajasthan. He also served as the Commissioner and District Magistrate in the Rajasthan. At present he is a member of important and prestigious 'Lokpal Search and Selection Committee' of Govt. of India, being chaired by Justice Sanjana Desai, Ex.-Judge of Supreme Court of India. He is also a member of Niti Aayog's Tourism Advisory Committee. Presently, his involvement is also with Vivekananda Global University, Jaipur (Rajasthan) as the Chairperson & Chancellor.	He is an Indian Administrative Officer of the 1979 batch belonging to the Rajasthan Cadre. He superannuated as Secretary to the Government of India (Ministry of Social Justice and Empowerment) after a career of almost four decades in public service both at the State and National level in various sectors including Petroleum and Natural Gas, Fertilizers, Textiles, Health, Education and Banking. On the basis of his exemplary public service, the Hon'ble President of India appointed him as an Information Commissioner, Central Information Commission in June 2015, on the recommendation of a Committee headed by the Hon'ble Prime Minister. In January 2019, he was appointed by the Hon'ble President of India as the Chief Information Commissioner. He has also served on the Board of thirteen companies including a multinational company.
Terms and conditions of appointment/re-appointment	There is no change in the terms and conditions relating to appointment of Mr. Chetan Kajaria as the Joint Managing Director of the Company, as approved by the members at the AGM held on September 28, 2021.	There is no change in the terms and conditions relating to appointment of Mr. Rishi Kajaria as the Joint Managing Director of the Company, as approved by the members at the AGM held on September 28, 2021.	As mentioned in explanatory statement of the Notice.	As mentioned in explanatory statement of the Notice.

Remuneration sought and last drawn	As mentioned in the Report on Corporate Governance	As mentioned in the Report on Corporate Governance	Remuneration Sought: No remuneration will be payable except sitting fees for attending the Board and its Committee meetings. Remuneration last drawn as an Independent Director: Not Applicable	Remuneration Sought: No remuneration will be payable except sitting fees for attending the Board and its Committee meetings. Remuneration last drawn as an Independent Director: Not Applicable
Shareholding in the Company as on March 31, 2022	13,39,880 Equity Shares	18,05,716 Equity Shares	Nil	Nil
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Ashok Kajaria is the father of Mr. Chetan Kajaria.Mr. Rishi Kajaria is the brother of Mr. Chetan Kajaria. Other than above, Mr. Chetan Kajaria is not related to other Directors and Key Managerial Personnel of the Company.	Mr. Ashok Kajaria is the father of Mr. Rishi Kajaria.Mr. Chetan Kajaria is the brother of Mr. Rishi Kajaria. Other than above, Mr. Rishi Kajaria is not related to other Directors and Key Managerial Personnel of the Company.	He is not related to other Directors and Key Managerial Personnel of the Company	He is not related to other Directors and Key Managerial Personnel of the Company
Nos. of Board Meetings attended during the financial year 2021-22	4 (Four)	4 (Four)	Not Applicable	Not Applicable
Directorships held in other Public Limited Companies including other Listed Companies	Nil	Nil	Nil	1
Chairmanships / Memberships of the Committee of the Board of Directors of the Company*	He is a member of the Stakeholders Relationship Committee of the Company.	Nil	Not Applicable	Not Applicable
Chairmanships / Memberships of the Committee of the Board of Directors of other Public Limited Companies*	Nil	Nil	Nil	1

Note:

*The Committee of Board of Directors includes only the Audit Committee and the Stakeholders Relationship Committee as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board
For Kajaria Ceramics Limited

Ram Chandra Rawat
COO (A&T) & Company Secretary
[FCS No. 5101]

Place: New Delhi
Date: August 30, 2022

Kajaria

Charged Up Ready to go

KAJARIA CERAMICS LIMITED

Integrated Annual Report 2021-22

Contents

About the report

This is Kajaria Ceramics Limited's first Integrated Annual Report. The report has been drafted in line with the Integrated Reporting <IR> framework published by the International Integrated Reporting Council (IIRC) and aligned with Global Reporting Initiative (GRI) standards. The report showcases our ESG performance through value created under each capital namely financial, manufactured, human, intellectual, natural and social & relationship. In addition, our ESG performance has also been disclosed as per the Business Responsibility and Sustainability Reporting (BRSR) principles.

The financial and statutory information presented in the report is based on the requirements of the Companies Act, 2013 and the rules made thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

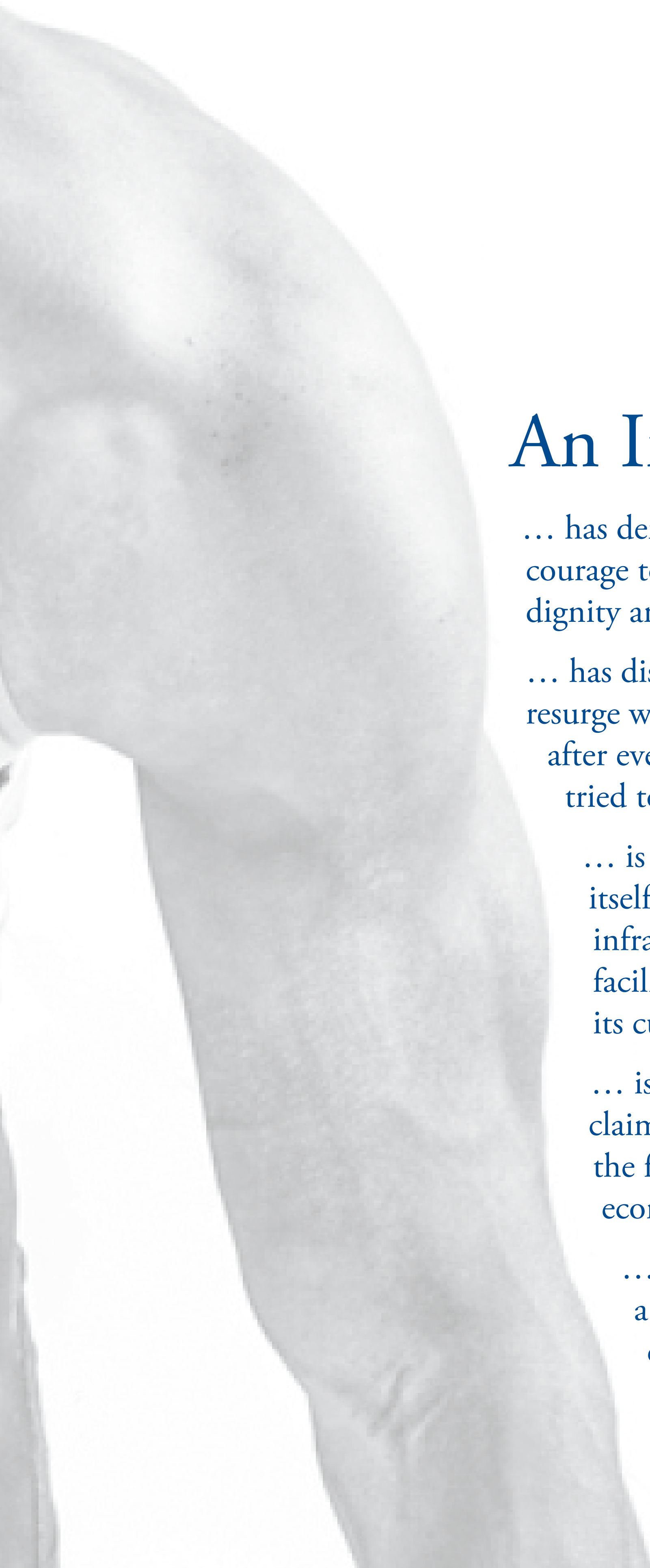
Scope & Boundary

The report covers ESG performance of Kajaria Ceramics Limited and its subsidiaries namely Kajaria Infinity Pvt. Ltd. (formerly Kajaria Bharat Pvt. Ltd./Cosa Ceramics Pvt. Ltd.), Kajaria Vitrified Pvt. Ltd. (formerly Jaxx Vitrified Pvt. Ltd.), Kajaria Plywood Pvt. Ltd., Vennar Ceramics Ltd., Kajaria Bathware Pvt. Ltd and Kajaria Sanitaryware Pvt. Ltd.

Reporting period

This report comprises of the financial and non-financial performance of the Company for the period 1st April 2021 to 31st March 2022 hereby considered as FY 2021-22.

Because we are in India...



An India that

… has demonstrated the courage to face challenges with dignity and determination.

… has displayed its power to resurge with speed and in style after every headwind that tried to push it back.

… is transforming itself with world-class infrastructure and facilities while retaining its cultural finesse.

… is surging ahead to claim its rightful place as the fastest growing major economy in the World.

… is graduating into a New India and drawing the global spotlight.

This new India

… is increasingly innovative, as it is entrepreneurial.

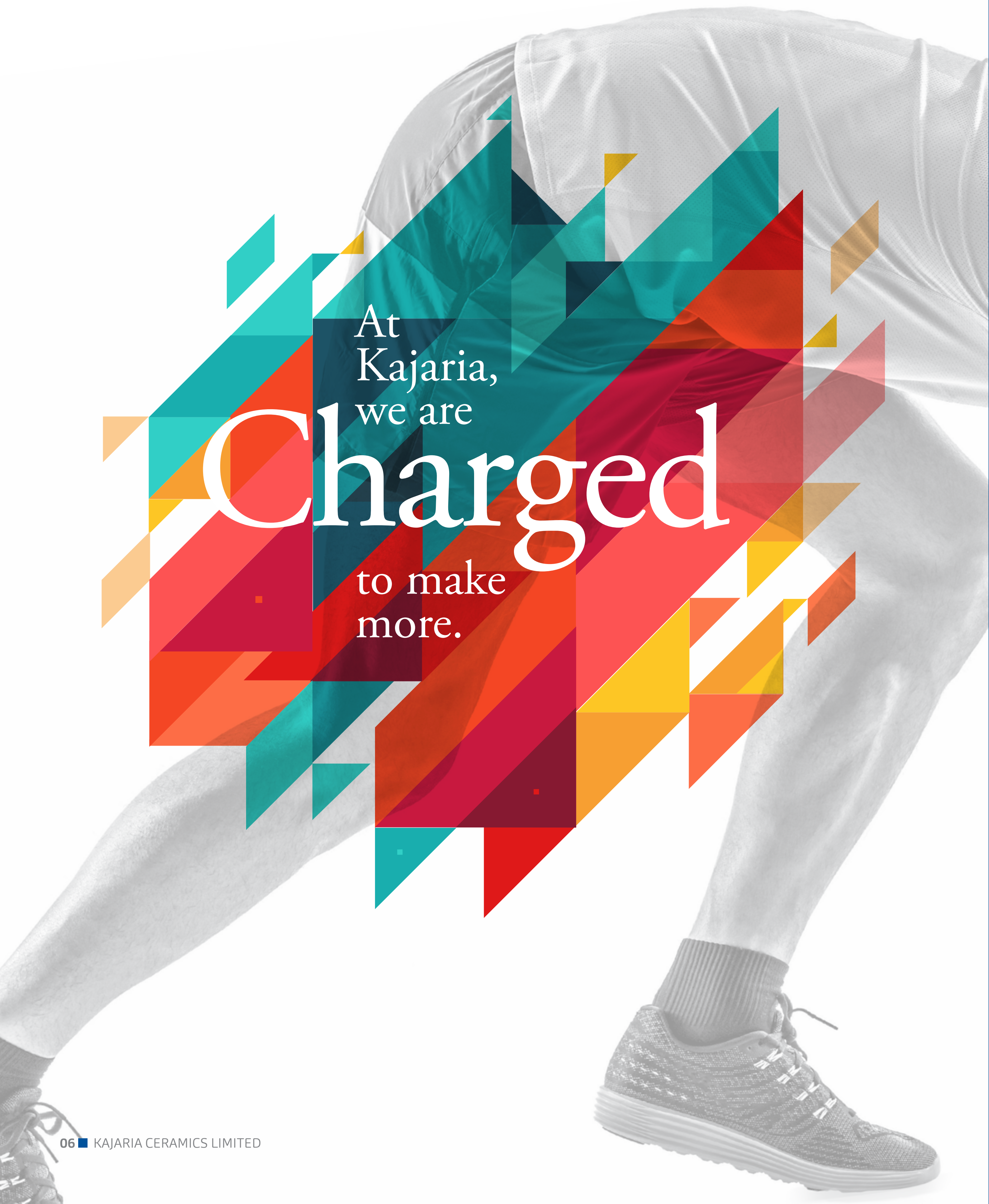
… is more connected - digitally and logistically.

… is more aspiring and demanding.

… is more brand conscious than ever before.

All of which is creating innumerable opportunities for India Inc.

and Kajaria.


At Kajaria, we are
Charged
to make more.

12.4MSM

We recently commenced operations of additional capacity.

We commissioned **4.20** MSM of ceramic floor tiles capacity at our Gailpur facility in May 2022.

We commissioned **3.80** MSM of value added glazed vitrified tiles capacity at our Srikalahasti facility in May 2022.

We commissioned **4.40** MSM of polished vitrified tiles capacity at Jaxx Vitrified plant at Morbi in April 2022.

82.80

Operational Capacity (MSM)
as on May 31, 2022


At
Kajaria,
we are
Ready
to deliver
more.

200+

Net addition of dealers in the last two years across India readying ourselves for moving closer to the ultimate consumer.

We have carefully cherrypicked our dealer locations to be in cities of great potential. Additionally, we have increased our product baskets with new sizes and a plethora of new ranges.

1,700+

Operative dealers Pan India

Kajaria Ceramics Limited

A company in the building products and bathroom solutions space that has, over more than three decades charged the aesthetic quotient of India a few notches higher.

An enterprise that catalysed the tile space – transforming its position from a commodity into a aspirational solution.

An organisation that has catapulted India on the global tile map.

A brand that is CHARGED to 'break through the ceiling glass' to orchestrate positive changes for business spaces of its presence.

OUR PRESENCE

Pan India manufacturing presence and dealer presence

- Headquarters in New Delhi
- Listing on The BSE Limited and The National Stock Exchange of India Limited

OUR BUSINESS VERTICALS

- Ceramic Wall & Floor Tiles
- Polished Vitrified Tiles
- Glazed Vitrified Tile
- Bathware solutions
- Plywood & Laminates

OUR BRANDS

Kajaria

Kerovit By Kajaria

Kajaria PLY INDIA JAISA STRONG

OUR BRAND AMBASSADORS

- Akshay Kumar
- Ranveer Singh
- Anushka Sharma

Kajaria Ceramics Limited In numbers

70.40
Capacity
(MSM)

611
EBITDA
(₹ crore)

68.37
Production
(MSM)

377
Profit after Tax
(₹ crore)

91.66
Sales
(MSM)

2,122
Networth
(₹ crore)

3,705
Revenue
(₹ crore)

2,406
Capital Employed
(₹ crore)

501
Cash & Cash Equivalents
(₹ crore)

Ashok Kajaria
Chairman & Mg. Director

The Management Statement

"Having delivered another industry-beating performance, we are all Charged Up! Because what we see over the horizon is as exciting as it is real."

Chetan Kajaria
Joint Mg. Director

Rishi Kajaria
Joint Mg. Director

Dear Shareholders

We trust you and your families are in good health.

It's a happy moment to be addressing you through this narrative as we closed one of the best years in our business journey. Even as the world experienced chaos and disruption, we delivered superior numbers. After years of patient perseverance, we broke through the elusive ₹3,000 crore ceiling (topline) to touch the ₹3700 crore mark. It was a surreal feeling.

We brought together all the capabilities and intellectual capital of Kajaria and synergized all our business units to create value for our customers and consumers. The results of these efforts are evident in our performance.

Our revenue from operations grew by 33%, EBITDA climbed by 20% and the Profit after Tax grew by 22%. While inflationary pressures that prevailed through the year weighed on our operating margins, owing to our sustained efforts in shoring the value-added component in our revenue mix, the positive outcome was that the drop was marginal (182 bps). Orchestrating this change has required us to realign our business operations, which we have faithfully done over the last decade.

Having delivered another industry-beating performance, we are all Charged Up!

Because what we see over the horizon is as exciting as it is real.

India is at the cusp of a positive breakout largely driven by infrastructure and industrialisation which is expected to brighten our business landscape.

With estimated GDP growth in excess of 7% in FY23, India is poised to become the fastest growing major economy in the world. Moreover, this economic growth is expected to be spurred by massive infrastructure spending as outlined in the Union Budget 2022-23.

Additionally, the Government is firm on its ambition of transforming India into a global manufacturing hub. The recently announced Production Linked Incentive (PLI) schemes for promoting Telecom & Networking Products Manufacturing in India formulated with the objective of creating global champions in manufacturing testimony to this resolve.

This is already transpiring as new investment and capex announcements by the private sector witnessed a 145% rise in FY22 over the previous year. As these announcements translate into on-ground realities, we should see interesting growth opportunities.

Now coming to the real estate market. India's real estate sector ended FY22 on a very firm footing, registering one of the highest growth in recent times. And FY23 is poised to be a promising year for the Indian housing market as buyer confidence and property ownership capability scale a few notches higher.

From a more medium term perspective, retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

We expect significantly large opportunity to come from the hospital sector. We are quite confident that India in the aftermath of the pandemic will focus on strengthening its hospital infrastructure. This has already started.

In the National Capital alone, seven large super-specialty hospitals are being constructed. We are sure that this is also happening across India. According to a CBRE report, India will require an additional 1.3 billion square feet of healthcare space by 2030 to reach the global hospital beds-to-population average. (Source: https://www.cbre.co.in/press-releases/india-to-require-1-3-billion-sq-ft-of-additional-healthcare-space-by-2030)

Also, there is a significant, yet silent, reverse migration from metros and large urban cities to Tier II and III cities and towns owing to efficient and established platforms to 'Work from Anywhere'. This is further peppered with the Government's impetus, through interesting policy announcements, to create a thriving ecosystem for start-ups and MSMEs (now regarded as key economic drivers). As a result, innovation-driving enterprises are mushrooming across the Indian landmass attracting relocation from urban locales to semi-urban pin codes.

Alongside this increasing demand, we see accelerated traction from increased application of tiles in new and replacement & renovation projects. Our new products like Kajaria Vitronite (Table Top/Kitchen Top) and slab (Large format tiles) are witnessing high attraction.

Interestingly, the supply side of our business space is also providing interesting growth opportunities. The regional players are losing their edge in the domestic marketplace mainly because of 1) Shifting their focus towards the Western market, 2) spike in fuel prices have significantly constrained their operational bandwidth, and 3) inability to extend higher credit period to the dealers which they use to give in the pre-covid era. The combination of these factors has created a sizeable vacuum in the domestic market for the branded players to fill in.

What are we doing to capitalise on this riveting landscape?

We continue to augment our operating capacities at our multiple facilities which have commenced operations even as we articulate this narrative. The Board has approved the acquisition of 51% stake in South Asian Ceramics Pvt. Ltd. Telangana which has an annual production capacity of 4.79 MSM of ceramic floor tiles to further strengthen our base in South India.

This acquisition, along with other expansions are not merely a simple addition to the overall capacity, it is a well-thought-out strategy that will align our products with the regional demand and our value-addition quotient with our profitability aspiration.

We have also widened our product basket with larger sizes, newer concepts and superior aesthetics. We have and will continue to deepen our presence in the domestic markets even further. We have technology and strategy in place to reach out faster to the ultimate consumer through digital channels to showcase our new launches.

We will continue to endeavour to make our operations progressively green even as we work to persevere towards making the organisation's bottomline increasingly black.

As these project gain momentum on the ground, we have and will add considerable value to the organisation and our stakeholders.

In FY23

We strongly believe that the Company is Capable, Scalable and Sustainable, and is well positioned to both, face challenges and leverage opportunities. We will continue to persistently explore ways to further improve our topline growth and profitability. We will continue to work with revenue enhancing and efficiency improvement measures to capitalise on the favourable position we have in our growing market.

In closing, we would like to thank the Board for guiding us to execute our responsibilities in the best possible manner. We would like to extend our appreciation to our team for their relentless efforts in overcoming prevailing headwinds.

Our deep appreciation to our shareholders for their confidence and support. We also place on record our gratitude to our other stakeholders – JV partners, vendors, dealers, customers, bankers and Central and State government authorities – for their consistent support and assistance in our journey.

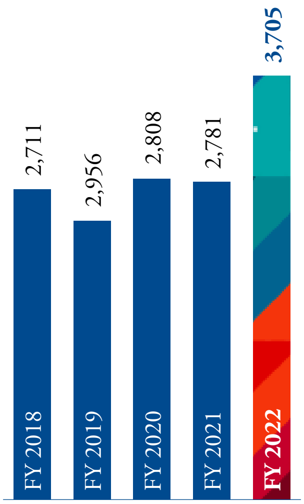
Warm regards

The Management Team

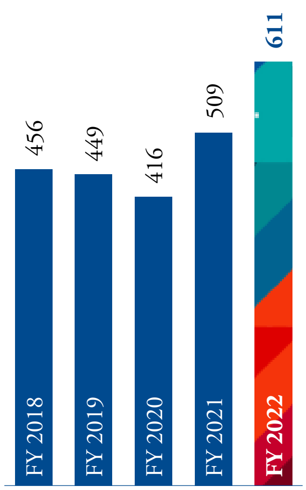
Our new capacity of slab manufacturing at Srikalahasti, which got commissioned in May 2022, has the most advanced technology Continua+ from SACMI, Italy in South India. At this plant, we are making 4 feet x 8 feet slab as compared to 4 inch by 8 inch tile, we used to make when we started our journey 33 years back.

Key Performance Indicators

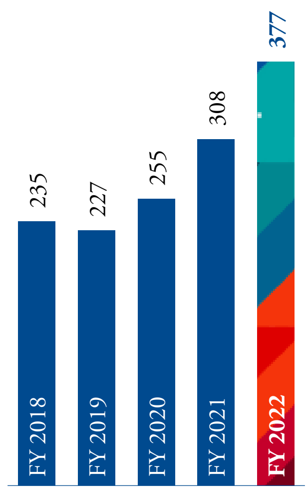
Revenue
(₹ Crore)



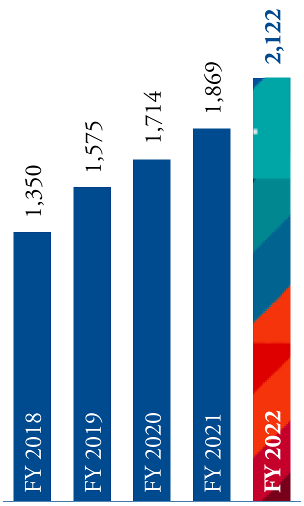
EBITDA
(₹ Crore)



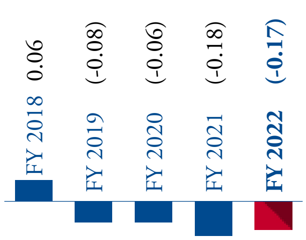
Net Profit
(₹ Crore)



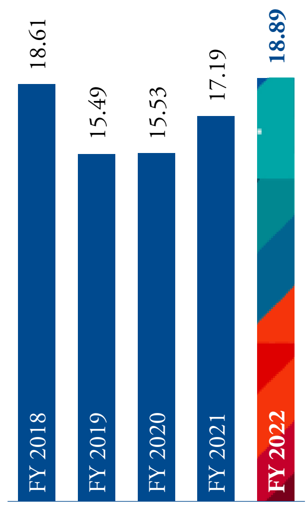
Networth
(₹ Crore)



Net debt/equity
(X)



Return on Networth (Avg)
(%)



Charging forward in the

right direction

Q1/FY22

	Production (MSM)	Sales (MSM)	Revenue (₹ crore)	EBITDA (₹ crore)	Net Profit (₹ crore)
Q1/FY22	13.99	15.26	561.66	80.42	43.06
Q1/FY21	1.52	7.66	277.56	(7.57)	(27.10)

Note: Previous year figures are not comparable due to shutdown because of Covid 19 restrictions.

Q2/FY22

	Production (MSM)	Sales (MSM)	Revenue (₹ crore)	EBITDA (₹ crore)	Net Profit (₹ crore)
Q2/FY22	17.56	24.79	973.55	180.49	116.14
Q2/FY21	15.88	19.80	712.51	143.69	89.12
Change	11%	25%	37%	26%	30%

Q3/FY22

	Production (MSM)	Sales (MSM)	Revenue (₹ crore)	EBITDA (₹ crore)	Net Profit (₹ crore)
Q3/FY22	18.59	25.64	1,068.23	183.84	122.02
Q3/FY21	17.18	22.59	838.32	181.77	118.94
Change	8%	14%	27%	1%	3%

Q4/FY22

	Production (MSM)	Sales (MSM)	Revenue (₹ crore)	EBITDA (₹ crore)	Net Profit (₹ crore)
Q4/FY22	18.23	25.97	1,101.75	165.94	95.76
Q4/FY21	17.27	25.39	952.51	190.93	127.09
Change	6%	2%	16%	(13)%	(25)%

Our
Value creation story

Our Values

Our Company is founded on core values - integrity, respect, and accountability in all our actions, operations and engagement with stakeholders and society at large. The Company believes that good corporate governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Our values are rooted in every function of the company including how we conduct our business.

ESG Framework

We have a board level Business Responsibility and Sustainability Committee to oversee the implementation of the Business Responsibility Policy and review our ESG performance. Business Responsibility and Sustainability Committee is assisted by an executive team.

Our Board

Robust governance structure is the hallmark of a sustainable organisation. Our well organised governance structure entrusts the organisation with highest standards of ethics, transparency and growth. Extensive experience and expertise of the board members enables them to provide strategic direction towards sustainable growth through actively participating in setting goals and objectives for the Company. They have been instrumental in guiding the management and analysing the performance of the Company on a regular basis.

Our Board has a mix of executive and non-executive directors, including independent directors and a female director. Our board of directors represent a good mix of gender, age, expertise, educational background and other socio-cultural aspects.

Our Board Committees

- **Audit Committee**
- **Nomination and Remuneration Committee**
- **CSR Committee**
- **Stakeholder Relationship Committee**
- **Business Responsibility & Sustainability Committee**
- **Risk Management Committee**
- **Management Committee**

Simultaneously, they have extensive experience and knowledge in the sectors like manufacturing, management, technology, finance and marketing. As on 31st March 2022, the Company has eight Directors on its Board, out of which three are Executive Directors, one is Non-Executive Non-Independent Director and four are Non-Executive-Independent Directors including one female Non-Executive Independent Director.

Our Business Responsibility and Sustainability Committee is responsible for ensuring that our Company operates as a responsible corporate citizen by adhering to governance aspects, applicable regulations, respect for environment, engage with community and maintaining profitability.

Business Responsibility Policy

At Kajaria, we value responsible business conduct. The Company firmly believes that the social, environmental, and economic values are interlinked and determine the significance of its commitment to ensure a positive impact of the existence of the Company on all its stakeholders. We have a Business Responsibility Policy which ensures ethical and responsible conduct across our business operations. The policy has been approved by the Board and formulated in consultation with the management of our Company. This Policy endorses the Company's commitment to follow principles and core elements in conducting its business laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs. Our coverage of Business Responsibility Policy is presented alongside:

Business Responsibility Policy	Our Policy on responsible operations covers:
	Ethics, Transparency & Accountability
	Product Life Cycle Sustainability
	Employee Wellbeing
	Stakeholder Engagement
	Human Rights
	Protection of Environment
	Responsible Advocacy
	Inclusive Growth & Equitable Development
★★☆	Customer Value

Other Policies of Kajaria Ceramics Limited

- Code of Fair Disclosure
- Code of Business Conduct & Ethics
- Code of Conduct for Prevention of Insider Trading
- Dividend Distribution Policy
- Related Party Transaction Policy
- Material Subsidiary Policy
- Familiarisation Programme for Independent Directors
- Board Diversity Policy
- Internal Control System
- Policy Party Transaction Policy
- Policy on Prevention of Sexual Harassment at The Workplace
- Whistle Blower Policy (Vigil Mechanism)
- Risk Management Policy
- Archival Policy
- Polic for Determination of Material Events
- Policy For Preservation of Documents
- Nomination and Remuneration Policy
- Corporate Social Responsibility Policy

ESG Strategy

We recognise the importance of ESG considerations in our business planning. They are embedded in our ESG strategy which focuses on maintaining positive environmental and social performance of the Company while maintaining steady financial growth. The Company works with a unified and common approach in all dimensions of its business responsibility, to create a sustainable & inclusive growth for all. We closely monitor emerging global risks, stakeholder expectations, market requirements and factor them in our ESG strategy. All our plants and offices remain committed to our ESG strategy.

Drivers of our ESG Strategy

Adherence to National Voluntary Guidelines (NVGs): We adhere to principles and core elements laid down in the NVGs on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs (MCA) while conducting business

Exceeding investor expectations: Devising policies and implementing business practices, transform processes that are aligned with our investors' expectations on environment, social and governance performance of the Company

Employees' and workers' safety & well-being: Diligently working towards creating a safe, inclusive workspace for everyone in our premises by preventing injuries & fatalities

Improving process efficiencies: Adopting best-in-class practices for resource use optimisation while ensuring highest quality of our products

Adapting to emerging risks: Identifying emerging risks such as changing regulations, pandemic, supply chain disruptions, climate change, etc., to develop risk management plans within achievable timelines

Stakeholders' Engagement

We view our stakeholders as long-term value creators and recognise stakeholder engagement process as necessary for achieving the goal of inclusive growth. Stakeholders engagement helps in better understanding the key issues, minimising risks, setting priorities, improving credibility and building a mutually strong relationship.

The Company believes in open and transparent communication along with timely feedback and response through formal and informal channels of communication. Consequently, we ensure that the information exchange and discussions with stakeholders are conducted at regular intervals in our business.

We have mapped our internal and external stakeholders. The key categories, their mode of communications and key topics are shown below:

S. No.	Stakeholder Group	Mode of communication	Key topics
1	Investors	• Quarterly financial results • Annual report • Investor presentations & meetings • Annual General Meeting	• Business Updates • Financial information • Market developments • Non financial disclosures • ESG
2	Government and Regulatory Bodies	• Regulatory filings • Facility inspections • Annual report	• Audit and inspections requirements • Policy requirments • NVGRBC and BRSR compliances
3	Industry Bodies and Associations	• Participation on industry forums	• Discussions on the issues faced by the ceramic sector and housing & consutruction sector • Knowledge exchange and latest trends in the ceramic industry
4	Employees	• Induction program • Training programmes • Intranet portals • Performance appraisal reviews	• Training requirements • Employee well being, health and Safety • Perks & remuneration
5	Consumers or end users	• Advertisement, exhibitions and events • Digital and social media connect • Dealer showrooms • Brochures and catalogues • Website • Phone calls, e-mails and meetings	• Product details • Product pricing • Product feedback • New product development • Better service
6	Communities	• Need assessments for CSR projects through surveys and focused group discussions	• Community needs • Selection of new projects based on needs • Monitoring and evaluation of on-going projects
7	Suppliers	• E-mails and phone calls • Open house vendor meets	• Pricing and quality issues • Supply chain issues/ solutions • Capacity development • New material development
8	Dealers	• Company's Website • Meetings • Conferences & awards ceremony • Emails and phone calls	• New product launches • Distribution channel issues/ solutions • Showroom upgradation/ renovation • Customer preferences

Materiality Assessment

Materiality assessment is a fundamental and integral aspect of our ESG disclosure, developing and updating our strategies. It enables us to gather insights on the relative importance of specific ESG issues and their impact on value creation. To remain successful in the long term, it is essential for us to engage in frequent dialogue with stakeholders and find ways to align our broader business performance. We also measure our policies and their implementation with the expectations of our stakeholders.

A thorough and deep understanding of the ESG topics that matter most to these groups is essential for achieving this. This enables us to address their concerns better, respond to their queries accurately and which in turn helps us to better manage our business.

We discuss regularly with our stakeholders and ensure that their concerns are addressed in our business decisions wherever feasible. We track the key topics discussed by our stakeholders namely customers, dealers, supplier, investors, employees, community, industry associations and regulatory bodies. During the current reporting period, we conducted our first materiality assessment to keep up with the fast-changing world around us. This was a calculated move taken in the backdrop of growing ESG risks and opportunities that may impact our Company. We hope to update our assessment every year. Our material issues identification process is detailed below.

Identification

Exhaustive list of material issues was compiled based on GRI standard and global mega trends

Shortlisting

Identified issues were analysed objectively on the basis their relevance and significance to the Company

Categorisation

List of 15 most relevant issues were further clustered into six categories

Material issues have been clustered into Energy and GHG management, social relationship, environment protection, employee well-being, ethical conduct and product stewardship

Energy and GHG Management
- Energy Efficiency
- GHG emission reduction

Social Relationships
- Corporate Social Responsibiilty (CSR)
- Customer Experience

Environment Protection
- Water Management
- Air Pollution
- Biodiversity Managament
- Waste Management

Employee well-being
- Occupational Health & Safety
- Employee training & development

Ethical Conduct
- Corporate Governance
- Business Ethics
- Regulatory Compliance Management

Product Stewardship
- Research and Developement
- Sustainable Supply Chain

Our Value creation model

INPUTS

Financial Capital

Capex:	₹ 304 Crore
Fixed Assets:	₹ 2,526 Crore

Manufacturing Capital

Installed Capacity:	70.40 MSM
Manufacturing plants:	8 tiles, 1 bathware, 1 sanitaryware

Intellectual Capital

R&D facilities:	3

Human Capital

Employees & Workers:	7,034
Training hours:	20,000+

Natural Capital

Energy consumed:	75.83 Lakh GJ
Renewable energy utilised:	43,216 GJ
Water withdrawal:	11.02 Lakh KL

Social & Relationship Capital

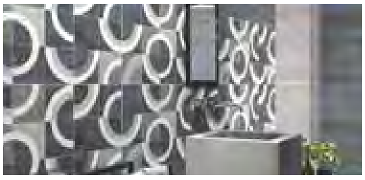
Total CSR spend:	₹ 6.96 Crore
Operative Dealers:	1,700+

VALUE CREATION APPROACH

OUTPUT

Our products

1 Tiles



2 Faucets

3 Sanitaryware

4 Plywood & Laminates

OUTCOME

Financial Capital

EPS :	₹ 23.69
EBITDA :	₹ 611 Crore
Turnover:	₹ 3,705 Crore

Manufacturing Capital

Capacity utilization:	97%
Production of tiles:	68.37 MSM

Intellectual Capital

New products & designs developed:	~750 SKU

Human Capital

Attrition rate for permanent employees and workers: 7%

LTIFR for permanent employees and workers: 0.7 per one million man hours worked

Natural Capital

Total GHG emissions (Scope 1&2):	0.61 Million tCO2e

Zero liquid discharge plants

Social & Relationship Capital

No. of CSR programmes:	78
Increase in dealers:	200+

Financial Capital

Financial Capital is the backbone of business operations, which comprises of pool of funds available to the organization through financing (debt & equity), operations and investments in a given time-period. Financial capital is one of the important driver to create value through its input into other forms of capital like Machinery (Manufactured Capital), People (Human Capital) and Knowhow (Intellectual Capital)

At Kajaria, we believe in the long term growth with systemic use of financial capital. Our aim is to increase the stakeholders value by ensuring optimum use of funds to support our value-creation process. Our balance sheet is strong with a net worth of ₹2,122.38 Crores and net debt to equity ratio of -0.17 times. Our turnover was ₹3,705.19 Crores, a growth of 33% year-on-year in FY 2021-22.

Our Philosophy

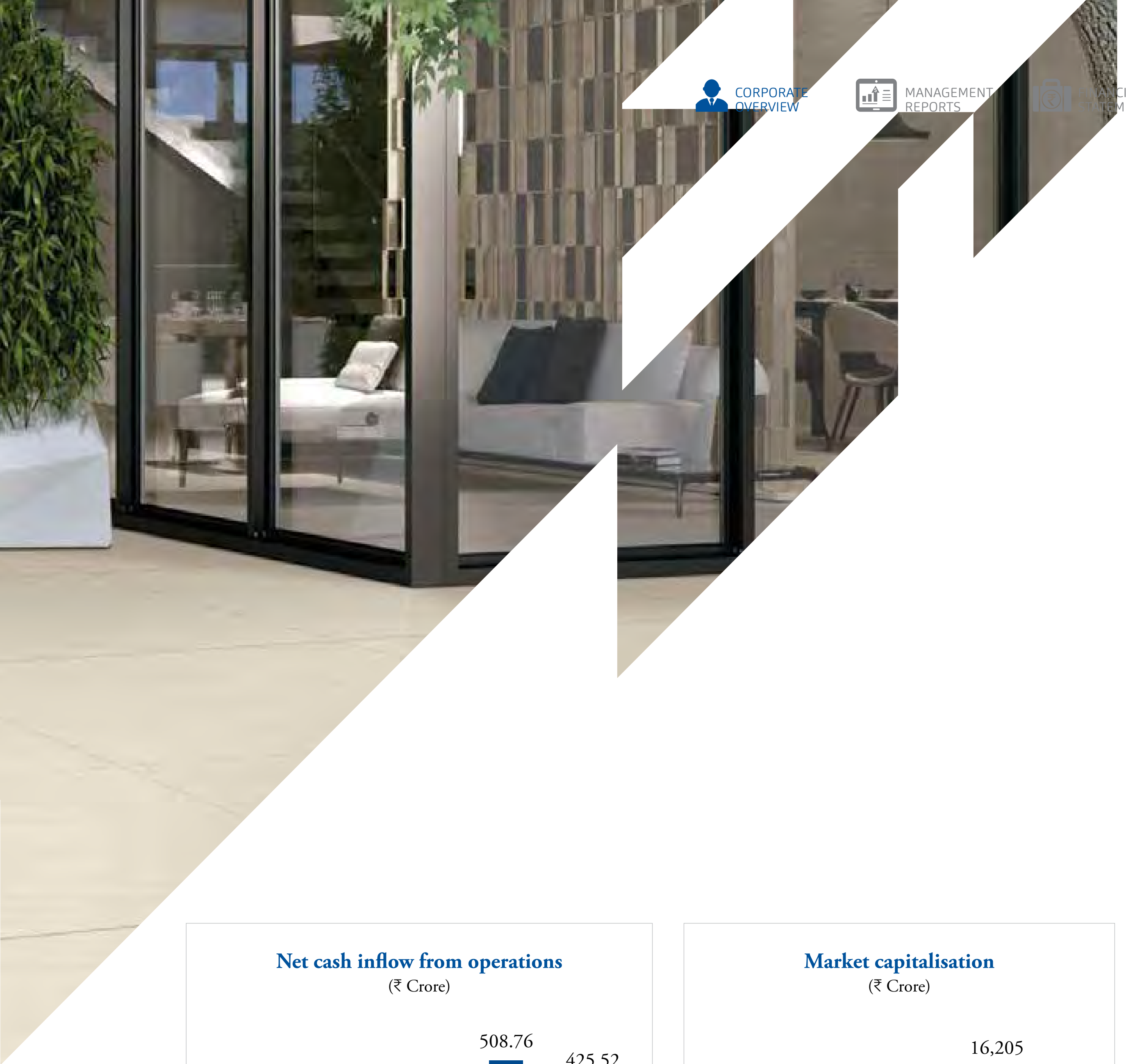
We adopt a two-pronged approach. On one hand, we focus on growing the share of value-added products in our revenue mix; while on the other, we emphasise capital conservation by rationalising operating expenses by eliminating redundancy, stepping up efficiency across the board through technology interventions and better monitoring, exercising stringent control on overhead costs and optimising the working capital cycle.

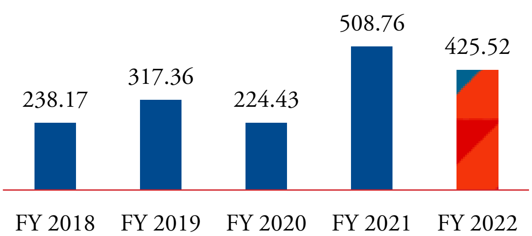
Altering Out Revenue Mix

Over the years, we have continuously focused on rejuvenating our product basket with technologically and aesthetically superior products (in terms of sizes and finishes).

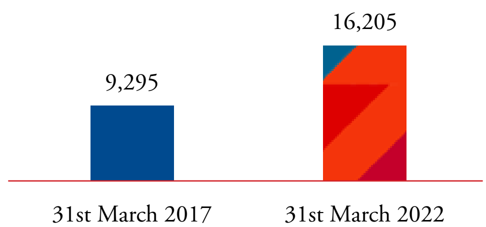
Strong Cash flow

We always remain mindful of the cash we generate and its uses. In keeping with this reality, we have worked zealously to increase our operating cash flow which is then prudently utilized between working capital and investing in strategic growth initiatives.





Net cash inflow from operations
(₹ Crore)



Market capitalisation
(₹ Crore)

Creating Value for Shareholders

Our overarching objective has always been to create sustainable value for all stakeholders, despite macro-economic headwinds and industry challenges. This is evident from the increase in the market capitalisation from ₹9,295 crore as on 31st March 2017 to ₹16,205 crore as on 31st March 2022.

Interlinkage with other Capitals

- **Manufactured capital:** Investment in augmenting capacities.
- **Human capital:** Investments in learning and development to enhance the employee skill set and build capability.
- **Social & Relationship capital:** Investment in community development and building relations.
- **Intellectual capital:** Investments in technologies to improve and widen the product basket and foster product development.
- **Natural capital:** Investment in improvement measures and operational efficiency to reduce GHG emissions.

Manufactured Capital

Manufactured Capital consists of company's physical infrastructure such as plant, building, machinery, equipment, finished and intermediary goods that are available in the Company for production of goods.

At Kajaria, our value-added portfolio is underpinned by our strong manufacturing capabilities and the integration of various aspects of our supply chain. With a cumulative 82.8 MSM Tile manufacturing capacity, we are India's largest and world's 8th largest tile manufacturer. Our annual sanitary and faucet manufacturing capacity is 7.5 lakh pieces and 10 lakh pieces respectively.

Our Infrastructure

With 8 state-of-the-art tile manufacturing plants spread across 6 locations, we keep up a steady output of globally acclaimed products. The major focus of our capital expenditure has been on technology and capacity enhancement. We also have one bathware and one sanitaryware manufacturing facility.

Expansion

Our total plant capacity has increased to 82.8 MSM in May 2022 due to brownfield expansion in Gailpur (Rajasthan), Morbi (Gujarat) and Srikalahasti (Andhra Pradesh). These expansions will help to penetrate deeper as we intend to cater to untouched part of the country.

OUR INSTALLED CAPACITY PROGRESSION

70.4 MSM Total	Overall capacity increased by 12.4 MSM	**82.8 MSM** Total
34.3 MSM Gailpur	Ceramic wall & floor capacity increased by 4.2 MSM	38.5 MSM Gailpur
8.4 MSM Sikandrabad		8.4 MSM Sikandrabad
2.9 MSM Vennar		2.9 MSM Vennar
6.5 MSM Malootana		6.5 MSM Malootana
13.3 MSM Morbi	Polished vitrified capacity increased by 4.4 MSM	17.7 MSM Morbi
5.0 MSM Srikalahasti	Glazed vitrified capacity increased by 3.8 MSM	8.8 MSM Srikalahasti

Intending to utilise our manufacturing resources efficiently, our single-minded aim has been to improve our management practices and machine maintenance. During FY22, we implemented several initiatives at our facilities, which have helped in making our manufacturing operations more productive and cost-effective. These are the following initiatives which were implemented universally across all our facilities:

- Achieved optimum utilisation of capacity at all our operating units
- Made suitable modifications to the body composition of tiles and kiln processes to reduce the kiln cycle time – it improved productivity and reduced the average gas consumption.
- Upgraded the preventive maintenance practices which improved overall plant availability and reduced green tile rejections.

In addition to these initiatives, we made important improvements specific to each operating unit.

Gailpur Facility

- Made small investments to ensure that the plant load factor remained below the stipulated benchmark
- Increased the capacity of the ceramic floor tile line by 4.20 MSM which commenced operations in May 2022.

Malootana facility

- Converted the fuel from Coal Gas to LNG, a more environment-friendly fuel which also helps in improving the quality of the tile manufactured.

Srikalahasti facility

- Introduced bio-mass in generating heat to be used in the Spray Dryer facility which helps in reduction of Co_2 emission.
- Invested in a strip cutting machine which allowed the team to cut large-sized tiles into planks.
- Added 3.80 MSM capacity of value added glazed vitrified tiles (Slabs).

Jaxx facility

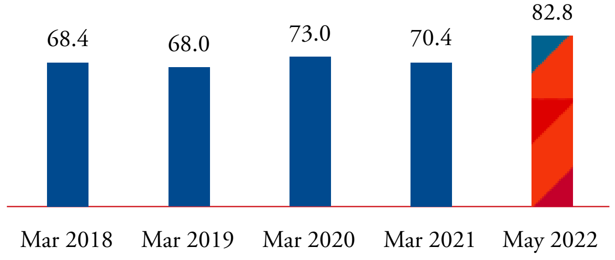
- Installed a new line at Jaxx unit 2 having 4.40 MSM capacity to manufacture Polished Vitrified Tiles in two sizes.

Bathware solutions

In our sanitaryware plant situated in Morbi (Gujarat) with a production capacity of 0.75 million pieces per annum, we have invested in a heat control system which utilises the waste heat from the kiln to dry the moulds faster. This initiative significantly improved the overall productivity of the facility.

In our Kajaria's faucet unit situated in Gailpur (Rajasthan) with a production capacity of 1.00 million pieces is in a process of increasing the capacity of 0.6 million pieces per annum taking the total capacity to 1.6 million pieces per annum in FY2023.

Production Capacity
(MSM)



Interlinkage with other Capitals

- **Financial capital:** Increased revenue generation
- **Human Capital:** Sufficiency of competent manpower and safe working conditions
- **Social & relationship capital:** Provide employment opportunities and upliftment of SME suppliers
- **Intellectual capital:** Innovate constantly to enhance productivity
- **Natural Capital:** Reduce emission and overall carbon intensity

Intellectual Capital


VEGAN

The intellectual capital explains the organizational knowledge-based intangibles such as patents, copyrights, softwares, licenses and intellectual property of the Company. It also details the “organizational capital” such as tacit knowledge, systems, procedures, and protocols as well as the intangibles associated with the brand and reputation that Kajaria has developed over the decades.

Our Philosophy

We endeavour to lead the industry in terms of innovation across ideas, products, practices and processes. We celebrate excellence and pave the road for others to follow. Over the years, we have enriched and sharpened our expertise to strengthen our brand recall. Our brands, in-house technologies and processes comprise of our intellectual capital.

R&D at Kajaria

One of the key feature responsible for Kajaria's growth and popularity is its commitment to innovate. The company's core product line is tiles of vivid varieties, textures, designs, sizes and colors suitable for different parts of the indoors and the outdoors of a house & building. Keeping in pace with the changing demands of Indian consumers, Kajaria has worked from the forefront to intertwine innovation and creativity with practical and futuristic solutions.

Product innovation

Our patient efforts, over the last three decades, have altered tile options and sizes. Having widened the tile ambit to increasing tile sizes, we changed the way tiles are, how they are perceived and how they are used. Every year, over the last five years, we have introduced numerous SKUs to widen the aesthetic offering for our customers. In recent times we have introduced some new product categories which have gained good traction.

~750 -tile SKUs introduced in FY2021-22

Our path-breaking product collections

Kerovit, our leading bathroom fittings brand, has launched a premium range of faucets & sanitaryware, elevating luxury to new heights.

Technology deployment

We not only manufacture tiles, we innovate them. Our passion for innovation allows us to make better tiles that enhance value for our customers.

- Installed a fully-automated packing line for our large-format tiles (slabs 1200 x 2400 mm) at Srikalahasti unit (Andhra Pradesh).
- Invested in a Physical Vapour Deposition (PVD) unit for making coloured Bathware products. This is one of very few units in India to have such a state-of-the-art facility.
- Installed the state-of-the-art tunnel kiln at our Sanitaryware plant which promises superior and uniform baking, resulting in a longer-lasting product. It also replaced manual glazing operations with a Robo-glazing line. Uniform glazing across the entire product impacts superior finish and aesthetic appeal.

Global Recognition

We have aligned our processes to the exacting ISO standard for several parameters. We have received many certifications from the world's top accreditation bodies. Moreover, every year we leverage our intellectual capital to improve process efficiency; thereby ensuring that we remain worthy of the global recognition we have received.

Brand value

Our efforts in uplifting tiles from a commodity to an aesthetic essential for the real estate sector have created a bond that is cemented in the minds of customers as a brand that stands for innovation and quality. Our persistent energy in uplifting the brand through our strategic efforts has been satisfyingly rewarding.

Kajaria has been recognised as a Super Brand in the ceramic sector for the twelfth time in a row. Attaining Super Brand status strengthens a brand's position, adds prestige and reassures consumers and suppliers that they are buying the best brand in its category.

Kajaria is the only Indian tile company to receive the "Asia's Most Promising Brand" award in the Premium Tiles category exalting the journey of Kajaria as a market leader. The top brand featuring across 50 industry categories had been chosen to form the Most Promising Brand of Asia through consumer and product survey which was conducted by iBrand 360 (Iconic Brands 360), a World Consulting & Research Corporation enterprise.

Information technology

In today's world, digital transformation is not just a buzzword, it's the keyword for sustainability. Understanding this reality, we have proactively invested in the Company's digital transformation journey.

We migrated from legacy systems to the most contemporary SAP platform

- We created an online dealer portal for superior dealer interaction, communication and business management. More than 500 dealers were added to this portal.
- Moved our Email application to Microsoft O365 to make the organisation's email system more reliable and secure.
- Implemented cyber security controls and applications with strict policies to protect IT infra and endpoint devices.
- Migrated the SAP ERP ECC to the S4 HANA platform for faster processing and enhancement for business; also implemented TCS and TDS systems in a SAP.
- Set up SAP application through the two-factor authentication system for external as well as internal users.
- Introduced the SAP Fiori app for approvals and reporting.

Interlinkage with other Capitals

- **Manufactured capital:** Enhanced efficiency through innovative processes.
- **Financial capital:** Investment towards process and product innovation.
- **Human capital:** Digital adoption driving human productivity.
- **Social & Relationship capital:** Improved initiatives around community development activities and value-added products
- **Natural capital:** Technological improvements in operations, minimising waste and emission.

Human Capital

At Kajaria, we build people and careers. Our relationship-led way of working reflects our commitment to our people. We strive to foster a workplace where employees are motivated and empowered to drive positive change. Our diverse team of skilled, accountable and engaged employees plays a critical role in this goal.

Our people philosophy

We have pivoted our human resource focus to provide an enabling, supportive and safe environment for our people. Also, we prioritised keeping our people engaged, connected and well-informed.

Team development

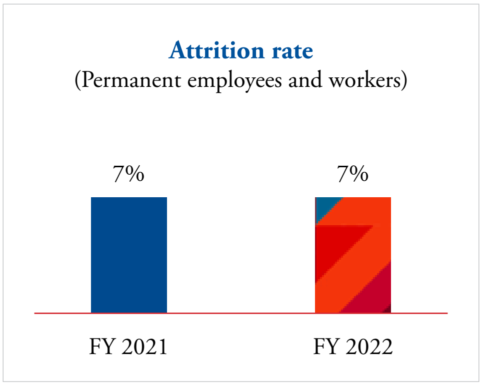
People development is core to our people philosophy. As such, we undertake multiple initiatives to enhance our team's knowledge – technical, functional and behavioral. Our training efforts also comprise on-the-floor training where operational lapse and improvements are discussed with team members to enhance their operational capabilities. We also encourage our team to undertake online courses in their areas of interest and those that are aligned with business priorities.

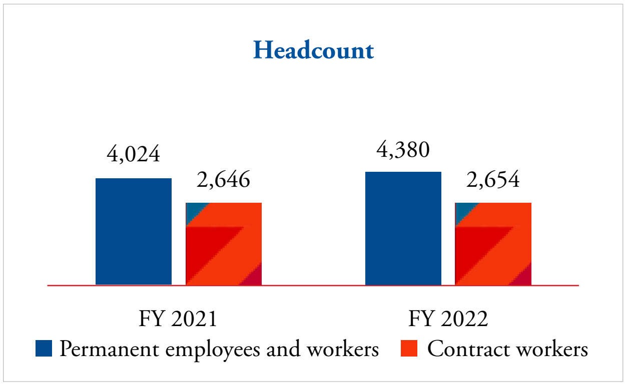
20,000+ hours of health & safety training given to our permanent and contractual workforce

Team building

Our human capital plays a crucial role in our business growth. At Kajaria, we focus on broadening our selection of candidates by hiring personnel from diverse backgrounds to build a strong team to address the emerging market needs.

Kajaria is constantly making efforts to adopt best practices and implement policies to decrease the attrition rate. We strictly adhere to the Equal Remuneration Act for all of our employees irrespective of gender.





Team safety

We are seized by the fact that a safe workplace fosters great performance. In keeping with this belief, we have put in place strong safety policies and practices at our operating units and our offices. Our Safety committee ensures that all SOPs are strictly adhered to. Safety audits of our facility are a regular feature that helps in improving operational practices. Safety training has been embedded in our annual training calendar to ensure that new practices are properly understood and accurately implemented by teams across all operating units. The training curriculum includes training on certifications and new processes etc.

LTIFR (Lost time Injury frequency rate)	FY 2022	FY 2021
Permanent Employees and workers	0.70	0.50
Contract workers	0.50	0.30

**per one million man hours worked*

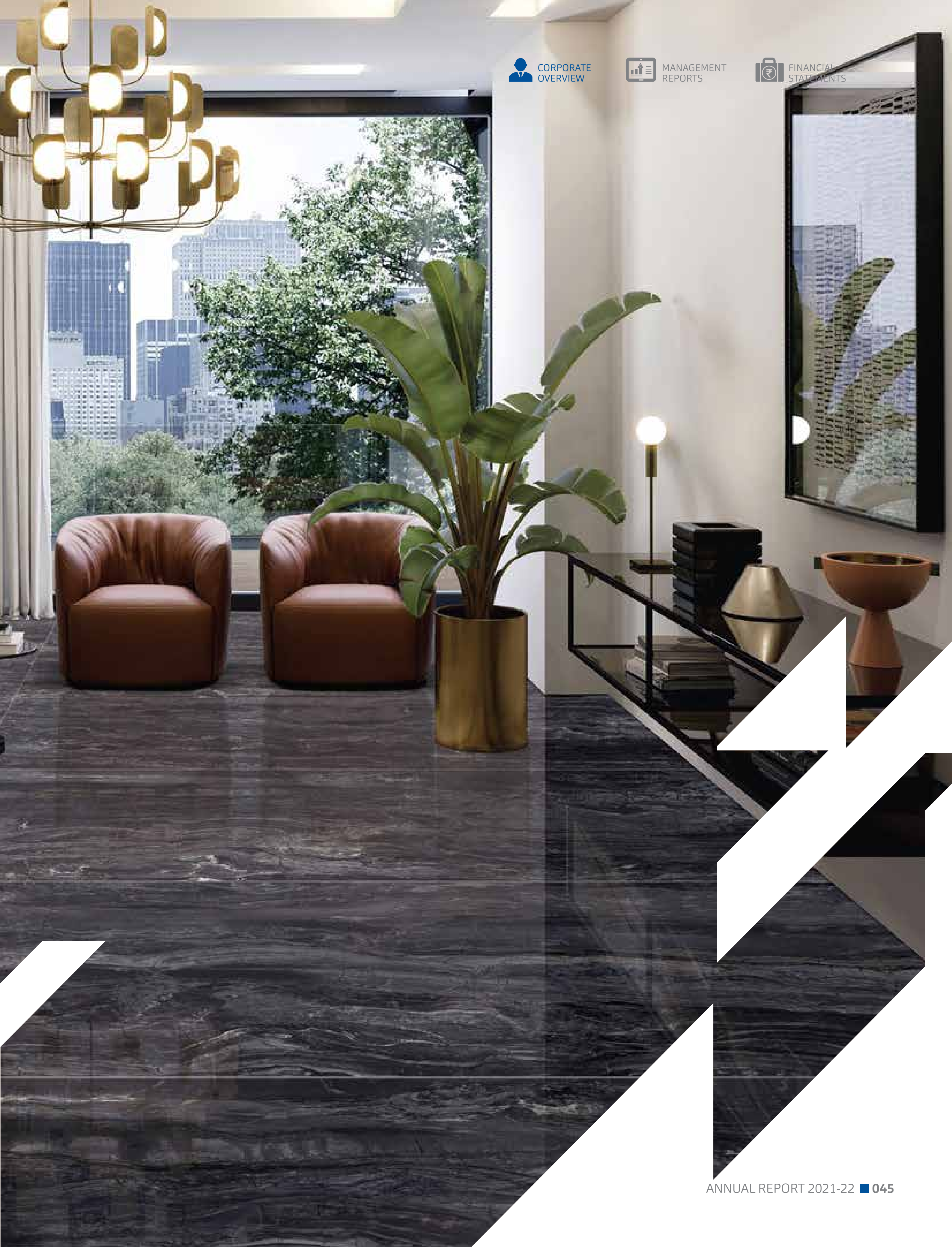
Team engagement

At Kajaria, we proactively work towards engaging with our employees on a regular basis. Our various platforms to engage include various digital and offline engagement channels where employees and workers can voice their issues and grievances without any restrictions.

Interlinkage with other Capitals

- **Financial capital:** Investment in knowledge and skill development of employees and people welfare
- **Social and Relationship capital:** Enhanced employee participation in community development and provision of superior experience for consumers
- **Manufactured Capital:** Ensures efficiency and quality in the manufacturing process
- **Intellectual capital:** Increased participation in driving innovation
- **Natural Capital:** Greater focus on resource conservation

Natural Capital



The Natural Capital section covers all renewable and non-renewable resources used in the Company's production processes. It explains the impacts of various environmental parameters like air, water, waste, greenhouse emission and biodiversity in relation to our production processes.

Tile manufacturing is an energy-intensive process. As a responsible business, we diligently work towards extending our environmental stewardship much beyond complying with applicable laws and regulations.

We optimise our consumption of natural resources sustainably. Further, we have embedded the concept of a circular economy in our operating processes which has helped us in optimising resource requirements.

Specific Energy Consumption	Renewable Energy Consumption	Specific Water Consumption	Rainwater Harvesting
0.11* Gj/m2	**6%** of total electricity consumption	**0.02*** KL/m²	**49.9** Lakh KL

**represents data for tile manufacturing business*

Our philosophy

Our sustainability strategy focuses on environmental responsibility, climate protection, and ensuring

the long-term availability of resources. Since its inception, we follow the '3R policy' of sustainability...
Reduce, Reuse and Recycle.

Energy management

Baking tiles in the furnace is an energy-guzzling process in tile manufacturing. As such it becomes the area of focus for energy management. At Kajaria, we use LNG for majority of our plants, a nonpolluting energy source for firing our furnaces. As a responsible corporate, we have undertaken multiple steps to optimise energy consumption. Listed below are the important ones:

- Optimised our baking time in the furnace with suitable modifications in the tile body composition.
- Invested in a waste recovery system that utilises the heat recovered in the drying process.
- Invested in energy-saving motors and pumps across its facilities

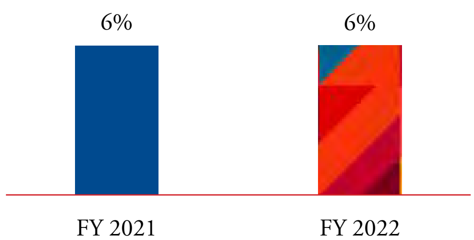
Further, we generated 1.2 crore KWh (43,216 GJ) of renewable energy (solar and wind) in the reporting period which constitute 6% of our total electricity consumption.

Kajaria's membership in the Indian Green Building Council, reassures the consumers and stakeholders that each product has been created in an ecofriendly process.

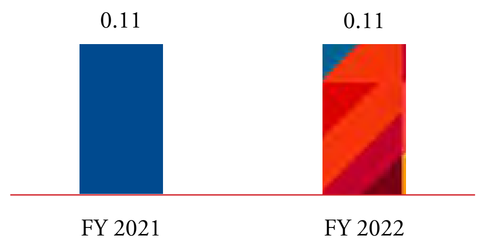
Energy conservation embedded in our product

Marble and stone flooring require considerable energy for cutting and polishing; while tiles are plug and play cladding solutions that need a fraction of the electrical source for their layout.

Renewable electricity (%)of total electricity consumption



Total energy intensity per sq. Meter of tile production
(GL/m2)



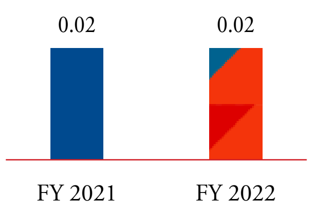
Water management

Kajaria is conscious of the growing scarcity of water resources. We strive to utilize water judiciously and ensuring that the local water levels are not affected by our operations. We also engage with local communities in the vicinity of our plants and offices to ensure that the water resources do not get depleted.

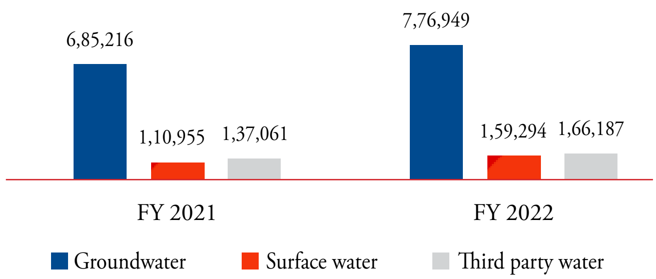
At our facilities, the ETP solution treats the wastewater which is reused in the process. Further, we have created pits within our plant campus for rainwater harvesting. The harvest water is used in our operations which partially replaces the intake of ground water.

~49.9 Lakh KL
Rainwater harvesting capacity in FY 2022

Water withdrawal intensity (KL/m²)



Water withdrawal from various sources (KL)



Note: Previous year figures are not comparable due to shutdown because of Covid 19 restrictions.

Material management

Akin to every manufacturing company, we use an array of inputs at our facilities, which are grouped into four segments namely clays, glazing materials, packaging materials and printing inks. We are aware of the fact that most of the material used in our processes exerts pressure on the environment. This understanding pushes us to implement initiatives that help us optimise the use of materials in our manufacturing process – it makes us more environmentally sustainable and makes the business more profitable. With this objective, we have institutionalised the following practices:

- Installation of crusher: For damaged finished tiles, we have installed crushers that crush tiles which are then reused in the manufacturing process. Also, Clay spillage (if any) on the shop floor is reused in the manufacturing process similar to defective green tiles (tiles before baking).
- Digital Printing : We have switched to digital printing technology that has not only enhanced tile aesthetics multifold but has also significantly reduced the consumption of inks used in printing.

Realising the damaging impact of plastic on our planet, we have also significantly curtailed its use. The traditional practice of film wrapping of all finished tile boxes is now done only for export consignments (which are very minimal). This has significantly curtailed the use of plastic at our tile facilities. We have consciously reduced the grammage of the board used in the box which has helped in reducing paper consumption and consequently reduced negative impact on Earth.

Climate management

With a strong global commitment to limit global warming, we understand the urgency and challenge of addressing the impact of climate change. As a response to this global challenge, we endeavour to be mindful of our impact on the climate.

The energy consumption and related GHG emissions in our operations are monitored internally.

A) We have ensured that emissions released from our operating units are well below those mandated by the Pollution Control Board. For this, we have installed best-in-class equipment to arrest emissions that could result in air pollution, ensuring a clean and ambient environment within our facilities and around them.

B) We have created large landscaped gardens in our facilities. We organise plantation drives every year within our facilities and in surrounding areas to improve the green cover and air quality in the neighbourhood.

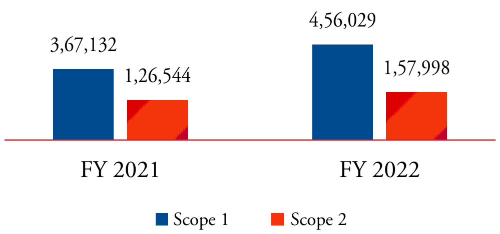
C) For controlling air pollution, we have gone a step beyond our operating facilities – we also look at clean logistics. We partner only with responsible logistics players who possess a young fleet of vehicles and adhere to the pollution guidelines. We have a team to check vehicle fitness at periodic intervals.

8.85 $kgCO_2e/m^2$

Scope 1 and 2 GHG emission intensity

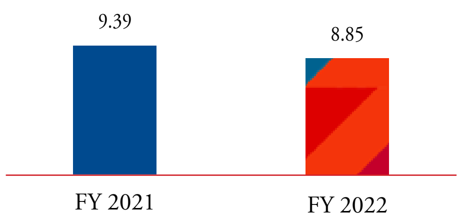
Greenhouse gas emissions

(tCO_2e)



Total GHG emission per sq. meter of tile production

($kgCO_2e/m^2$)



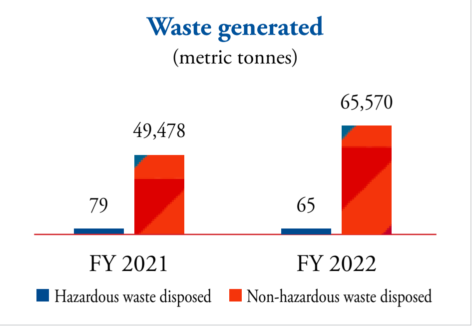
Note: Previous year figures are not comparable due to shutdown because of Covid 19 restrictions.

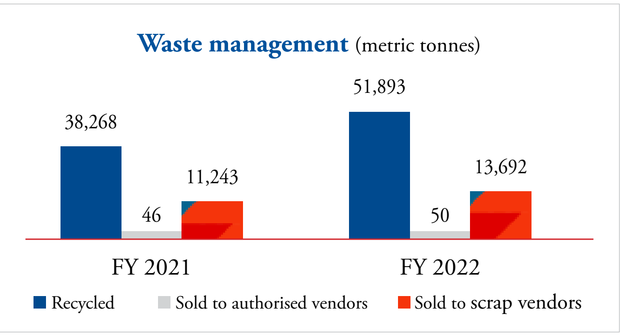
Waste management

Waste generation being an inevitable part of manufacturing process, efforts have been taken to create value from waste. The Company has adopted systems and procedures that helps used material and reintroduce excess material into the production process. We have proactive maintenance schedule for all our machinery, engineering teams to handle any kind of spillage, leakage and periodic inspection schedule for machinery to minimize the quantity of waste generated. Through resource conservation, pollution control equipment, and sustainable waste management techniques, Kajaria is committed for the responsible use and protection of the environment.

Initiatives

- Most of the broken tiles are reused post grinding. They are used alongwith the body raw materials.
- Waste heat is captured and used in dryers.
- Waste water is treated in the ETP units at the plant campus and reused in the manufacturing process and landscaping.
- To minimise human handling of finished tiles (which could lead to breakage) the Company has invested in automation solutions.
- E-waste: All e-waste is sold to Government authorised vendors.





Note: Previous year figures are not comparable due to shutdown because of Covid 19 restrictions.

Air Emission management

We recognise that air emissions are an important aspect for ceramic product manufacturing. Air emissions at our premises originate from kiln, dryers, glaze lines, etc. We implemented methods to control our emissions including scrubbers, Electro-Static Precipitator (ESP), baghouse filters, etc. Air emissions are monitored internally to ensure that we are within the permissible limits of the regulatory authorities and to check any adverse impacts on the atmosphere. Additionally, we conduct third party sampling of our air emissions to ensure our measurement methods are aligned with standards.

Interlinkage with other Capitals

- **Human capital:** Contributing to environment-protection drives a greater sense of ownership
- **Financial capital:** Budgeting resources for environment management equipment. Optimising the use of resources and utilities reduces the cost of operations.
- **Manufactured Capital:** Installing pollution management equipment and tweaking processes if required; a better working environment in the facility.
- **Social & Relationship capital:** Better health & safety environment of communities.
- **Intellectual capital:** Responsible for product and solution development.

Social & Relationship Capital

The performance of a business is inextricably linked to the prosperity of consumers and the communities within which it operates. The ultimate goal is to create a positive, measurable and lasting impact on all stakeholders connected with the Kajaria brand.

Philosophy

To build and maintain lasting relationships, we are driven by our commitment to the sustainable growth of people and communities.

1) People Relations

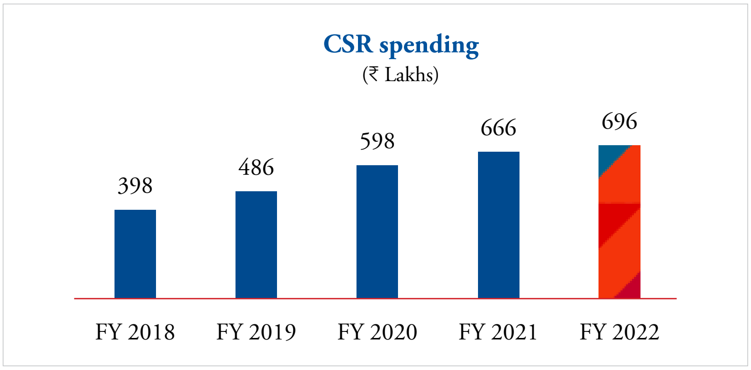
In keeping with our sustainable growth philosophy, we have employed numerous people from communities at our operating facilities. We continue to impart training to our team to upgrade their functional and technical skills which strengthen their employability quotient. In addition, we provide growth opportunities to MSMEs around our facilities. As our operations increase, their growth opportunities continue to multiply.

2) Community Relations

We at Kajaria, believe that successful companies have a social responsibility to make the world a better place and not just take from it. All of our CSR actions are guided by our Corporate Social Responsibility (CSR) Policy and we implement CSR activities after assessing the needs of the community and discussions with community representatives. With our objective of "Leaving No One Behind", Kajaria has adopted the various CSR activities for integrating social, environmental and human development concerns in the entire value chain of corporate business.

Kajaria also aspires to make a positive impact in the lives of people residing around the Company's manufacturing facilities. We are constantly moving towards a better future, and we believe in taking the society with us along the way. Some of the interventions to extend our support beyond corporates philanthropy for the upliftment of our societies through various CSR activities. Some of the thematic areas are as:

QUALITY EDUCATION	CLEAN WATER AND SANITATION	GOOD HEALTH AND WELL-BEING	SUSTAINABLE CITIES AND COMMUNITIES	CLIMATE ACTION
Education	**Sanitation & Hygiene**	**Health**	**Community Developemnt**	**Environment**



Our select ongoing CSR projects are below given:

- **Education**

  Education caters as the basic component for the growth and development of the community as it fosters the physical and mental development of the people of the society. We initiated multiple projects on promoting the Educational growth and developing the infrastructure of the educational institutions within the society.

  At Kolkata we have contributed to the development of the school infrastructure of the **Vivekanand Vidya Vikash Parishad** and provided aid of ₹10,00,000/-.

  Similarly, we have also contributed towards the development of the school assembly hall at **Kuhada District**, for which we provided ₹8,55,500/-.

- **Social Relief**

  The cornerstone of Kajaria's CSR strategy include the significant contributions and donations made for the community's growth and the establishment of a positive corporate citizenship culture. Under social relief we promote a healthy and hygienic lifestyle for the society which is the need of the hour. We have been constantly working towards enhancing the skills of the community members through our welfare foundation programmes to create social as well as economic value. We aim to foster a clean, safe and an eco-friendly environment for our community.

- We donated a sum of ₹38,00,000/- to the **Umeed Cancer Rahat Society** for cancer patients. Also, we have other initiatives undertaken in the form of donations done in building hospitals and help provide better treatment facilities to the marginalized section of our community.

- One of our significant contribution was done towards the building of a community center for the Pahari Villagers at Pahari Mata (in Rajasthan). We contributed a sum of ₹64,78,000/- for the development of the community center.

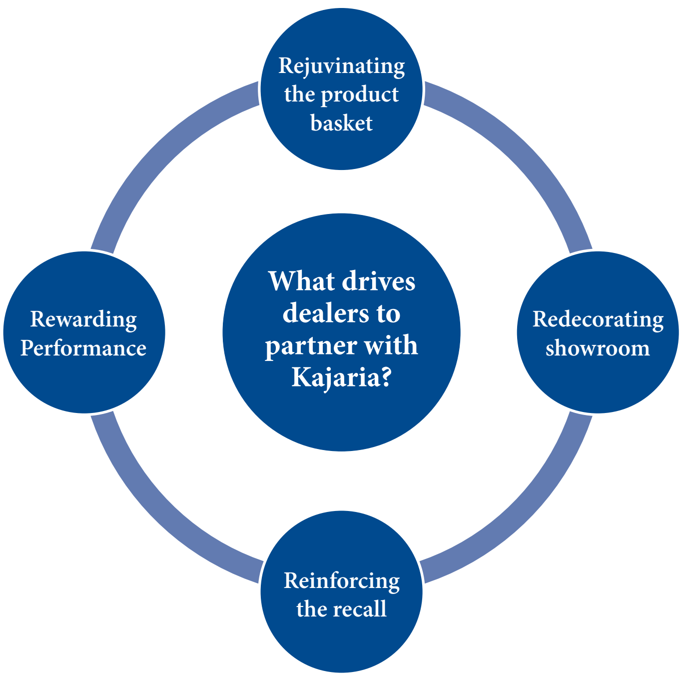
- Installed a new oxygen plant at Government Hospital, Tijara (Rajasthan) for a cost of ₹52,50,000/-

- Constructed three new bore wells at Circuit House, Alwar (Rajasthan) by spending ₹36,69,100/-

- Constructed RCC Drain in Industrial Area, Sikandrabad (Uttar Pradesh) by spending ₹83,58,953/-

3) Dealer Relations

Our dealers are not external stakeholders; they are part of the Kajaria family. We have, since inception, believed in this and worked toward cementing an unbreakable bond with our dealer community. After more than three decades, the majority of our dealers have grown with us – they have increased their showroom space and have set up multiple showrooms. In most of the cases, they have passed on the Kajaria bond to the next generation. Moreover, our dealer network continues to grow every year and with that our sales volumes.



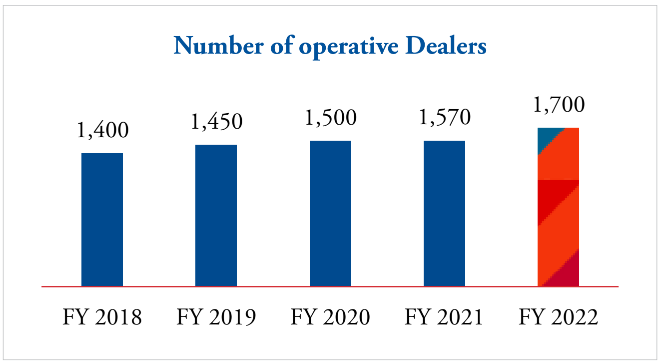
Rejuvenating the basket: Kajaria continues to rejuvenate its large product basket, catering to all price points, with aesthetically superior products which continue to attract customer attention.

Renovating showrooms: Kajaria has a dedicated team that focuses on enhancing the look & feel and layout of dealer showrooms. In addition to improve the layout of tiles, the team also uplifts the appeal of the showroom inturn increasing customer footfall.

Reinforcing the recall: Kajaria's brand spend and national, regional and local level brand awareness initiatives create footfalls for its dealers.

Rewarding performance: Kajaria takes its dealers on destination meets. At the annual functions, the Company rewards its performing dealers. In times of stress, Kajaria continued to stand by its dealer family.

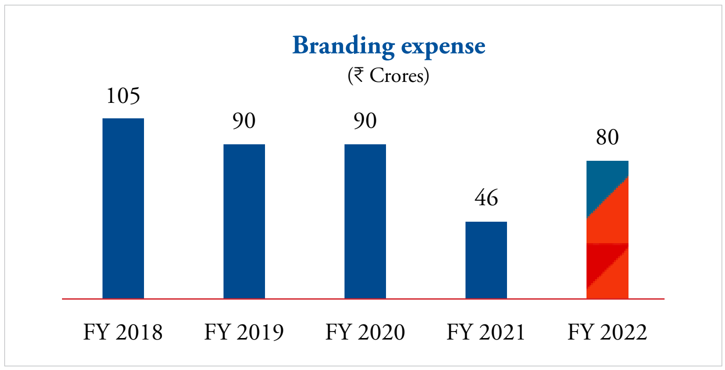
Kajaria has a large distribution network which has helped to maintain the stakeholder relationships and channelized market growth. Kajaria's dealer network comprises of exclusive and multi-brand outlets. Based on their size and product range, the exclusive outlets have been divided into five categories: Galaxy, Star, Eternity World, Prima Plus and Ambiance.



4) Consumer Relations

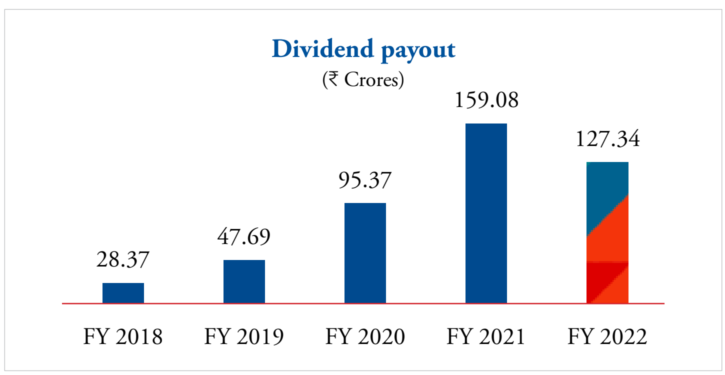
We continue to make the right noise about our innovative products and our brand. We continued our association with national youth celebrities – Akshay Kumar, Anushka Sharma and Ranveer Singh – as our brand ambassadors who have positioned the brand out of the clutter.

We continue to strengthen our market presence through advertising on social media platforms. With OTT platforms growing in popularity, particularly during the lockdown, the team has built a presence on platforms like Hotstar and Zee5 for a better connect with consumers. We prudently sponsored high-decibel sporting events which further cemented the recall of our brand.



5) Investor Relations

We maintain a close connection with the investor community. The leadership team and the key management personnel interact with analysts and other members of the investor community to update them on the performance and prospects of the Company regularly. Additionally, we continue to share business profits with shareholders every year. We have declared uninterrupted dividends since inception despite economic and sectoral volatility.



Interlinkage with other capitals

Financial capital: Support from communities around operational areas increases project viability.

Manufactured capital: Ability to invest in projects around communities leveraging the trust that the brand has created.

Intellectual capital: Increased social entrepreneurship.

Human capital: Better employee engagement through increasing voluntary participation.

Natural capital: Improved health and well-being of communities around the facilities.

Risk Management

Risk Management is integral to the core philosophy and working of Kajaria. Our risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all our key managers.

The company has Board Level Committee i.e., Risk Management Committee, to manage risk and oversee the implementation of risk management framework. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorized as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.

Our robust risk management framework identifies and mitigates risks arising out of internal as well as external factors. The detailed risk management process followed in our Company is available in our Risk Management Policy.

1. Operational Risks

Risks connected with operational uncertainties which may affect our business such as supply chain risks, raw material procurement risks, flawed or failed processes and safety hazards

Mitigation :

- The management regularly monitors and ensure the uninterrupted supply of raw material (including fuel) by frequently engaging into a meaningful dialogue with suppliers. The sector / company faced the challenge of energy crisis resulting in supply shortages and huge spikes in fuel costs. Your company was able to mitigate the impact partially by changing the mix and sourcing and partially by taking price hike.
- Our health & safety team in all our plants regularly identify and rectify safety hazards across all functions.
- The engineering department follows a proactive machine maintenance schedule to reduce probabilities of breakdowns.

2. Compliance risk:

Compliance risk refers to the risk a business entity entails if it fails to comply with the laws and regulations of the country or fails to comply with its own policies and procedures. The risks include a lack of preparedness for the potential negative impact of a change in rules and regulations on areas such as health and safety, environmental regulations, labour laws, concession and permit requirements, investor demands, etc.

Mitigation:

- Our approach to mitigate the compliance risks includes monitoring and obtaining a compliance certificate quarterly from the various heads of departments.
- Exhaustive list of regulations and timelines – exisiting and upcoming are maintained in a digital tool.
- Upcoming laws and regulations are discussed during our board meetings which is followed by a readiness assessment study by respective functions

3. Competition risk:

We operate in a highly competitive market and expect competition to increase further in the future with entry of new players, expansion of existing companies.

Mitigation :

- The strong brand recall and its large and growing offering of aesthetically superior products continues to attract consumers – a reality which is reflected in the widening distribution network.
- Along with the wide range of SKU's , our quality team ensures best quality products reach our customers.
- The company has a strong after sales team which closely interacts with the customers and the dealers to resolve any issuses arising from products / services.

4. Cash flow risk

Will the company have enough cash to sail through the prevailing uncertainties?

Mitigation :

The Company's strong Balance Sheet – a net zero debt position and a sizeable liquidity war chest – provides promise that the Company is able to manage any uncertainty. The promise is further strengthened by robust collection from the sales made during the current year.

5. Reputation risk:

Any wrong act / information at social media / website by the company or third party can dampen the reputation of the Company.

Mitigation:

Our team is very much active on all the online platforms and monitors all the information, write-ups, feedbacks, Complaints and suggestions etc. on social media / online platforms and address all of them prudently in timely manner.

Management Discussion & Analysis

Economic review

Resurgence was the overall theme that played out as a charged up India, decidedly fought back against the deadly second wave of the pandemic.

India achieved an unthinkable 15% shift in the GDP growth – from a (6.6)% growth in FY21 to an 8.7% growth in FY22. The growth in GDP was contributed by all the segments – Agriculture grew by 3.9% (3.6% growth in FY21), Industry grew by 11.8% (7% contraction in FY21) and services grew by 8.2% (8.4% contraction in FY21).

This growth was supported by Government policies that facilitated commercial activity and fueled investment. The healthy surge in the industrial and services sector increased GST collections to ₹14.83 lakh crore in FY22, up 30% from ₹11.37 lakh crore in FY21.

External trade picked up well in FY22, after the slowdown caused by the pandemic last year, with good capital inflows which led to rapid growth in foreign reserves.

FY22 would have ended on a higher note had it not been for the geo-political issues that erupted towards the close of the year. It spiked prices of fuel and commodities across the board, which resulted in a significant inflationary pressure across the globe.

It is expected to weigh on the growth prospects of India. The Reserve Bank of India has scaled down its GDP growth estimate to 7.2% for FY23 against the earlier 7.8%. Despite this drop, India is expected to remain the fastest growing major economy in the world.

Global tile sector

The global tile market witnessed an interesting trend reversal from 2020 then what it had experienced in 2018 and 2019.

2020 brought in a partial recovery in spite of the pandemic, although import-export flows fell by 2.4% which was not completely attributable to the pandemic crisis but mainly because of increased ocean freight cost and unavailability of containers.

Production: In 2020, world tile production rose to 16,093 million sqm, up 1.1% from the 15,827 million sqm of 2019. Production in Asia grew by 2.8% to 11.9 billion sqm, equivalent to 74% of global production. This jump was primarily contributed by China, India and Iran – it offset the contraction in production volumes in Vietnam and Indonesia.

Consumption: In 2020, world tile consumption moved up from 15,650 to 16,035 million sqm (+2.5%). Almost all areas witnessed a healthy recovery. In Asia, demand rose to 11.4 billion sqm (+2.8%), equivalent to 71.5% of global consumption. In Europe, consumption increased in both European Union countries 1,035 million sqm; +1.4%) and non-EU European markets (563 million sqm; +11.3%).

Exports: In 2020, global exports fell by 2.4% to 2,769 million sqm, 67 million sqm down in 2019. This was primarily on account to two opposing forces - a sharp contraction in Chinese exports (down 157 million sqm; -20%) and an equally steep increase in exports from India (up 77 million sqm, +21.4%).

The import/export flow dynamics increasingly confirm the trend for tiles to be produced close to markets. World exports stood at 14.5% of production and 17.2% of global consumption, with 61.9% consisting of exports shipped within the same geographical region as that of production.

India in the world: In 2020, India maintained its position as the second largest tile producer with volumes climbing from 1,266 to 1,320 million sqm (+4.3%). It also overtook Spain as the world's second largest exporter. Despite the pandemic, the country's exports continued to grow, rising by 21% from 360 to 437 million sqm. With volumes almost doubling in four years. Indian exports now account for 15.8% of world exports and about one-third of the country's total production.

Indian Tile Industry

India occupies the second position in the global tile industry. While the residential sector is the primary consumer of tiles (in terms of application), demand from the commercial sector (including high-footfall infrastructure) is growing at a healthy clip owing to sustained investments by the government and private players.

The national brands primarily focus on product innovation which is showcased across the Indian landmass and introducing new technologies in the tile space. Their efforts have been pivotal in elevating the Indian tile industry to the global stage.

In the recent past, some branded player partnered with quality-respecting enterprises in the informal segment to augment capacities with speed and in a cost-effective manner. This also allowed the branded players to establish a strong presence in the large west Indian market.

The pandemic and the resultant global supply chain disruption opened new markets, namely the US and EU, for the Morbi players. As a result, tile exports from the Morbi cluster leapfrogged considerable, vacating a large portion of the Indian market for the branded players.

FY22 in retrospect: After a rather dull business environment for tile manufactures in the last couple of years, FY22 brought in considerable cheer for the tile manufactures as demand surged from all markets. Moreover, the noticeable change was the growing preference for the branded products as compared to the unbranded one.

Even as demand increased, the India tile industry faced the inflationary pressure of escalating gas prices which intensified towards the close of the year owing to the Russia-Ukraine crisis. This dented business profitability of the industry as a whole.

As per the estimates of IMARC Group's latest report, the Indian ceramic tiles market is expected to grow at a CAGR of 5-7% during the forecast period of 2022-2027. The growing residential and commercial sectors have added to the expansion of the tiles market in India. In addition, India's government has initiated various schemes to facilitate market growth.

Sops for Home improvement could drive tile demand

The Reserve Bank of India (RBI), in its recent circular has stated that the ceiling on loans for carrying out repairs, additions or alterations to their house had now been revised to ₹10 lakh in metropolitan centres (those centres with population of 10 lakh and above) and ₹6 lakh in other centres. The limit has been revised from the earlier ₹2 lakh in rural and semi-urban areas and ₹5 lakh in urban areas, which was notified by RBI on September 13, 2012.

(Source: https://www.outlookindia.com/business/rbi-raises-home-improvement-loan-limit-to-rs-10-lakh-in-metros-news-198320)

Real estate demand in India is 'NEVER ENDING'

The demand for real estate is needless of any description. It is prolific and witnessing never-ending growth. Savills India has presented a report that the real estate demand is expected to increase by 15-18 million sq. ft. by 2025.

(Source: https://www.hcorealestates.com/post/future-of-indian-real-estate/)

About the Business

Kajaria Ceramics is India's largest and most respected tile manufacturer in India which straddles the entire tile value chain with the widest product basket that caters to every price point. The Company has 8 manufacturing facilities of tile and 2 manufacturing facilities of Bathware, located pan-India.

As a synergic complement to it tile business, the Company entered into the bathroom solution space, through its subsidiary Kajaria Bathware, manufacturing and marketing sanitaryware and faucets under the Kerovit brand. The Company has carefully positioned its products between the premium MNC ranges and the unbranded players – a space which is relatively uncluttered. The Company's compelling value-proposition is generating considerable interest and demand across key markets.

As a further extension of its opportunity runway, the Company through Kajaria Plywood Pvt. Ltd. (its subsidiary) initiated its presence in the plywood sector in FY18 offering wood panel products under the brand name of KajariaPLY and KajariaLAMINATES.

The Company has launched tile adhesives which was well accepted by dealers and consumers. Having generated encouraging revenue, the Company plans to increase awareness of this product.

Our product verticals

Ceramic Wall & Floor Tiles	Manufacturing facilities at Gailpur (Rajasthan) and Vijayawada (Andhra Pradesh) and outsourced from quality-conscious vendors in Gujarat.	32.30 MSM Manufacturing capacity
Polished Vitrified Tiles	Manufacturing facilities at Malootana (Rajasthan), Morbi (Gujarat) and outsourced from quality-conscious vendors in Gujarat.	24.20 MSM Manufacturing capacity
Glazed Vitrified Tiles	Manufacturing facilities at Gailpur (Rajasthan), Sikandrabad (Uttar Pradesh) and Srikalahasti (Andhra Pradesh).	26.30 MSM Manufacturing capacity
Bathware (comprises of Faucets and Sanitaryware)	Faucet manufacturing facility at Gailpur (Rajasthan)	10 Lakh pieces Manufacturing capacity
	Sanitaryware manufacturing facility at Morbi (Gujarat)	7.50 Lakh pieces Manufacturing capacity
Plywood and Laminates	Trading of Plywood and Laminates	-

Business vertical 1

Ceramic wall & floor tiles

The Ceramic Wall and Floor tile vertical recorded a healthy growth as demand for tiles climbed. The resurgence was at par owing to the home renovation story that played out for most part of the year.

The Company added new dealers to its distribution channel which helped in capitalizing on new opportunities. It rejuvenated its product offering by adding interesting new designs that grabbed customer attention.

The team added 25 new Kajaria Prima Plus showrooms (exclusive standalone showrooms displaying only Ceramic Wall and Floor tiles) to its expansive distribution network taking the total strength of these Exclusive Showrooms to 149 across India.

The Division plans to adopt a two-pronged focus. One, it will work on strengthening its presence in Tier II and III towns where the demand continues to be strong. Two, it will work towards increasing the proportion of value-added tiles in its revenue mix to sustain business profitability.

The Company launched 300 new products which were showcased in 14 Caravaan shows across 14 cities which generated positive response from the dealers.

Also, the Division's entry into the South India market, through its outsourcing partner, South Asian Ceramic Tiles Pvt. Ltd. based near Hyderabad in Telangana, making ceramic floor tiles, added to sales volumes as we came closer to our distribution channel vs supplying from Morbi and becoming more competitive.

16%

Growth in sales volume over FY2020-21

Business vertical 2

Polished vitrified tiles

FY22 was an important milestone for the division not only from a performance perspective but from the business initiatives standpoint which are expected to strengthen the division's prospects going forward. While the business environment remained volatile through the year, the Company registered a heartening growth in sales volume and revenue. A large part of this growth was on account of product mix alteration in the previous year which yielded the desired returns.

During the year, the Company introduced a new product 'VITRONITE' as a replacement to granite slabs used on kitchen tops / table tops. VITRONITE is a new age kitchen tops for modern kitchens, a product with one surface and many possibilities. This is another pioneering product for the Indian tile industry which holds interesting prospects. For Kajaria, it will extend the Company's distribution bandwidth to the non-tile channel. For Kajaria it is a new application area we are entering into.

In addition, the Company launched a new tile size (60x120 cms) double-charged and full-body variants. This tile size is in high demand – the Company product launch will enable it to capitalise on the growth wave effectively.

The Company invested in an additional press at its Malootana facility to increase production capacity to cater to the North India markets with ease. It also set up a new 60x120 line at its Jaxx facility to service the demand of West, Central and South India markets. As a result, 60x120 cm product should emerge as a key revenue spinner for the division in coming years.

19%

Growth in sales volume over FY2020-21

Business vertical 3

Glazed vitrified tiles

Kajaria continued to strengthen its dominance in this space which it pioneered in India more than a decade ago. Even as competition intensified, the Company, leveraging the strength of its brand and the superior aesthetic appeal of its products, garnered significant traction for its products.

Also, the entry into the South India market, through its Srikalahasti manufacturing facility, added to sales volumes. Sales volumes increased by 35% over the previous year.

The Company introduced new finishes in various sizes and introduced a new size 120x240 cm which was well received by the market. The team added 27 new Kajaria Eternity World showrooms (exclusive standalone showroom for glazed vitrified tiles) to its expansive distribution network. It included the 100th Kajaria Eternity World showroom. Also, extended the dealer network in tier II and tier III cities.

In addition, the Company initiated manufacturing Glazed vitrified tiles at part of its Cosa unit in Morbi – earlier this unit was dedicated for manufacturing polished vitrified tiles. This manufacturing extension will allow the Company to strengthen its presence in the West market.

35%

Growth in sales volume over FY2020-21

Business vertical 4

Bathware

With increasing awareness and growing acceptance of the Company's products, the performance of the bathware division scaled new heights. Sales volumes continued to grow at a healthy pace which resulted in a second year of profitable growth. This demonstrates the relevance of the Company's vision and the accuracy of its business model.

In FY22, the Company continued to rejuvenate its product offering. It added two new ranges to its exclusive Aurum Collection aimed at the well-heeled customers. This collection has gained significant traction and made a healthy contribution to the division's growth and profitability.

The Company expanded its distribution network by adding a number of dealers in key cities and towns which should help in growing the awareness and availability of its products – leading to higher sales in following years.

The division engaged Ranveer Singh as the brand ambassador of the Kerovit brand in addition to Anushka Sharma – these Bollywood celebrities are considered as youth icons by the masses and are widely followed. The Company launched a nation-wide advertisement campaign leveraging the electronic media to showcase both its brand ambassadors.

The division was particularly aggressive in its digital outreach campaign leveraging all social media handles to create product awareness among its target audience. It conducted multiple webinars focused on its business, product and other knowledge-sharing topics which was well attended.

The Company significantly strengthened its Customer Relationship Management (CRM) module by creating state-centric cells to address related issues. This initiative bolstered customer confidence in the brand which facilitated in increases sales. The CRM team closed 98% of the issues registered in the module which was a new benchmark for the team.

32%

Growth in revenue over FY2020-21

Business vertical 5

Plywood

The latest addition to the Kajaria stable covered good ground as the vertical undertook multiple initiatives to improve existing products, widen the product range and grow product and brand awareness among decision-makers and opinion-influencers with the objective of sustaining business growth.

The division sustained its efforts to engage with carpenters, architects and contractors to showcase its products, applications and their benefits.

Additionally, the team intensified its digital marketing campaigns leveraging all social media handles to grow the awareness for its products.

As a strategic move, this division forayed into decorative laminates segment thereby widening its product portfolio. With a focused approach to enhance further brand awareness, laminates display centres at dealers end were opened to showcase the range of products in select markets.

This endeavor will get bolstered with opening of more channel partner display centres across multiple cities thereby increasing the brand's penetration into deeper geographies in days to come. The brand is also continuously engaging with multiple on-ground channels to grow the business in a sustainable manner.

123%

Growth in sales volume over FY2020-21

Analysis of the financial performance

Kajaria's financial performance showcases its position in the Indian tile industry.

In FY22, the Company bettered its performance as its revenue from operations crossed the ₹3,000 crore benchmark – it was ₹3,705.19 crore in FY22 against ₹2,780.90 crore in FY21, a growth of 33% year-on-year.

The growth was propelled by a surge in demand from the residential real estate segment supported by healthy uptake in commercial office spaces. The home renovation segment also made an important contribution to the demand uptick.

EBITDA improved from ₹508.82 crore in FY21 to ₹610.69 crore in FY22 and Net Profit for the year increased by 22% from ₹308.05 crore in FY21 to ₹376.98 crore in FY22.

Business profitability was impacted primarily on account of the spiraling gas prices. EBITDA margin stood at 16.48% in FY22 against 18.30% in FY21. Net margin was at 10.17% against 11.08% in FY21.

After distribution of dividend, the Company ploughed ₹253.52 crore into the business. As a result, Shareholders' Fund increased from ₹1,868.86 crore as on March 31, 2021, to ₹2,122.38 crore as on March 31, 2022. The Return on Equity improved from 17.19% in FY21 to 18.89% in FY22. This jump was on account of an increase in Profit after Tax for the period under review.

Total debt increased from ₹98.83 crore as on March 31, 2021, to ₹127.92 crore as on March 31, 2022, primarily to fund the large capex plans which are expected to be commercialised in FY23. This has a reflection in the Capital work-in-progress which stood at ₹263.36 crore as on March 31, 2022, against ₹14.90 crore as on March 31, 2021.

Despite the significant increase in the debt portfolio, the net debt-equity position was strong at (0.17)x as on March 31, 2022, against (0.18)x as on March 31, 2021.

The working capital requirement increased over the previous year which was primarily owing to the significant increase in business operations. Despite this, prudent financial management resulted in a marginal increase in the working capital cycle – from 50 day in FY21 to 52 days in FY22.

Key Ratios

	FY22	FY21
Stability Ratios		
Debt Equity Ratio (Net)	-0.17	-0.18
Debt Service Coverage Ratio	53.86	22.93
Interest Coverage Ratio	40.62	39.46
Liquidity Ratios		
Current Ratio (incl. CPTL)	2.20	2.81
Current Ratio (excl. CPTL)	2.21	2.82
Debtor Turnover Ratio (days)	7.84	6.71
Inventory Turnover Ratio (days)	5.75	3.92
Profitability Ratios		
EBITDA Margin (%)	16.48%	18.30%
Net Profit Margin (%)	10.17%	11.08%

Disclosure of Accounting Treatment

The Company has followed the accounting treatment as prescribed in the relevant Indian Accounting Standards while preparing the Financial Statements.

Internal control & its adequacy

Kajaria maintains a system of well-established practices and procedures for effective internal control of operations and other allied activities. The internal audit function is strengthened in consultation with statutory auditors and the Audit Committee for monitoring statutory compliances and operational aspects. Material controls and systems related issues are brought to the attention of the Audit Committee for periodic reviews and resolution.

Risk Management

Risk management is integral to any business. Kajaria has devised its risk management mechanism to predict, preempt and prevent financial or commercial risks, errors and frauds. It simultaneously strengthens the Company's business model with the objective of making profitable growth sustainable. The framework involves an integrated risk appraisal system and mitigation strategy with all key managers being part of the mechanism. The control measures are placed before the Company's board for periodic review and improvement.

DIRECTORS' REPORT

Dear shareholders,

Your Directors are pleased to present the 36th Annual Report together with the audited financial statements of your the Company for the financial year ended 31st March 2022.

Financial Results

The Company's financial performance for the year ended on 31st March 2022 is summarized below:

(₹ in Crores)

Particular	Standalone		Consolidated	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Operations	3,299	2,523	3,705	2,781
Profit Before Other Income, Exceptional Items, Depreciation, Interest and taxes	532	460	611	509
Profit before Tax	485	413	510	413
Tax Expense	123	105	127	104
Profit After Tax (before Minority interest)	362	308	383	309
Minority Interest	-	-	(6)	(1)
Profit After Tax (after Minority interest)	362	308	377	308

Financial highlights and state of Affairs of the Company

In a fiscal marked with ups and downs, Kajaria remained steadfast on its resolve to sustain its momentum.

Despite the rather bumpy start to FY22, Kajaria remained resilient with disciplined determination to report a stellar performance. The cohesive team worked relentlessly on widening the reach and uplifting the aesthetic quotient of its product offering which allowed it to capitalise on the burgeoning opportunities in the residential housing and commercial office space sectors.

As a heartening fallout, the Company's revenue crossed the ₹3,000 crore mark for the first time in its illustrious journey, ₹3,705 crore.

The Company reported a Net Profit of ₹376.98 crore, an increase of 22% over the previous year.

The State of Affair of the Company is detailed in the 'Management Discussion and Analysis' section which forms part of this report.

Outlook

The outlook for FY23 appears considerably promising owing to the sustained demand from the real estate sector both residential and commercial. Also, the Government's thrust on creating world-class infrastructure is further fueling demand for tiles.

The residential space continues to grow at a healthy uptick in Tier 2 and 3 towns owing to the intensifying reverse-migration trends in the post-pandemic era. Further, the home improvement space continues to generate increasing opportunities as millennials have expressed their preference in staying in lesser cluttered pin codes. Thus we see accelerated traction not just from new projects but also from increased application of tiles in replacement and renovation projects. In fact, we expect strong momentum from the replacement market also going forward.

The commercial office space, which was stagnant post pandemic era, is also gaining significant traction as India continues to remain in the global spotlight as a reliable sourcing base for advanced economies.

These are medium term trends that are expected to continue over coming years, creating healthy growth opportunities over the foreseeable future.

Additionally, with the Morbi cluster strengthening its focus on becoming stronger in the global marketplace, have opened a sizeable market for the branded player to capitalise upon.

The combination of these factors augur well for the leading tile the Company of India.

The only challenge that could impact the business fortunes for FY23 are the inflationary headwinds owing to the Russia-Ukraine crisis that could impact overall business profitability. The Company is working relentlessly on optimising its cost structure to de-risk its business profitability.

Dividend

Your Directors have recommended to the shareholders a final dividend of ₹3/- (i.e. 300%) per equity share of ₹1/- each fully paid-up for the financial year ended March 31, 2022, if approved at the ensuing Annual General Meeting ('AGM').

During the year 2021-22, the Company has also paid Interim Dividend of ₹8/- (i.e. 800%) per equity share of ₹1 each fully paid-up aggregating to ₹127.34 crores thereby making the total Dividend (Interim Dividend & Final Dividend) of ₹11/- per equity share of ₹1/- each fully paid-up (previous year ₹10/- per equity shares of ₹1/- each fully paid-up) aggregating to ₹175.09 crores.

Consolidated Financial Statements

The Company adopted Indian Accounting Standard (Ind-AS) from 1st April, 2016 and accordingly, the Consolidated Financial Statements have been prepared in accordance with the Accounting Standard notified under Section 133 of the Companies Act, 2013 ('the Act') and the relevant rules issued thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Listing Regulations') and the other accounting principles generally accepted in India. The Consolidated Financial Statements form part of the Annual Report.

During the year under review, there are no material changes and commitments affecting the financial position of the Company and also no change in the nature of business of the Company.

Holding, Subsidiaries, Associate, Joint Venture Companies and their performance

During the year under review, Kajaria Tiles Private Limited, wholly-owned subsidiary, has been amalgamated with the Company pursuant to the order of the National Company Law Tribunal, Chandigarh Bench dated November 26, 2021.

A report on performance and financial position (Form AOC-1) of each of the subsidiaries as per the Act is provided as Annexure-1.

Share Capital

During the financial year 2021-22, the Authorised Share Capital of the Company has been increased by way of amalgamation of Kajaria Tiles Private Limited with the Company in accordance with the Scheme of Amalgamation as approved by the National the Company Law Tribunal, Chandigarh Bench. Accordingly, the Authorised Share Capital of the Company is ₹154,10,00,000 (Rupees One Hundred Fifty Four Crores Ten Lacs only) divided into 77,00,00,000 (Seventy Seven Crores) Equity Shares of ₹1/- each (Rupee One Only) aggregating to ₹77,00,00,000 (Rupees Seventy Seven Crores Only) and 77,10,000 (Seventy Seven Lacs Ten Thousand) Redeemable Preference Shares of ₹100/- each (Rupees One Hundred Only) aggregating to ₹77,10,00,000 (Rupees Seventy Seven Crores Ten Lacs Only).

During the year 2021-22, the Company's paid up share capital has also been increased by issue of 1,23,050 equity shares of ₹1/- each pursuant to the Kajaria Employee Stock Option Scheme 2015. Accordingly, as on 31st March, 2022, the paid-up share capital of the Company is 15,92,04,050 equity shares of ₹1 each.

The Company has not issued shares with differential voting rights or sweat equity shares during the year 2021-22. As on 31st March, 2022, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

Employee Stock Option Scheme

Kajaria Employee Stock Option Scheme 2015 ('ESOP Scheme 2015') was approved by the shareholders of the Company on 7th September, 2015 for issue and allotment of options exercisable into not more than 10,62,000* equity shares of ₹1 each (Originally the ESOP Scheme 2015 was for 5,31,000 equity shares of ₹2 each) to eligible employees of the Company and its subsidiaries. The ESOP Scheme 2015 is administered by the Nomination and Remuneration Committee of the Board of Directors ('the Board') of the Company. On 20th October 2015, the Nomination and Remuneration Committee of the Company had granted 4,58,000* equity shares of ₹1 each ('Stock option') to the employees of the Company and its subsidiaries. 1,37,700 equity shares of ₹1 each (11,700 equity shares during the year 2020-21, 29,000 equity shares during the year 2019-20, 44,000 equity shares during the year 2018-19, 13,000 equity shares during the year 2017-18 and 40,000 equity shares during the year 2016-17) had been forfeited/lapsed due to resignation/death of ESOP Option holders.

During the financial year 2021-22, the stock options under the ESOP Scheme 2015 has been increased from 10,62,000 options to 15,87,000 options equivalent to 15,87,000 equity shares of ₹1/- each by addition of 5,25,000 options through the shareholders' approval obtained on 24th March, 2022. Further, the Company has granted 8,37,600 options equivalent to 8,37,600 equity shares of ₹1/- each to the eligible employees of the Company and its subsidiaries @ ₹980 per options in two tranches and the same will be vested within 5 years of the grant date. Details regarding the ESOP Scheme 2015 are given at Note No. 43 to the financial statements.

During the year under review, there are no material changes in the ESOP Plan 2015 and the same is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('ESOP Regulations'). The disclosures under Regulations 14 of ESOP Regulations is uploaded on the Company's website viz.: https://www.kajariaceramics.com/pdf/Disclosure_pursuant_to_Reg_14_of_SEBI_SBEB_SE_Reg_2021_for_FY_2021_22_june22.pdf

*During the year 2016-17, equity shares of the Company had been sub-divided from ₹2 per share to ₹1 per share.

Transfer to Reserves

During the year under review, there is no transfer of fund to the Company's General Reserve Account.

Directors' Responsibility Statement

In terms of the provisions of the Companies Act, 2013, the Directors confirm that:

i) In the preparation of the annual accounts for the year ended on 31st March, 2022, the applicable accounting standards have been followed and no material departures have been made from the same;

ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2022 and of the profit of the Company for the period ended 31st March, 2022;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis;

v) The Company is following up the proper Internal financial controls and such internal financial controls are adequate and are operating effectively; and

vi) The Company has devised proper systems to ensure the Compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

Corporate Governance

The Company has complied with the Corporate Governance requirements as stipulated under the Listing Regulations. A separate section on corporate governance, along with a certificate from M/s Chandrasekaran Associates, the Company Secretaries confirming the compliance, is annexed and forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis on matters related to the business performance as stipulated in the Listing Regulations, is given as a separate section in the Annual Report.

Related Party Transactions

For all related party transactions, prior omnibus approvals of the Audit Committee and the Board of Directors, as may be required under the applicable laws, are usually obtained on yearly basis, which are of a foreseen and repetitive nature and such approval is in the interest of the Company. The transactions entered into, pursuant to the omnibus approvals so granted, were placed before the Audit Committee by way of a statement giving details of all related party transactions for its review. All related party transactions are disclosed in Note No. 40 to the financial statements. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed Form AOC-2 is annexed as Annexure- 2.

The Board of the Company has, at its meeting held on 17th May, 2022, on recommendation of the Audit Committee, approved the revised the Related Party Policy of the Company, in order to ensure compliance of the provisions of the Listing Regulations and circulars, issued by the SEBI, from time to time. The Related Party Transactions Policy is uploaded on the Company's website i.e. https://www.kajariaceramics.com/pdf/RelatedPartyTransactionPolicy.pdf

Corporate Social Responsibility Initiatives

In terms of provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ['the CSR Rules'], the Company has formulated a Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company. The constitution of the Corporate Social Responsibility Committee ('CSR Committee') is disclosed in the Annual Report on CSR Activities as an Annexure - 3 of this report.

During the financial year 2021-22, the CSR Policy of the Company has been revised as per the amendments in Section 135 and other applicable provisions, if any, of the Act, read with CSR Rules, notified on 22nd January, 2021.

The Corporate Social Responsibility ('CSR') Policy may be accessed on the Company's website i.e. https://www.kajariaceramics.com/pdf/CSR_Policy.pdf

Your Company strives to make a difference in the lives of people with a special focus on neighbouring and local areas of the Company's manufacturing locations. Your Company has implemented various CSR programmes/projects which made positive impacts mainly in the areas of health, sanitation, social relief and education, etc. During the year under review, the CSR programmes/activities initiated by the Company includes taking steps for Swachh Bharat, preventive health care, constructing sanitation facilities in the schools, etc. near the manufacturing facilities, contributing to the education and social economic development of under privileged children and steps towards protections from Covid-19, etc. These CSR initiatives are implemented directly and/or through trusts/societies/NGOs. These projects/activities are also in accordance with Schedule VII of the Act.

The Annual Report on CSR activities as prescribed under the CSR Rules is set out as Annexure-3, forming part of this Report. The Company had incurred CSR expenditure of ₹696.48 Lacs during the year 2021-22. The Company has further transferred ₹54 Lacs of the CSR budget for the financial year 2021-22, pertains to the ongoing CSR projects/activities, which are to be incurred during the financial year 2022-23 and onwards, in accordance with the provisions of the Act read with the CSR Rules.

Scheme of Amalgamation

A Scheme of Arrangement adopted by the Board of Directors of the Company ('the Board') during the year 2019-20, which provides for, inter-alia, the amalgamation of Kajaria Tiles Private Limited ['KTPL'] (Formerly known as Kajaria Floera Ceramics Private Limited), wholly-owned subsidiary with the Company with appointed date as 1st April, 2019 ('Scheme') and the same was filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') vide application dated 26th September, 2019 for approval under Sections 230-232 read with other applicable provisions of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. During the year 2021-22, the NCLT has sanctioned the said Scheme (vide NCLT's order dated November 26, 2021). Accordingly, KTPL has been amalgamated with the Company, pursuant to the approved Scheme as above said.

Risk Management

Your Company understands the importance of various risks faced by it and has adopted a Risk Management Policy which establishes various levels of accountability within the Company. The Company has also constituted a Risk Management Committee which ensures that the Company has appropriate and effective risk management systems which carries out risk identification, assessment and ensures that risk mitigation plans are in place. The Risk Management Committee identifies, from time to time, various risks to which the Company is subject to and has accordingly, aligned the concerned departments to take the necessary mitigating steps. Risk management has been inter-linked with the annual planning exercise where each function and business carries out fresh risk identification, assessment and draws up treatment plans.

A Risk Management Policy in terms of provisions of Section 134(3)(n) of the Act read with the Listing Regulations is in place and is uploaded on the Company's website i.e. https://www.kajariaceramics.com/pdf/Risk_Management_Policy.pdf

Internal Control Systems and their adequacy

The Company believes in a strong internal control framework, which is necessary for business efficiency, management effectiveness and safeguarding assets. The Company has a well-defined internal control system in place, which is designed to provide reasonable assurance related to operation and financial control. The Management of the Company is responsible for ensuring that Internal Financial Control has been laid down in the Company and that controls are adequate and operating adequately.

Internal Audit of the Company's operations are carried out by the Internal Auditors and periodically covers different areas of business. The audit scope, mythology to be used, reporting framework are defined well in advance, subject to consideration of the Audit Committee of the Company. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Company. The Internal Audit also continuously evaluates the various processes being followed by the Company and suggests value addition, to strengthen such processes and make them more effective.

Internal Controls with respect to financial statements

The Company has an adequate system of internal financial control in place with reference to financial statements. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Directors and Key Managerial Personnel

During the year 2021-22, the shareholders of the Company has accorded their approval(s) at the Annual General Meeting ('AGM') of the Company held on 28th September, 2021 for the re-appointment(s) of Mr. Ashok Kajaria as the Chairman & Managing Directors of the Company and Mr. Chetan Kajaria and Rishi Kajaria as the Joint Managing Director(s) of the Company, for the further period of five (5) years w.e.f. 1st April, 2021 to 31st March, 2026.

Mr. Chetan Kajaria and Mr. Rishi Kajaria, who are liable to retire by rotation, have offered themselves for re-appointment(s) as the Director(s) at the ensuing AGM of the Company. The Board recommends for their re-appointment(s) in the ensuing AGM of the Company.

The Board of Directors ('the Board') has recomended appointment of Dr. Lalit Kumar Panwar as an Independent Director for a period of five consecutive years to be effective from the conclusion of the ensuring AGM of the Company, to the Shareholders of the Company for their approval at the ensuring AGM of the Company.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulations 16(1)(b) & 25(8) of the Listing Regulations and in the opinion of the Board of the Company, all Independent Directors of the Company have integrity, expertise, experience as prescribed under the Companies (Appointment and Disqualification of Directors) Rules, 2014 read with the Companies (Accounts) Rules, 2014 (including amendment thereof).

All Directors of the Company have also given declarations that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such statutory authority as required under the Circular dated 20th June, 2018 issued by BSE Limited and National Stock Exchange of India Limited.

Further, except as stated above there is no other change in the composition of Key Managerial Personnel of the Company.

Performance Evaluation

The Board has, on recommendation of the Nomination and Remuneration Committee and in line with the Nomination and Remuneration Policy of the Company, carried out an annual performance evaluation of the Board as a whole, its Committees and all Directors including the Chairman.

The manner in which the annual performance evaluation has been carried out has been explained in the Corporate Governance Report.

Nomination and Remuneration Policy

On the recommendation of the Nomination and Remuneration Committee, the Board has framed a policy for selection and appointment of Directors, Senior Management including Key Managerial Personnel and other Senior Management and their remuneration. The Nomination and Remuneration Policy includes the criteria for determining qualification, positive attributes, independence, etc. is placed on the Company's website, i.e. https://www.kajariaceramics.com/pdf/Nomination_Remuneration_Policy.pdf

Details of remuneration under Section 197 of the Act and read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is stated in Annexure- 4, which forms part of this report.

Statutory Audit

M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration Number 001076N/N500013), the Statutory Auditors of the Company has given their report(s) on the financial statements of the Company for the financial year ended 31st March, 2022, which forms part of the Annual Report. There is no qualification, reservation, adverse remark, comments, observations or disclaimer given by the Statutory Auditors in their report(s). There were no frauds reported by the Statutory Auditors under the provisions of Section 143 of the Companies Act, 2013.

M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), were appointed as the Statutory Auditors of the Company at the 31st Annual General Meeting ('AGM') of the Company held on August 10, 2017, for a period of five years effective from the conclusion of the 31st AGM of the Company upto the conclusion of the 36th AGM of the Company. Hence, the tenure of the existing Statutory Auditors of the Company would expire at the conclusion of the 36th AGM of the Company.

Thus, subject to approval of the shareholders of the Company in the ensuing AGM of the Company, the Board, on the recommendation of Audit Committee, has approved and recommended the re-appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for the second term of a further period of five years effective from the conclusion of the 36th AGM of the Company till the conclusion of the 41st AGM of the Company, on such remuneration as may be decided by the shareholders of the Company.

M/s Walker Chandiok & Co LLP, Chartered Accountants has also confirmed that their re-appointment, if made, would be in accordance with the conditions specified under the provisions of Sections 139, 141 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Chandrasekaran Associates, Company Secretaries, Delhi were appointed as the Secretarial Auditors, to undertake the Secretarial Audit of the Company for the year ended 31st March 2022. The Report of the Secretarial Audit is annexed herewith as Annexure 5.

There are no qualifications, reservations, adverse remarks, comments, observations or disclaimer made by the Secretarial Auditors in their report. There were no frauds reported by the Secretarial Auditors under the provisions of Section 143 of the Act.

Disclosures under the Companies Act, 2013 and rules made thereunder:

Annual Return

The Annual Return in Form MGT-7 is available at https://www.kajariaceramics.com/pdf/Annual_Return_Form_MGT_7_2021-22.pdf

Compliance of the Secretarial Standards

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standard on meetings of the Board of Directors ('SS-1') and the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India.

Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments, covered under the provisions of Section 186 of the Act are given in the Notes Nos. 6, 7, 38 and 40 to the Financial Statements.

Conservation of energy, technology absorption and foreign exchange earnings & outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Act are provided in Annexure - 6 to this report.

Meetings of Board

The Board of Directors of the Company met four (4) times during the financial year 2021-22 on 14th June, 2021, 3rd August, 2021, 22nd October, 2021 and 21st January, 2022. Details of the meetings of the Board of Directors held during the financial year 2021-22 and attendance thereof are disclosed in the Corporate Governance Report.

Audit Committee

The Composition of Audit Committee is disclosed in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has established a Vigil Mechanism for the Directors and Employees of the Company by adopting the Whistle Blower Policy to report about the genuine concerns, unethical behaviour, fraud or violation of the Company's Code of Conduct and leakage/suspected leakage of Unpublished Price Sensitive Information with respect to the Company. The Whistle Blower Policy may be accessed on the website of the Company i.e. https://www.kajariaceramics.com/pdf/whistel_blowing_policy.pdf

Maintenance of Cost Records

The Company is not required to maintain of cost records as per sub-section (1) of Section 148 of the Act.

Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal), Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This Policy may be accessed on the Company's website i.e. https://www.kajariaceramics.com/pdf/prevention_of_sexual_harassment_at_workplace.pdf

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary and Trainees) are covered under this Policy. The Company has not received any sexual harassment complaints during the year 2021-22 nor any complaint is pending at the end of the year 2021-22.

Particulars of Employees

The information required pursuant to Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached as Annexure- 7 to this Report.

Deposits

The Company did not invite/accept any deposit within the meaning of Section 73 of the Act and the rules made thereunder.

Proceeding under Insolvency and Bankruptcy Code, 2016

No application or any proceeding has been filed against the Company under the Insolvency and Bankruptcy Code, 2016, during the financial year 2021-22.

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The Company has not made any one-time settlement, therefore, the same is not applicable.

Significant and material orders passed by the regulators or courts or tribunals

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Cautionary Statement

Statements in this 'Director's Report' & 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations including raw material/fuel availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in the Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

Appreciation and Acknowledgement

The Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their Departments and the Local Authorities for their continued guidance and support.

Your Directors would also like to record their appreciation for the support and cooperation your Company has been receiving from its suppliers, dealers, business partners and others associated with the Company.

Your Directors place on record their sincere appreciation to the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leader.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of Board

Ashok Kajaria

Place: New Delhi — Chairman & Managing Director

Date: 21st July, 2022 — DIN: 00273877

Annexure - 1

AOC-1 (ANNUAL PERFORMANCE OF SUBSIDIARIES)

(Pursuant to first provision of sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

(₹in Crores)

Name of the Subsidiary Company	Kajaria Vitrified Private Limited@ (CIN: U26933GJ 2010PTC062933)		Vennar Ceramics Limited (CIN: U26919TG 1994PLC031858)		Kajaria Infinity Private Limited^ (CIN: U26933GJ 2010PTC063444)		Kajaria Bathware Private Limited ('KBPL')* (CIN: U26943DL 2013PTC252495)		Kajaria Plywood Private Limited ('KPPL') (CIN: U36109DL 2017PTC324260)	
Date since when subsidiary were acquired	15/01/2012		09/04/2012		17/10/2012		15/05/2014		05/06/2018	
AS AT	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Capital										
- Equity Shares	14.95	14.95	24.00	24.00	9.10	9.10	25.00	25.00	9.90	9.90
- Preference Shares	0.00	0.00	0.00	0.00	0.00	0.00	4.41	4.41	0.00	0.00
Reserves	8.20	(4.76)	16.43	12.88	55.21	58.19	60.76	41.74	(37.37)	(27.09)
Total Assets	264.69	177.14	73.08	75.73	136.29	127.89	220.82	197.52	17.25	9.37
Total Liabilities	241.54	166.95	38.85	38.85	71.98	60.60	131.24	126.37	44.72	26.56
Investments	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnover	233.09	198.16	66.66	55.78	163.02	78.99	275.74	209.00	66.06	39.15
Profit before Taxation	12.95	2.72	4.91	1.78	(3.98)	(6.08)	22.80	11.83	(10.28)	(10.53)
Provision for Taxation	0.00	0.00	(1.35)	(0.47)	0.99	1.52	(4.34)	0.00	0.00	0.00
Profit After Taxation	12.95	2.72	3.56	1.31	(2.99)	(4.56)	18.46	11.83	(10.28)	(10.53)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of Shareholding	87.37%	87.37%	51%	51%	51%**	51%	100%	100%	97.89%#	97.89%

*Consolidated figures including performance of its subsidiary - Kajaria Sanitaryware Private Limited. The Company holds 100% (85% on diluted basis) equity shares of KBPL.

@ Name changed from Jaxx Vitrified Private Limited to Kajaria Vitrified Private Limited w.e.f. 30th April, 2022.

^ Name changed from Kajaria Bharat Private Limited (Formerly Cosa Ceramics Private Limited) to Kajaria Infinity Private Limited w.e.f. 24th June, 2022.

#The Company has acquired remaining 2.09 Lacs equity shares of KPPL. Accordingly, KPPL has become a wholly-owned subsidiary of the Company w.e.f. 20th May, 2022.

** The Company's stake increased from 51% to 68.33% in June, 2022.

Note: There is no Associate or JV Company other than those mentioned above.

For and on behalf of Board

Place: New Delhi	**Ashok Kajaria** Chairman & Managing Director (DIN: 00273877)	**Chetan Kajaria** Joint Managing Director (DIN: 00273928)	**Rishi Kajaria** Joint Managing Director (DIN: 00228455)	**Ram Chandra Rawat** COO (A&T) & Company Secretary (FCS 5101)	**Sanjeev Agarwal** Chief Financial Officer
Date: 21st July, 2022					

Annexure – 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of Contracts/ Arrangements / transactions not at arm's length as on 31.03.2022

Sl. No.	Name(s) of the Related Party and Nature of Relationship	Nature of Contract / Arrangement / Transactions	Duration of the Contract / Arrangement / Transactions	Salient terms of contract / Arrangement / Transactions including the value, if any	Justification for entering into such contract / Arrangement / Transactions	Date of Approval by the Board	Amount paid as advance	Date on which the Special Resolution was passed in the General Meeting under first proviso to Section 188
NIL								

2. Details of material contracts or arrangement or transactions at arm's length basis as on 31.03.2022

Sl. No.	Name(s) of the Related Party and Nature of Relationship	Nature of Contract / Arrangement / Transactions	Duration of the Contract / Arrangement / Transactions	Salient terms of Contract / Arrangement / Transactions	Date of Approval by the Board, if any	Amount paid as advance	Total Amount
NIL							

For and on behalf of Board

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

Place: New Delhi
Date: 21st July, 2022

Annexure – 3

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility ('CSR') is strongly connected with the principles of sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

In order to provide further impetus to the social interventions and make the entire process and activities more impact driven, the Company has adopted the Corporate Social Responsibility Policy ('CSR Policy') pursuant to the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including amendment(s) made thereto, from time to time).

The Company recognizes and is always committed towards sustainable development and inclusive growth. The Company strives to ensure strong corporate culture, which emphasizes on integrating the CSR values with business objectives. The Company also pursue initiatives related to quality management, environment preservation and social awareness. The Policy includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

2. Composition of CSR Committee of the Company:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Sushmita Singha	Chairperson / Non- Executive & Independent Director	2	2
2.	Mr. Chetan Kajaria	Member / Executive Director	2	1
3.	Mr. Rishi Kajaria	Member / Executive Director	2	2

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Web-link of Composition of CSR Committee	https://www.kajariaceramics.com/composition-of-committees.php
Web-link of CSR Policy	https://www.kajariaceramics.com/pdf/CSR_Policy.pdf
Web-link of CSR Project	https://www.kajariaceramics.com/pdf/CSR_Project_for_FY_2021_22.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of Sub-rules (3) of Rules 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

5. Details of the amount available for set-off in pursuance of Sub-rule (3) of Rules 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial year	Amount required to be set-off for the financial year, if any
		Not Applicable	
	Total		

6. Average Profit of the Company as per Section 135(5): ₹373.62 Crores

7. (a) Two percent of average profit of the Company as per Section 135(5): ₹7.47 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(c) Amount required to be set-off for the financial years, if any: Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹7.47 Crores

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹in Lacs)	Amount Unspent (₹in Lacs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
696.48	54.00	22.04.2022	Not Applicable		

(b) Details of CSR amount spent against 'ongoing projects' for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹in Lacs)	Amount spent in the current financial year (₹in Lacs)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (₹in Lacs)	Mode of implementation- Direct (Yes/No	Mode of implementation- Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Drain Work	Cl. No. i	Yes	Uttar Pradesh	Sikanderabad	Ongoing	54.00	0.00	54.00	Yes	-	-
	Total						**54.00**	**0.00**	**54.00**			

(c) Details of CSR amount spent against 'other than ongoing projects' for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount Spent for the project (₹in Lacs)	Mode of implementation- Direct (Yes/No)	Mode of Implementation- Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Spending towards COVID-19	Clause No. i / xii	Yes	PAN INDIA		153.33	Yes*	Brahma Kumaris Education Society	CSR00000880
2.	Swacch Bharat: Construction / Renovation of Toilets in Government Schools/ Institution, etc.	Clause No. i.- Sanitation	Yes	Uttar Pradesh	Sikandrabad	55.52	Yes	-	
				Rajasthan	Gailpur	48.91			
				Rajasthan	Malootana	67.03			
				Andhra Pradesh	Chittoor	24.92			
3.	Social Relief	Clause No. i. - Preventive Health-care, eradicating poverty and malnutrition	Yes	PAN INDIA		200.77	Yes*	Umeed Cancer Rahat Society	CSR00000850
4.	Education	Clause No. ii - Promoting Education	Yes	PAN INDIA		146.00	No	Malti Devi Kajaria Foundation	CSR00002809
								Rohini Education Society	CSR00010149
								H.R. Education & Charitable Foundation	CSR00005707
	Total					**696.48**			

* Some CSR activities carried out directly and some through support to NGO, Trust and Charitable Institutions also.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹750.48 Lacs

(g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹in Lacs)
(i)	Two percent of average net profit of the Company as per section 135(5)	747.00
(ii)	Total amount spent for the Financial year	750.48
(iii)	Excess amount spent for the financial year [(ii) – (i)]	3.48
(iv)	Surplus arising out of the CSR projects or programmes to activities of the previous financial years, if any	0.00
(v)	Amount available for set-off in succeeding financial years [(iii) – (iv)]	3.48

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135(6)	Amount Spent in the reporting Financial year	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
						Not Applicable	
	Total						

b) Details of CSR amount spent in the financial year for 'ongoing projects' of the preceding financial year(s): (₹in Lacs)

Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project-Completed/ ongoing
1.	KCL-Rajasthan	Check Dam at Thanagaji, Alwar (Rajasthan) by PHD Rural Development Foundation Committee (Under the aegis of PHD Chamber of Commerce and Industry, New Delhi)	2020-21	6 months	15.57	8.07	15.57	Completed
2.	KCL- Other	Sarada Shishu Tirtha Kantivita, Darjeeling (West Bengal) by Vivekananda Vidyavikashh Parishad, West Bengal Unit	2020-21	6 months	10.00	10.00	10.00	Completed
3.	KCL- Uttar Pradesh	Drains (Nalla) at Sikanderabad Industrial Area, (U.P.) for the villages of that area	2020-21	6 months	75.00	74.00	75.00	Completed
	Total				**100.57**	**92.07***	**100.57**	

* ₹25.07 Lacs out of ₹92.07 Lacs were pertaining towards the CSR Budget for the financial year 2021-22.

10. In case of creation or acquisition of capital assets, furnish the details relating to the asset do created or acquired through CSR spent in the financial year (asset-wise details):

a) Date of creation or acquisition of the capital asset(s):

Not Applicable

b) Amount of CSR spent for creation or acquisition of capital asset:

Not Applicable

c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

Not Applicable

d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

Not Applicable

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5):

Not Applicable

For and on behalf of the Board

Place: New Delhi Date: 21st July, 2022	**Ashok Kajaria** Chairman & Managing Director (DIN: 00273877)	**Sushmita Singha** Chairperson, CSR Committee (DIN: 02284266)

Annexure - 4

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of Chairman & Managing Director, Joint Managing Directors, Executive Director, Company Secretary and Chief Financial Officer of the Company during the financial year 2021-22:

Sl. No.	Name of Director / KMP	Designation	Ratio of Remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration*
1	Mr. Ashok Kajaria (DIN: 00273877)	Chairman & Managing Director	100:1	114.77%
2	Mr. Chetan Kajaria (DIN: 00273928)	Joint Managing Director	98:1	99.86%
3	Mr. Rishi Kajaria (DIN: 00228455)	Joint Managing Director	98:1	99.86%
4	Mr. Ram Chandra Rawat (FCS 5101)	COO (A&T) & Company Secretary	Not Applicable	24.07%
5	Mr. Sanjeev Agarwal	Chief Financial Officer	Not Applicable	26.86%

Note:

a. *Due to COVID-19 pandemic, the Chairman & Managing Director and the Joint Managing Directors had forgone their 100% remuneration for the first half of the financial year 2020-21. Further, there was also salary cut for other employees of the Company during the said first half of the financial year 2020-21.

b. The Non-executive Directors of the Company are entitled for sitting fees only. The detail of remuneration of Non-executive Directors is provided in Corporate Governance Report and is governed by the Nomination and Remuneration Policy, as stated herein below. The ratio of remuneration and percentage increase for Non-executive Directors' remuneration is, therefore, not considered for the purpose above.

II.

Sl. No.	Particulars	Details
1	% increase in the median remuneration of employee in the financial year 2021-22	15.95%
2	Total number of permanent employees on the rolls of the Company as on 31st March, 2022 (on standalone basis)	2599
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2021-22 and its comparison with the percentile increase in remuneration of Executive Directors and justification thereof	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2021-22 was 14.10%. Whereas, there was no average increase in remuneration of Executive Directors.

III. Affirmation that the remuneration is as per the remuneration policy of the Company:

Remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of Board

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

Place: New Delhi
Date: 21st July, 2022

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

The Nomination and Remuneration Policy of Kajaria Ceramics Limited ('the Company') was originally formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder ('the Act') read with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI's Notification dated May 9, 2018 including amendments/modifications thereof (the 'Listing Regulations') and revised in accordance with the provisions the Act and the Listing Regulations.

This Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Policy applies to Directors, Senior Management including Key Managerial Personnel ('KMPs') of the Company.

2. OBJECTIVES

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine remuneration based on the Company's size and financial position, cost of living, and trends and practices on remuneration prevailing in peer companies, in the tile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. DEFINITIONS

'The Act' means the Companies Act, 2013 and rules made thereunder, as amended from time to time.

'The Board' means Board of Directors of the Company.

'Director' means a Director appointed to the Board of the Company.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 read with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

'Key Managerial Personnel' in relation to a Company means:

o The Managing Director / Joint Managing Director / Chief Executive Officer or Manager and in their absence, a Whole-time Director;

o Chief Financial Officer;

o Company Secretary; and

o Such other officer(s), as may be prescribed.

'Nomination and Remuneration Committee' or 'Committee' shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

'Policy' means Nomination and Remuneration Policy of the Company.

'Senior Management' shall mean officers/personnel of the Company, who are members of its core management team excluding Board of Directors and this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director (including Chief Executive Officer, in case he is not part of the Board) and shall also include the Company secretary and Chief financial officer of the Company.

4. APPLICABILITY

The Policy is applicable to:

- Directors (including Independent Directors);
- Key Managerial Personnel ('KMPs'); and
- Senior Management

5. CONSTITUTION OF COMMITTEE

The members of the Nomination and Remuneration Committee will be appointed by the Board and the Committee will comprise of three or more Non-executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of the Committee shall be an Independent

Director. The Chairman of the Nomination and Remuneration Committee shall be present at every Annual General Meeting or may nominate some other member to answer the shareholders' queries. The Chairman of the Company may be appointed as a member of the Committee.

The Board may re-constitute the Committee, whenever required, to comply with the provisions of the Act, Listing Regulations and other applicable statutory requirements.

6. ROLES OF THE NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Committee will, inter-alia, include the following:

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. While formulating the policy as above said, to ensure 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 including the Company Secretary and Chief Financial Officer) 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.
4. Recommending the Board, all remuneration, in whatever form, payable to senior management including the Company Secretary and the Chief Financial Officer;
5. Formulating the criteria for evaluation of Independent Directors and the Board of Directors of the Company;
6. To extend or continue the term of appointment of Independent Director, on the basis of performance evaluation of Independent Directors;
7. Devising a policy on diversity of Board of Directors;
8. To formulate the detailed terms and conditions of the Kajaria Employee Stock Option Scheme 2015 ('ESOP Scheme 2015') including the following:
   a. issuing and allotment of equity shares [including share certificate(s)] of the Company to the ESOP holders and all matters related thereto, from time to time, pursuant to the ESOP Scheme 2015;
   b. signing, execution and submission of necessary documents/papers for the listing of equity shares of the Company with the stock exchanges or other concerned authority(ies) and all matters related thereto;
   c. making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions;
   d. approval of list of employee(s) of the Company and/or its subsidiary(ies) [including quantum of ESOP grant] to whom ESOP options are to be granted under ESOP Scheme 2015;
   e. determining the procedure for winding up of the ESOP Scheme 2015;
   f. other matters which may be relevant for administration of ESOP Scheme 2015, from time to time.
9. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description;
10. For the purpose of identifying suitable candidates as above, the Committee may:
    - To use the services of an external agencies, if required;
    - To consider candidates from a wide range of backgrounds, having due regard to diversity;
    - To consider the time commitments of the candidates.

11. To do all other acts as may be delegated by the Board of Directors of the Company or prescribed by law, from time to time.

7. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

2. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole time Director, who has attained the age of 70 years provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3. The Company shall not appoint a person or continue the Directorship of any person as a Non-executive Director who has attained the age of 75 years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Term / Tenure:

1. Managing Director / Whole-time Director:

   The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Joint Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

   i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

   ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

   iii) Subject to the applicable provisions of the Listing Regulations and the Act, at the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

3. KMPs / Senior Management:

   Term of appointment will be governed through a letter of appointment issued to the respective KMP / Senior Management / Employee.

Performance Evaluation:

The evaluation of performance of every Director, KMP and Senior Management Personnel shall be made in accordance with the applicable laws.

The major criteria for performance evaluation are as follows:

1. Role & Accountability:
   - Application of knowledge for rendering advice to management for resolution of business issues.
   - Active engagement with the management and attentiveness to progress of decisions taken.
   - Fulfillment of Independence criteria by Independent Directors, as specified under the Act / the Listing Regulations.
2. Objectivity:
   - Appraisal of issues.
   - Own recommendations given professionally without tending to majority or popular views.
3. Leadership & Initiative:
   - Heading department / section/ Board Committees.
   - Driving any function or identified initiative based on domain knowledge and experience.

4. Personal Attributes:

- Commitment to role & fiduciary responsibilities.
- Active participation.
- Proactive, strategic and lateral thinking.

Removal:

Due to reasons for any disqualification mentioned in the Act or the Listing Regulations or any other applicable Act, rules/ regulations or in accordance with the contract of service / letter of appointment, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel.

Retirement:

The Director, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act or any other applicable Act, rules/regulations and the prevailing policy/ guidelines of the Company. The Board will have the discretion to retain the Director, KMPs, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit/interest of the Company.

8. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR (EXECUTIVE DIRECTOR), KMPs AND SENIOR MANAGEMENT PERSONNEL

General:

(i) The remuneration/compensation/commission etc., to the Whole-time Director (WTD), KMPs and Senior Management Personnel will be considered by the Committee and recommended to the Board for its approval. The remuneration/compensation/commission of WTD/MD, etc. shall be subject to the prior/post approval of the shareholders of the Company and the provisions of the Act & the Listing Regulations.

(ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/slabs/conditions as per the provisions of the Act & the Listing Regulations.

(iii) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director only.

(iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(v) The fees/compensation payable to Executive Directors, who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

o the annual remuneration payable to such Executive Director exceeds ₹5 crore or 2.5% of the net profits of the Company, whichever is higher; or

o where there is more than one such Executive Director, the aggregate annual remuneration to such Executive Directors exceeds 5% of the net profits of the Company.

The approval of the shareholders under Clause 8(v) above shall be valid only till the expiry of the term of such Executive Director.

Remuneration to the Managing Director, Whole-time Director, KMPs and Senior Management Personnel:

Remuneration to Whole-time Directors, KMPs and Senior Management consists of the following components:

1. Salary & Perquisites:

The Whole-time Director/Managing Director ('MD')/ Joint Managing Director ('JMD'), KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, re- imbursement of gas electricity and water expenses, HRA, Club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be subject to approvals of shareholders of the Company and compliance of the Act & the Listing Regulations.

2. **Commission:**

MD/JMD would also be entitled for the commission in accordance with the provisions of the Act & the Listing Regulations.

3. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD/JMD/Whole-time Director(WTD), subject to compliance of the applicable provisions of the provisions of the Act/ the Listing Regulations.

4. **Provisions for excess remuneration:**

If any MD/JMD/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed in the Act and/ or not in compliance of the applicable provisions of the Act, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted under the Act/ the Listing Regulations.

5. **Stock Options:**

A Director shall not be entitled to any stock option of the Company. However, KMPs and Senior Management may be granted the stock option in accordance with the scheme as may be approved by the Committee, from time to time.

Remuneration to Non- Executive / Independent Director

Remuneration to Non-executive Directors/Independent directors consists of the following components:

1. **Sitting Fees:**

The Non-executive/Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee(s) of the Company, as approved by the Board, from time to time, which will be subject to the limits prescribed under the Act.

2. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

9. SEVERANCE ARRANGEMENTS

The Contract of Employment with the Executive Director (WTD/MD/JMD) will provide for compensation of 3 months' pay or advance notice period and for other KMPs and Senior Management employees, the notice period will be 1 month or 1 month salary or as per appointment letter, whichever is higher. There will not be any severance fees.

10. DISCLOSURE

Information on the total remuneration of members of the Company's Board of Directors, WTD/MD/JMD and KMPs/Senior Management personnel will be disclosed in the Company's annual financial statements, etc., as per the provisions of Act, the Listing Regulations and other statutory requirements.

The disclosures regarding this Policy shall be made on the Company's website www.kajariaceramics.com and in the Annual Report of the Company, as per the provisions of the Act, the Listing Regulations and other statutory requirements.

11. EFFECTIVE DATE

This Policy shall be effective w.e.f. April 1, 2019.

12. REVIEW / AMENDMENT

The Board of Directors of the Company, on recommendation of the Committee, may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act/other applicable laws shall be binding even if not incorporated in this Policy.

Annexure - 5

FORM MR -3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

The Members

Kajaria Ceramics Limited

SF-11, Second Floor, JMD Regent Plaza

Mehrauli Gurgaon Road, Village Sikanderpur Ghosi

Gurgaon, Haryana - 122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kajaria Ceramics Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder circulars, guidelines issued thereunder by the Securities and Exchange Board of India;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations');

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable: Not Applicable

    (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment to the extent applicable;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 prior to its repealment and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: Not applicable; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable.

(vi) As confirmed and certified by the Management of the Company, there is no Law specifically applicable to the Company based on the sectors/businesses.

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have happened which are deemed to have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Board of Directors in its meeting held on June 14, 2021, approved the expansion of manufacturing facility of Ceramic floor tiles at Gailpur (Rajasthan) to 29.40 msm ceramic tiles from 25.20 msm ceramic tiles by way of increase of 4.20 msm of ceramic floor tiles per annum.

2. The Board of Directors in its meeting held on June 14, 2021, approved increase in the limits of investment in Kajaria Plywood Private Limited ('KPPL'), subsidiary Company, from ₹35 crore to ₹50 crore, in one or more tranches, through subscription/acquisition of equity shares of KPPL and/or granting of unsecured loan to KPPL, subject to compliance of applicable laws.

3. The Board of Directors in its meeting held on August 3, 2021, given its in-principle approval for making investment upto ₹264 Lacs in the equity shares of an entity (i.e. Special Purpose Vehicle), to be formed by CleanMax Enviro Energy Solutions Private Limited for solar power captive consumption as required under the provisions of Electricity Act, 2003, at par value, subject to applicable laws.

4. The Board of Directors in its meeting held on October 22, 2021, approved to make investments upto ₹5 Crores, by subscribing shares and/or granting unsecured loan(s), in one or more tranches, for opening an office(s) of the Company in U.A.E. and/or incorporating a wholly-owned subsidiary Company in U.A.E. with a name containing 'Kajaria' and/or the name(s) as may be made available by the concerned authority(ies) in U.A.E. and subject to compliance of applicable laws.

5. The Company has received Formal Order issued by the Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') dated November 26, 2021 (as received by the Company on December 22, 2021), sanctioning the Scheme of Amalgamation amongst Kajaria Tiles Private Limited ('KTPL') and Kajaria Ceramics Limited ('the Company') and their respective Shareholders and Creditors ('Scheme') and pursuant to the Scheme, the Capital Clause of the Memorandum of Association of the Company has been amended accordingly.

6. The Board of Directors in its meeting held on January 21, 2022, approved additional acquisition upto 23,66,520 equity shares of ₹10/- each of Cosa Ceramics Private Limited, a subsidiary Company, at a consideration aggregating to ₹20.83 crores, subject to applicable laws.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000634249

Place: Delhi
Date: 21.07.2022

Note:

(i) This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

(ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

Annexure-A

The Members
Kajaria Ceramics Limited
SF-11, Second Floor
JMD Regent Plaza
Mehrauli Gurgaon Road
Village Sikanderpur Ghosi
Gurgaon,
Haryana- 122001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000634249

Place: Delhi
Date: 21. 07. 2022

Annexure - 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(i) Energy conservations measures taken

The manufacturing plants of the Company have continued their efforts to reduce the specific energy consumption and the same is monitored in order to minimize wastage and facilitate optimum utilization of energy. The initiatives are being planned and implemented. Maintenance and repairs of all equipment and machineries are carried out timely to ensure optimum energy efficiency. Apart from regular practices and measures for energy conservation, some of the key measures taken to enhance energy conservation during the financial year 2021-22 are as follows:

- Maintaining heat recovery system at Gailpur & Malootana (Rajasthan), Sikandrabad (U.P.) and Srikalahasti (Andhra Pradesh) plants to attain considerable fuel savings by allocating the exhaust heat of kilns to vertical/horizontal driers. Some of heat recovery blowers are equipped with VFD to get the maximum efficiency.
- Installation of BEE (Bureau of Energy Efficiency) certified electrical items and equipment along with latest generation energy-efficient lighting (i.e. LED) with sensor and variable frequency drives in order to conserve energy and also drive down costs.
- Initiation of Energy Management System (EMS) software development, which will generate real-time data and help to monitor, analyze, & report and also compare the power consumption across all plants of the Company.
- Maintaining Power Factor near to Unity for effective utilisation of Grid power and reduction of apparent energy consumption. Utilisation of planned switching and effective use of VFD's with blowers resulting in reduction of apparent as well as active energy consumption.
- Air leakage audit conducted and the air leakage arrested.
- Installation of Natural ventilators in Press area.
- Auto switching on and off of conveyors, blowers, etc., when not in use.
- Installation of transparent roof sheets to get natural sun light and ventilators in Srikalahasti (Andhra Pradesh) Plant in order to save electricity for lighting in daytime and to have proper ventilation.

(ii) Utilising alternate sources of energy

a. Solar Energy:

Total installed rooftop solar energy capacity is 7.30 MW at Gailpur & Malootana (Rajasthan) and Sikandrabad, (U.P.) plants of the Company.

For the financial year 2021-22, the solar project has generated about 90.08 Lacs units, which is about 5.84% of electricity consumption across all the plants of the Company.

b. Wind Energy:

The Company is utilizing wind turbines at Gailpur (Rajasthan) plant to produce green energy. During the financial year 2021-22, the wind turbine project generated about 34.67 Lacs units, which is about 2.20% of electricity consumption across all the plants of the Company.

(iii) Capital investment on energy conservation equipments

The Company has spent ₹15.22 Lacs on energy conservation equipments, during the financial year 2021-22.

B. TECHNOLOGY ABSORPTION

The Company has been acquiring, developing, and utilizing technological knowledge to deliver a large variety of technologically advanced products to its customers. The Company focuses on development of innovative products and improvement of processes, so as to achieve the Company's business goal in long-term perspective. The entire product portfolio is based on in-house technology developed by internal team.

(i) Major efforts made towards technology absorption

a. The Company's R&D and technical experts constantly visit international markets to identify and keep pace with the latest technologies available.

b. The Company has fully adopted the latest technology available for producing tiles putting the Company in the same league as other manufacturers in the Chinese and European markets.

c. The R&D Unit at Gailpur & Malootana (Rajasthan) and Sikandrabad (U.P.) plants has continuously maintained the recognition from the Department of Scientific and Industrial Research (DSIR).

(ii) Benefits derived through such efforts

a. Technology absorption efforts have not only allowed the Company to develop new products but also improve its existing ones and reduce the cost of products.

b. The production capacity at Gailpur (Rajasthan) plant of the Company enhanced through its continuous value generation process by way of formulation, re-engineering, sourcing efficiency, process optimization, searching of new raw material / techniques.

c. The Company has developed a culture of staying informed about the latest developments in related technology as well as constantly updating our equipment and processes. Such innovations have led the Company to be in the forefront amongst its competitors.

(iii) Technology imported

No technology has been imported during the last three years.

(iv) Expenditure incurred on Research and Development ('R&D')

(₹in Crores)

Particulars	2021-22	2020-21
a) Capital	0.10	0.04
b) Recurring	7.58	11.57
Total	**7.68**	**11.61**
Total R&D expenditure as a percentage of total turnover	0.23%	0.46%

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange earned in terms of actual inflow during the financial year 2021-22 was ₹42.70 Crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflow during the financial year 2021-22 was ₹115.91 Crores (equivalent value of various currencies).

For and on behalf of Board

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

Place: New Delhi
Date: 21st July, 2022

Annexure - 7

NAME OF EMPLOYEES OF THE COMPANY

[As per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(a) Top Ten Employees in terms of Remuneration drawn including the Employees who was in receipt of remuneration exceeding ₹1.02 crores per annum, who was employed throughout the financial year 2021-22:

Sl. No.	Name	Age	Designation	Qualification	Experience	Date of commencement of employment	Remuneration received during the financial year 2021-22 (₹in Crores)	Particular of last employment
1.	Mr. Ashok Kajaria	75	Chairman & Managing Director	B.SC, BSME, UCLA (California), USA	46	01.01.1987	5.67	Managing Director -Kajaria Exports Limited
2.	Mr. Chetan Kajaria	47	Joint Managing Director	B. Engg. (Petrochem), Pune University, MBA from Boston College (USA)	22	15.01.2000	5.56	Managing Director - Kajaria Plus Limited
3.	Mr. Rishi Kajaria	44	Joint Managing Director	B.Sc. in Business Administration from Boston University (USA)	18	26.07.2003	5.56	Director - Kajaria Infotech Limited
4.	Mr. Ram Chandra Rawat	66	COO (A&T) & Company Secretary	M. Com. FCA, FCS	42	14.07.1987	1.73	Chief Accounts Officer - RCS Vanaspati Limited
5.	Mr. Sanjeev Agarwal	58	CFO	B.Com., FCA	35	09.02.1994	1.73	Dy. Manager (Finance) - Orissa Synthetics Limited
6.	Mr. Pankaj Sethi	51	COO (Marketing)	BE - Civil Engg.	30	01.04.2003	2.18	Regional Manager -Kajaria Infotech Limited
7.	Mr. Bhupendra Vyas	64	COO (Marketing)	MMS	41	01.08.2016	1.76	Executive Director- City Tiles Limited
8.	Dr. Rajveer Choudhary	68	Chief Operating Officer (Gailpur Plant)	M.A., Ph.D	40	03.08.1998	1.75	VP - Venus Sugars Limited
9.	Mr. Gautam Seth	48	Sr. VP (Marketing & Technical)	BE- Mech. Engg.	23	01.09.2009	1.60	VP (Marketing) - Kajaria Plus Limited
10.	Mr. Dipankar Bhattacharya	54	AVP (Marketing)	PGDBA	29	01.08.2007	1.49	AGM (Sales) - Varmora Granito Private Limited
11.	Mr. Vivek Goyal	53	Sr. VP (Marketing)	PGDBA (Marketing)	31	01.05.2000	1.43	DGM (Marketing) - Kajaria Plus Limited
12.	Mr. Balmukund Sharma	46	AVP (Marketing)	PGDBA	24	17.01.2005	1.36	Asst. Manager (Sales) – Kajaria Tiles (Aust.) Private Limited
13.	Mr. Basant Kumar Sinha	72	COO (Technical)	PGDM	52	01.04.2019	1.19	Director (Technical) - Kajaria Ceramics Limited
14.	Mr. G.P. Nirmal	61	Sr. VP - (I&E)	B.Com (Hons.)	43	01.08.1997	1.15	Sr. Manager – Kajaria Exports Limited
15.	Mr. Jaganathan B.	57	VP (Sales)	B.Com.	33	19.02.2018	1.05	VP (Sales & Marketing) - H&R Johnson (I) Limited

(b) No employee was in receipt of remuneration exceeding ₹8.50 Lacs per month, who was employed for a part of financial year 2021-22.

(c) During the financial year 2021-22, no employee was in receipt of remuneration exceeding the remuneration drawn by the Managing Director or Whole-Time Director of the Company.

Notes:

1. Remuneration includes salary, allowances & perquisites and excluding Gratuity Fund, Personal Accident Insurance as the same are paid for the Company as whole and the shares excercised under Kajaria Employee Stock option scheme 2015.
2. All above mentioned employees are on the rolls of the Company and nature of employment is as per the appointment letter given by the Company.
3. Mr. Ashok Kajaria, Mr. Chetan Kajaria, Mr. Rishi Kajaria, Mr. Sanjeev Agarwal, Mr. Pankaj Sethi, Mr. Gautam Seth, Mr. Vivek Goyal, Mr. Dipankar Bhattacharya and Mr. G. P. Nirmal hold 10,47,004 equity shares, 13,39,880 equity shares, 18,05,716 equity shares, 30,000 equity shares, 20,500 equity shares, 4,500 equity shares, 7,502 equity shares, 500 equity shares, and 16,000 equity shares of the Company, respectively.
4. None of the above referred employees, except as mentioned in Note No. 3 above, hold equity shares of the Company.
5. Mr. Ashok Kajaria, Chairman & Managing Director is father of Mr. Chetan Kajaria and Mr. Rishi Kajaria, Joint Managing Directors, of the Company. Except this, no employee is relative of any Directors of the Company.

For and on behalf of Board

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

Place: New Delhi
Date: 21st July, 2022

REPORT ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance

Corporate governance at Kajaria Ceramics Limited ('Kajaria' / 'the Company') is strongly founded on its core values viz. passion, integrity, respect, and accountability in all its actions, operations and engagement with the stakeholders and society at large.

The Company believes that good corporate governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Being an industry leader for more than 21 years, gives us immense pride and at the same time puts onus on us to raise our own bar of governance. Achieving milestones is important for us, but achieving them the right and ethical way is all the more important and essential.

In keeping with this responsibility, we continuously review our Corporate Governance framework and practices, to uplift them to align them with the best across the globe. The Company's Code of Conduct and Ethics and the Code of Conduct for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices.

The governance structure at Kajaria is based on the principles of providing adequate authority to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and utmost responsibility so as to meet the expectation of all the stakeholders.

The Board of Directors ('the Board') are responsible and committed to sound principles of Corporate Governance in the Company. The Board of the Company plays a crucial role in overseeing how the management serves the short and long term interest of the shareholders and other stakeholders.

The Corporate Governance Philosophy of the Company is based on the following principles:

i. Appropriate composition of the Board;

ii. Timely disclosure of material and financial information to the Board and Stakeholders;

iii. Systems and processes are in place to ensure financial control and compliance of applicable laws; and

iv. Proper Business Conduct by the Board, Committees, Senior Management and Employees.

Board of Directors

The Company firmly believes that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance in order to bring objectivity and transparency in the Management. The Board of Directors alongwith their Committees are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has vested with the requisite powers, authorities and duties.

Selection of the Board

In terms of the requirement of the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Nomination and Remuneration Committee has been designated to evaluate and recommend the Board, the need for change in the composition and size of the Board of the Company and to select members for filling the Board vacancies and nominating candidates for election by the shareholders at the General Meeting / Postal Ballot of the Company.

Composition

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors and Woman Director as required under the applicable legislations. The Board consists of eminent individuals from the Industry, management, technical, financial and marketing, etc. The Company is managed by the Board in co-ordination with their Committees and the Senior Management team. As on 31st March, 2022, the Company has Eight (8) Directors on its Board, out of which Three (3) are Executive Directors, One (1) is Non-executive Non-Independent Director and Four (4) are Non-executive-Independent Directors including one (1) Woman Non-executive Independent Director. The Board, on recommendation of the Nomination and Remuneration Committee periodically evaluates the need for change in composition and size of the Board of the Company.

The details of composition of the Board, category of Directorship, number of Directorships in other companies, Chairmanship/ Membership of the Committee of each Director in other Companies, attendance of the Directors at Board Meetings and last Annual General Meeting as on 31st March 2022 are given below:

Name	Category of Director	Board Meeting held during his/her tenure	Board Meeting attended	Last Annual General Meeting attended	Directorship* in other companies	Committee Chairmanship of other Boards**	Committee Membership of other Boards**
Mr. Ashok Kajaria (DIN: 00273877)	Chairman & Managing Director (Promoter)	4	4	Yes	1	0	2
Mr. Chetan Kajaria (DIN: 00273928) $	Joint Managing Director	4	4	Yes	1	0	1
Mr. Rishi Kajaria (DIN: 00228455) $	Joint Managing Director	4	4	Yes	1	0	0
Mr. Dev Datt Rishi (DIN: 00312882)	Director - (Non-Executive)	4	4	Yes	1	0	0
Mr. Raj Kumar Bhargava (DIN: 00016949)	Director (Non-Executive & Independent)	4	4	Yes	3	3	2
Mr. Debi Prasad Bagchi (DIN: 00061648)	Director (Non-Executive & Independent)	4	4	Yes	1	0	1
Mr. H. Rathnakar Hegde (DIN: 05158270)	Director (Non-Executive & Independent)	4	4	Yes	1	0	1
Mrs. Sushmita Singha (DIN: 02284266)	Director (Non-Executive & Independent)	4	4	Yes	4@	1	1

* Excluded the Directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Act, as per Regulation 26 of the Listing Regulations, but included Kajaria Ceramics Limited.

** Included only the Membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies as per Regulation 26 of the Listing Regulations, including Kajaria Ceramics Limited.

$ Promoter Group

@ Ceased to be the Independent Director of Greenpanel Industries Limited w.e.f. 7th April, 2022.

The number of Directorships, Chairmanships and Committee memberships of each Director is in compliance with the relevant provisions of the Act and the Listing Regulations.

During the year 2021-22, none of the Independent Director resigned from the office before the expiry of his/her tenure.

Mr. Ashok Kajaria, Chairman & Managing Director of the Company is the father of Mr. Chetan Kajaria and Mr. Rishi Kajaria, Joint Managing Directors, of the Company. There is no inter-se relationship between any of the Non-executive/Independent Directors of the Company.

As mandated by the Listing Regulations, none of the Directors of the Company are members of more than ten Board level committees nor are the Chairperson of more than five Board level committees in public limited companies in which they are Directors.

Category of Directorship in other companies listed on recognized Stock Exchange(s):

Name of other companies listed at the recognized Stock Exchange(s) in which the Directors of the Company hold position of Directorship (alongwith category of Directorship), as on 31st March, 2022, are as under:

Name	Name of other companies listed at the recognized Stock Exchange(s) in which hold Directorship*	Category of Directorship
Mr. Ashok Kajaria (DIN: 00273877)	-	-
Mr. Chetan Kajaria (DIN: 00273928)	-	-
Mr. Rishi Kajaria (DIN: 00228455)	-	-
Mr. Dev Datt Rishi (DIN: 00312882)	-	-
Mr. Raj Kumar Bhargava (DIN: 00016949)	Asian Hotels (West) Limited	Non-executive & Independent Director
	HB Portfolio Limited	Non-executive & Independent Director
Mr. Debi Prasad Bagchi (DIN: 00061648)	-	-
Mr. H. Rathnakar Hegde (DIN: 05158270)	-	-
Mrs. Sushmita Singha (DIN: 02284266)	Radico Khaitan Limited	Non-executive & Independent Director
	Greenpanel Industries Limited^	Non-executive & Independent Director

* Excluded the Directorship held in Kajaria Ceramics Limited.
^ Ceased w.e.f. April 7, 2022.

Number of shares held by Independent Directors/Non-executive Director

The details of equity shares of the Company held by the Independent/Non-Executive Directors as on 31st March, 2022 are as under:

Name of Independent /Non-executive Directors	Category	No. of equity shares of Re. 1 each of the Company held as on 31st March, 2022
Mr. Raj Kumar Bhargava	Non-executive & Independent Director	12,041
Mr. Dev Datt Rishi	Non-executive Director	800

No other Independent Directors, hold any share of the Company 31st March, 2022.

None of the Independent Directors of the Company is serving as an Independent Director in more than 7 Listed Companies. Further, no Independent Director of the Company holds positions of Whole-Time Director / Managing Director in another Listed Company.

Board Meetings

The Board meets at least once in every quarter through physical and/or electronic mode, in compliance of applicable laws, to discuss and decide on, inter-alia, business strategies/policies and review the financial performance of the Company and its subsidiaries and other items on agenda. Additional meetings are held from time to time as and when necessary.

The notice of each Board Meeting is given in writing to each Director of the Company. The agenda along with the relevant notes and other material information are sent to each Director in advance and in exceptional cases tabled at the meeting.

Also, the Board meetings of the Company have been held with proper compliance of the provisions of the Act, the Listing Regulations [including Notifications/Circulars issued thereunder, from time to time] and the Secretarial Standards, as applicable thereon.

During the financial year 2021-22, four (4) Board Meetings were held, at least one in every calendar quarter as permitted under the Act read with the Listing Regulations [including Notifications/

Circulars issued thereunder, from time to time]. The dates on which the Board Meetings were held, are as follows:

14th June, 2021, 3rd August, 2021, 22nd October, 2021 and 21st January, 2022.

Post meeting follow up Mechanism

All the important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions. Action Taken Report on decisions / minutes of previous meetings is also placed at the succeeding meeting of the Board.

Board Support

The Company Secretary attends the Board / Committee meetings and advises on compliances with applicable laws and governance.

Separate Meeting for Independent Directors

The Independent Directors of the Company meet once in a financial year without the presence of non-Independent Directors and Management Personnel. Such Meeting reviews the performance of Non-Independent Directors and the Board as a whole, reviews the performance of Chairman of the Company taking into account the views of Executive Directors and Non-executive Directors, access the quality, quantity and timeliness of the flow of information between management and the Board that is necessary to effectively and reasonably perform its duties. A meeting of Independent Directors was held on 21st July, 2022.

Familiarization Programme for Independent Directors

At the time of appointment/re-appointment of Independent Directors, a formal letter of appointment is given to him/her, which, inter-alia, explains the role, functions, duties and responsibilities expected from him/her as an Independent Director of the Company. The Independent Director is also explained in detail the nature, business model of the industry and compliances under the Act, the Listing Regulations and other relevant rules & regulations. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's Operations. The Board Members are provided with necessary documents, reports and policies to enable them to familiarize with the Company's Procedures and Practices. Periodic presentations are made at the Board and its Committee Meetings on the Company's Business, performance and other relevant updates.

The familiarization program alongwith details thereof has been uploaded on the Company's website at https://www.kajariaceramics.com/pdf/FamiliarisationProgrammeforIndependentDirectors.pdf / https://www.kajariaceramics.com/pdf/Details_of_Familarisation_Programme_of_Independent_Directors_231021.pdf

Audit Committee

During the year 2021-22, the Committee met four (4) times i.e. 14th June, 2021, 3rd August, 2021, 22nd October, 2021 and 21st January, 2022. The composition of the Committee and details of meetings attended by the Directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Raj Kumar Bhargava	Non-executive & Independent	Chairman	4
Mr. Ashok Kajaria	Executive	Member	4
Mr. H. Rathnakar Hegde	Non-executive & Independent	Member	4
Mr. Debi Prasad Bagchi	Non-executive & Independent	Member	4

The Committee's Composition meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Members of the Committee are financially literate and possess sound knowledge of accounts, audit, internal controls and financial management expertise.

Mr. Ram Chandra Rawat, COO (A&T) & Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company held on 28th September, 2021.

Terms of Reference of Audit Committee

The term of reference of the Audit Committee, inter-alia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for the appointment, remuneration, terms of appointment of the Auditors of the Company and reviewing & monitoring the auditor's independence and performance and effectiveness of the audit processes;
3. Approval for payment to the Statutory Auditors for any other permitted services rendered by Statutory Auditors;
4. Reviewing and examining, with the management, the annual financial statements and the Auditors' report thereon, before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion(s) in the draft Auditors' report.

5. Reviewing, with the management, the quarterly financial results before submission to the Board for approval;

6. Reviewing and monitoring, with the management, the statement of uses / application of funds raised through an issue/public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Approval (including omnibus approval) or any subsequent modification of transactions of the Company with related parties / statement of related party transactions;

8. Scrutiny of inter-corporate loans and investments;

9. Valuation of undertakings or assets of the Company, wherever it is necessary;

10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems including evaluation of internal financial controls and risk management system and discussion with internal auditors any significant findings and follow up thereon;

11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

14. Review the functioning of the Whistle Blower Policy (Vigil Mechanism);

15. Approval of appointment of Chief Financial Officer ('CFO') after assessing the qualifications, experience & background, etc. of the candidate;

16. Reviewing the utilization of loans and/or advances from/ investment by the Company in its subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

17. Review of Management discussion and analysis of financial condition and results of operations and Management letters / letters of internal control weaknesses issued by the statutory auditors;

18. Review of Internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the Internal Auditors;

19. Review of Financial statement, in particular, investments made by the subsidiary Company(s);

20. *To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

21. Any other role/functions as may be delegated by the Board of Directors of the Company or prescribed by law, from time to time.

    *During the year 2021-22, the Audit Committee was additionally authorised.

Nomination and Remuneration Committee

During the year 2021-22, the Committee met three (3) times i.e. 14th June, 2021, 21st January 2022 and 2nd March, 2022. The composition of the Committee is as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Debi Prasad Bagchi	Non-executive & Independent	Chairman	3
Mr. Ashok Kajaria	Executive	Member	3
Mr. H. Rathnakar Hegde	Non-executive & Independent	Member	3
Mrs. Sushmita Singha	Non-executive & Independent	Member	3

The Composition of the Nomination and Remuneration Committee is as per Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Chairman of the Nomination and Remuneration Committee was present in the last Annual General Meeting of the Company held on 28th September, 2021.

During the financial year 2021-22, the terms of reference (Role) of the Committee has been revised. Accordingly, Terms of reference (Role) of the Committee, inter-alia, includes the following:

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. While formulating the policy as above said, to ensure 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 including the Company Secretary and Chief Financial Officer) 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.
4. Recommending the Board, all remuneration, in whatever form, payable to senior management including the Company Secretary and the Chief Financial Officer;
5. Formulating the criteria for evaluation of Independent Directors and the Board of Directors of the Company;
6. To extend or continue the term of appointment of Independent Director, on the basis of performance evaluation of Independent Directors;
7. Devising a policy on diversity of Board of Directors;
8. To formulate the detailed terms and conditions of the Kajaria Employee Stock Option Scheme 2015 ('ESOP Scheme 2015') including the following:
    a. issuing and allotment of equity shares [including share certificate(s)] of the Company to the ESOP holders and all matters related thereto, from time to time, pursuant to the ESOP Scheme 2015;
    b. signing, execution and submission of necessary documents/papers for the listing of equity shares of the Company with the stock exchanges or other concerned authority(ies) and all matters related thereto;
    c. making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions;
    d. approval of list of employee(s) of the Company and/or its subsidiary(ies) [including quantum of ESOP grant] to whom ESOP options are to be granted under ESOP Scheme 2015;
    e. determining the procedure for winding up of the ESOP Scheme 2015;
    f. other matters which may be relevant for administration of ESOP Scheme 2015, from time to time.
9. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description;
10. For the purpose of identifying suitable candidates as above, the Committee may:
    - To use the services of an external agencies, if required;
    - To consider candidates from a wide range of backgrounds, having due regard to diversity;
    - To consider the time commitments of the candidates.
11. To do all other acts as may be delegated by the Board of Directors of the Company or prescribed by law, from time to time.

Risk Management Committee

During the year 2021-22, the Committee has been re-constituted as under and met two (2) times i.e. 3rd August, 2021 and 21st January, 2022. The details of meetings attended by the Directors / members of this Committee are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Ashok Kajaria	Executive	Chairman	2
Mr. Chetan Kajaria	Executive	Member	1
Mr. Rishi Kajaria*	Executive	Member	1
Mr. Dev Datt Rishi	Non-Executive	Member	2
Mrs. Sushmita Singha*	Non-executive & Independent	Member	0

Mr. H. Rathnakar Hegde	Non-executive & Independent	Member	1
Mr. Ram Chandra Rawat	COO (A&T) & Company Secretary	Member	2
Mr. Sanjeev Agarwal	Chief Financial Officer	Member	2

* Appointed as member of committee on October 22, 2021.

The composition of the Risk Management Committee is as per Regulation 21 of the Listing Regulations.

During the financial year 2021-22, the terms of reference (Role) of the Committee has been revised. Accordingly, Terms of reference (Role) of the Committee, inter-alia, includes the following:

1. To formulate a detailed Risk Management Policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
    b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
    c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
7. Any other role/function as be assigned by the Board of Directors or required under the applicable law, from time to time.

Performance Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of the Board as a whole, its Committees and all Directors including the Chairman, in line with the criteria specified in the Nomination and Remuneration Policy and as per the recommendation of the Nomination and Remuneration Committee of the Company. The exercise was carried out through a structured evaluation process covering various aspects of the Board, its Committees, Chairman and all Directors' functioning such as composition of Board and its Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The Directors expressed their satisfaction with the evaluation process and performance of the Board, its Committees and the Directors including the Chairman. The Independent Directors also evaluated the performance of Non-Independent Directors, the Chairman and Board as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Remuneration

A. Remuneration to Independent / Non-executive Directors

The Independent / Non-executive 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 2021-22 was ₹28.50 Lakhs. The Independent/Non-executive Directors do not have any pecuniary relationship or transactions with the Company. The criteria of making payment to Independent / Non-executive Directors are disclosed in the Nomination and Remuneration Policy of the Company. The said Policy is given as a part of Annexure- 4 to the Directors Report and is also disclosed on the website of the Company https://www.kajariaceramics.com/pdf/nomination_remuneration_policy.pdf

The details of remuneration paid to Independent / Non-executive Directors during the financial year ended 31st March 2022 is as under:

Name of Independent / Non-Executive Director	Sitting Fees (₹ in Lakhs)
Mr. Raj Kumar Bhargava	6.00
Mr. Debi Prasad Bagchi	6.90
Mr. H. Rathnakar Hegde	7.20
Mr. Dev Datt Rishi	3.60
Mrs. Sushmita Singha	4.80

Other than sitting fees as mentioned above including reimbursement of expenses incurred for attending the meetings of the Board/its Committees, the Independent / Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year 2021-22.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman & Managing Director and Joint Managing Directors are governed by the recommendations of the Nomination and Remuneration Committee and approvals by the Board and shareholders of the Company. The terms and conditions of appointment (including remuneration package) of the Chairman & Managing Director and Joint Managing 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 Meeting(s).

The details of remuneration paid to Executive Directors during the year ended 31st March 2022 is as under: (₹ in Crores)

Name of Directors	Fixed Component		Performance Linked Incentive	Total
	Salary	Perquisites & other Benefits	Commission	
Mr. Ashok Kajaria	3.18	2.49	-	5.67
Mr. Chetan Kajaria	3.12	2.44	-	5.56
Mr. Rishi Kajaria	3.12	2.44	-	5.56

Presently, the Company does not have a scheme for grant of stock options to any Director. As per the contract entered into with the Executive Directors, there is a notice period of three months and there is no severance fee to be paid to the Executive 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 investor's services. During the year 2021-22, the Committee met five (5) times i.e. 8th April, 2021, 12th July, 2021, 2nd August, 2021, 5th October, 2021 and 7th January, 2022.

The composition of the Committee and details of meetings attended by the Directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mrs. Sushmita Singha	Non-executive & Independent	Chairperson	1
Mr. Ashok Kajaria	Executive	Member	5
Mr. Chetan Kajaria	Executive	Member	5

Mr. Ram Chandra Rawat, COO (A&T) & Company Secretary, is the Compliance Officer of the Company.

During the year 2021-22, six (6) shareholders related complaints were received. All these six (6) complaints were duly addressed/disposed, during the year 2021-22. Other than that, none of the complaints were pending, except the cases where the Registrar & Share Transfer Agent is constrained by dispute or legal impediment, if any or due to incomplete or non-submission of documents by the shareholders.

The role of the Committee, inter-alia, includes the following:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. To review the measures taken for effective exercise of voting rights by shareholders of the Company;
3. To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent of the Company;
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. To consider all other matters related to the security holders/shareholders of the Company;
6. Any other role/function as may be delegated by the Board of Directors of the Company or prescribed by law, from time to time.

Corporate Social Responsibility Committee

During the year 2021-22, the Committee met two (2) times i.e. 11th June, 2021 and 14th February, 2022. The composition of the Committee and details of meetings attended by the Directors are as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mrs. Sushmita Singha	Non-executive & Independent	Chairperson	2
Mr. Chetan Kajaria	Executive	Member	1
Mr. Rishi Kajaria	Executive	Member	2

Terms of reference of the Committee, inter-alia, includes the following:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013 and rules made thereunder;

(b) Recommend the amount of expenditure to be incurred on the CSR activities; and

(c) Monitor the Corporate Social Responsibility Policy of the Company, from time to time.

Corporate Social Responsibility Policy (CSR Policy) of the Company

During the year under review, the Board had revised the CSR Policy of the Company, as per the amendments in Section 135 and other applicable provisions, if any, of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2021 (including amendments thereof, from time to time).

In compliance with the provisions of Section 135 of the Act and rules made thereunder, the Company has framed a CSR Policy, which is uploaded on the website of the Company i.e. www.kajariaceramics.com

As a part of initiative of CSR drive, the Company has implemented various CSR programmes/projects which made positive impacts mainly in the areas of health, sanitation, social relief, education, spending towards Covid-19, etc. The CSR programmes initiated by the Company includes taking steps for preventive health care, Swachh Bharat, constructing sanitation facilities in the schools, etc. near the manufacturing facilities, contributing to the education and social economic development of under privileged children and for rural area development. These projects are also in accordance with Schedule VII of the Act.

Details of CSR initiative taken by the Company during the year is specified in the Annexure- 3 to the Directors Report.

Business Responsibility & Sustainability Committee

During the year 2021-22, the Committee has been re-constituted as under and met one (1) time i.e. 2nd August, 2021. The composition of the Committee is as follows:

Name of the Committee Member	Category	Designation	No. of Meetings Attended
Mr. Ashok Kajaria	Executive Director	Chairman	1
Mr. Chetan Kajaria	Executive Director	Member	1
Mr. Rishi Kajaria	Executive Director	Member	1
Dr. Rajveer Choudhary	COO (Works)	Member	1
Mr. Bhupendra Vyas	COO (Marketing)	Member	1
Mr. Rajeev Gupta*	V.P. (HR)	Member	1
Mr. A Venkat Madhavan*	Chief Human Resources Officer	Member	0

* Mr. A Venkat Madhavan appointed in place of Mr. Rajeev Gupta on October 22, 2021.

Terms of reference of the Committee, inter-alia, includes the following:

- To oversee the implementation of the Business Responsibility Policy;
- To review the Business Responsibility performance of the Company; and
- To carry out such acts as may be delegated by the Board of Directors or as may be prescribed by the law.

Management Committee

The Company has a Management Committee of Directors set up to, inter-alia, oversee routine operations that arise in the normal course of the business such as decision on banking related matters, delegation of operational powers, authorisation for various acts / under statutes, etc. The Committee comprises of three Executive Directors of the Company. The Committee functions under the guidance/supervision of the Board and the minutes of meetings of this Committee are also placed before the Board.

Ethics / Governance Policies

1. Code of Business Conduct and Ethics

In compliance with the Listing Regulations and the Act, the Company has framed and adopted a Code of Business Conduct and Ethics ('the Code'). The Company has in place a comprehensive Code of Conduct applicable to all Senior Management Personnel which would include the Directors of the Company, the Top Management Personnel and all functional head (including Management Personnel with Functional reporting to Directors and Top Management Personnel). The Code gives guidance and support needed for ethical conduct of business and compliance of laws. The Code reflects the values of the Company, viz. the Company value, Ownership Mind-set, Respect, Integrity, One team and Excellence.

A Code of Business Conduct and Ethics is available on the Company's website https://www.kajariaceramics.com/pdf/CodeofBusinessConductethics.pdf

The Code has been circulated to all the Directors and Senior Management Personnel. All members of the Board and Senior Officers have affirmed compliance to the Code as on 31st March, 2022.

A declaration signed by the Company's Chairman & Managing Director is published in this report.

2. Insider Trading Code

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (including amendments thereto), the Company has adopted the Code of Conduct for Prevention of Insider Trading and the Code of Fair Disclosure. The Code of Conduct for Prevention of Insider Trading is applicable to all Designated Persons as defined in the above Code, who are expected to have access to unpublished Price Sensitive Information relating to the Company. The Company Secretary of the Company is the Compliance Officer for ensuring/monitoring the adherence to the said code/regulations.

3. Material Subsidiary Policy

The Company has adopted Material Subsidiary Policy. The objective of this Policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Material Subsidiary Policy is available on the Company's website at https://www.kajariaceramics.com/pdf/MaterialSubsidiaryPolicy-kajaria.pdf

4. Related Party Transaction Policy

In compliance with the Listing Regulations and the Act, the Company has adopted Related Party Transaction Policy. This Policy is available at Company's website at https://www.kajariaceramics.com/pdf/RelatedPartyTransactionPolicy.pdf

The Board has, at its meeting held on May 17, 2022, approved the revised Related Party Transaction Policy in compliance with the Listing Regulations (including amendments thereof, from time to time).

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Party(ies). The Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

Pursuant to the provisions of the Act read with the Listing Regulations, a statement on related party transactions is presented before the Audit Committee on a quarterly basis for its review.

5. Dividend Distribution Policy

Pursuant to the Regulation 43A of the Listing Regulations, the Company has adopted the Dividend Distribution Policy. The said policy is uploaded at the Company's website i.e. https://www.kajariaceramics.com/pdf/Dividend_Distribution_Policy.pdf

6. Risk Management Policy

The Company has adopted the Risk Management Policy and the same is uploaded at the Company's website i.e. https://www.kajariaceramics.com/pdf/Risk_Management_Policy.pdf

7. Business Responsibility & Sustainability Report

Pursuant to the amendment of Regulation 34(2)(f) of the Listing Regulations, the SEBI has introduced new reporting requirements on ESG (Environmental, Social & Governance) parameters called the Business Responsibility and Sustainability Report ('BRSR'). Pursuant to the SEBI's Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, with effect from the financial year 2022-23, filing of BRSR will be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing Business Responsibility Report ('BRR'). Submission of BRSR is voluntary for the financial year 2021-22. Although, BRSR (in place of Business Responsibility Report) is given as Annexure- A. The Company has also framed and adopted the Business Responsibility Policy and the same is uploaded at the Company's website i.e. https://www.kajariaceramics.com/pdf/BusinessResponsibilityPolicy.pdf

General Body Meetings

a) The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Details of Special Resolutions Passed, if any.
2020-21	28th September, 2021*	3:00 p.m.	Deemed Venue: Registered Office of the Company as the Annual General Meeting was conducted through Video Conferencing / Other Audio Visual Means	• Re-appointment of Mr. Ashok Kajaria as the Chairman & Managing Director of the Company • Re-appointment of Mr. Chetan Kajaria as the Joint Managing Director of the Company • Re-appointment of Mr. Rishi Kajaria as the Joint Managing Director of the Company
2019-20	28th September, 2020	3:00 p.m.	Deemed Venue: Registered Office of the Company as the Annual General Meeting was conducted through Video Conferencing / Other Audio Visual Means	Nil
2018-19	26th August, 2019	3:00 p.m.	Crowne Plaza Today, Sector-29, National Highway-8, Gurgaon, Haryana - 122001	• Re-appointment of Mrs. Sushmita Singha as an Independent Director of the Company

* A Special Resolution regarding the appointment of Mr. Dev Datt Rishi as an Independent Director of the Company was not considered as he had informed the Company about his unwillingness with respect to his appointment as an Independent Director of the Company at the 35th Annual General Meeting ('AGM') of the Company. Although, he had agreed to continue to be Non-executive Director of the Company. The Board of Directors of the Company had, through a circular resolution passed on September 27, 2021, considered and accepted the above and accordingly, Mr. Dev Datt Rishi would continue to be Non-executive Director of the Company. It was also informed that If he is appointed by the shareholders at 35th AGM as an Independent Director of the Company that would have no effect due to his above said unwillingness and would be treated as null & void.

Further, the Resolution regarding the loan(s) to the subsidiaries at the 35th AGM was proposed by way of a Special Resolution with the maximum limit of ₹500 crores, outstanding at any point of time, as per the provisions of Section 185 of the Act. The resolution received majority votes, however, it could not muster special majority votes as required for approval of the same.

b) Special Resolution passed through Postal Ballot: During the year 2021-22, three Special Resolutions were passed through Postal Ballot(s) conducted twice as under:

I. Postal Ballot on December 2, 2021:

- To consider and approve advancing loan(s) to subsidiaries under Section 185 of Companies Act, 2013

II. Postal Ballot on March 24, 2022:

- To issue additional stock options to the eligible employees of the Company under Kajaria Employee Stock Option Scheme 2015
- To issue additional stock options to the eligible employees of the Company's subsidiaries under Kajaria Employee Stock Option Scheme 2015

The voting results for the above said Resolutions are given below:

Description of Resolution(s)	No. of total valid votes received	Votes cast (No. of shares)	
		For	Against
Postal Ballot on December 2, 2021			
To consider and approve advancing loan(s) to subsidiaries under Section 185 of Companies Act, 2013	131453789	109562218	21891571
Postal Ballot on March 24, 2022			
To issue additional stock options to the eligible employees of the Company under Kajaria Employee Stock Option Scheme 2015	132614747	113213878	19400869
To issue additional stock options to the eligible employees of the Company's subsidiaries under Kajaria Employee Stock Option Scheme 2015	132614755	113213207	19401548

Mr. Shashikant Tiwari, Partner of M/s Chandrasekaran Associates, Company Secretaries, Delhi had conducted the Postal Ballot(s) exercises for the above said Postal Ballot(s) as the Scrutinizer and submitted the report(s) in compliance of the applicable laws.

c) Special Resolution proposed to be conducted through Postal Ballot:

There is no Special Resolution proposed to be conducted through Postal Ballot.

d) Procedure for Postal Ballot:

- In compliance with Regulation 44 of the Listing Regulations read with Sections 108, 110 and other applicable provisions, if any, of the Act and the rules made thereunder and the Secretarial Standard on General Meetings ('SS-2'), the Company provides facility for casting votes by way of e-voting and/or postal ballot to all its shareholders, as may be permitted by the applicable laws. The Company engages the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility to all its shareholders. The shareholders will have the option to vote either by physical ballot or e-voting, as may be permitted by the applicable laws.
- The Company dispatches postal ballot notices, etc. to its shareholders whose names appear on the Register of Members / List of Beneficiaries as on the Cut-off date. The Postal Ballot Notice is sent to the shareholders in electronic form at the e-mail addresses registered with their depository participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding) as may be permitted by the applicable laws. Subject to the applicable laws, physical copy of notice is sent to the shareholders, whose email is not registered or who has requested for physical copy of notice. The Company also publishes a notice in the newspaper(s) declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and other applicable rules and regulations.
- Voting rights are reckoned on the paid-up value of the shares registered in the names of the shareholders as on the cut-off date. Subject to the applicable laws, shareholders desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutiniser on or before the closure of the voting period. Shareholders desiring to exercise their votes by electronic mode are requested to vote before the closure of the voting period.
- In compliance with the applicable laws, the Scrutiniser submits his report to the Chairman or a person authorised by the Chairman, after the completion of scrutiny, and consolidated results of the voting by postal ballot and e-voting are announced by the Chairman or a person authorised by the Chairman to do the same. The results are also displayed at the Company's Registered Office & the Corporate Office and also on the Company's website i.e. www.kajariaceramics.com, besides being communicated to the Stock Exchange(s), within the prescribed timeline.

e) Except above, the Company did not hold Extra-Ordinary General Meeting of the Shareholders during the financial year 2021-22.

Disclosures

a) Materially Significant Related party transactions

During the financial year 2021-22, there are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries or relatives that had potential conflict with the Company's Interest.

Suitable disclosure as required by Indian Accounting Standard ('Ind AS-24') has been made under Note No. 40 of the Financial Statements. The Related Party Transaction Policy is available on the Company's Website: https://www.kajariaceramics.com/pdf/RelatedPartyTransactionPolicy.pdf

b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s) or the SEBI or any statutory authority, on any matter related to Capital Markets, during last three years:

The Company has complied with all the requirements of the Listing Agreements with the Stock Exchange(s) as well as regulations and guidelines of the SEBI. No penalties have been imposed or stricture has been issued by the SEBI, the Stock Exchange(s) or any Statutory Authorities on matters relating to Capital Markets during the last three years.

c) Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and 177(10) of the Act and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy with vigil mechanism for the Directors and Employees of the Company to report to the management about the genuine concerns, unethical behaviour, fraud or violation of Company's Code of Conduct, leakage or suspected leakage of Unpublished Price Sensitive Information with respect to the Company. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. No complaint has been received during the year 2021-22.

The details of establishment of vigil mechanism (Whistle Blower Policy) have been disclosed by the Company on its website i.e. https://www.kajariaceramics.com/pdf/whistel_blowing_policy.pdf and in the Directors' Report.

d) A certificate on compliance with the conditions of the Corporate Governance under the Listing Regulations issued by Mr. Rupesh Agarwal, Managing Partner of M/s Chandrasekaran Associates, Company Secretaries, Delhi, forms part of this report.

e) In accordance with the provisions of the Listing Regulations read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the year 2021-22 has been issued by Mr. Rupesh Agarwal, Managing Partner of M/s Chandrasekaran Associates, Company Secretaries, Delhi, which forms part of this report.

f) A certificate issued by Mr. Rupesh Agarwal, Managing Partner of M/s Chandrasekaran Associates, Company Secretaries, Delhi that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/the Ministry of Corporate Affairs or any such statutory authority, which forms part of this report.

g) The Board of the Company considered the declarations submitted by all Independent Directors of the Company that:

- They meet the criteria of independence as provided in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.
- They are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence as provided under the Listing Regulations.

Accordingly, in the opinion of the Board of the Company, all Independent Directors of the Company fulfill the conditions/criteria specified in the Listing Regulations read with the Act and rules made thereunder and they are also independent of the management.

Further, in the opinion of the Board of Directors of the Company, all Independent Directors of the Company have integrity, expertise, experience as prescribed under the Companies (Appointment and Disqualification of Directors) Rules, 2014 read with the Companies (Accounts) Rules, 2014 (including amendment thereof).

h) During the year 2021-22, the Board of the Company had accepted all recommendations of the Committee(s) of the Board of the Company.

i) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has adopted the Policy for 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

Details of compliant under said Policy read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:

- Number of complaints filed during the year 2021-22 : Nil
- Number complaints disposed of during the year 2021-22 : Nil
- Number of complaints pending at end of the year 2021-22 : Nil

j) Details of all credit ratings obtained by the Company along with any revisions thereto during year 2021-22, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:

During the year 2021-22, the Company has not issued any debt instruments or fixed deposit programme/scheme and no proposal of mobilization of fund by the Company. Thus, the Company has not obtained Credit rating for the above said purpose.

k) During the year 2021-22, total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. Walker Chandiok & Co LLP, Chartered Accountants, the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part:

A. Payment to M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors of the Company

Sr. No.	Particulars	₹ in Lakhs (exclusive of applicable taxes)
1	Audit Fee of Financial Statements (Standalone & Consolidated) for the financial year 2021-22 including Limited Review	75.00
2	Other Services and out of pocket expenses	22.00
	Total	**97.00**

B. No Payment made to the network firm of M/s. Walker Chandiok & Co LLP, Chartered Accountants, the Statutory Auditors of the Company

l) The Board of Directors of the Company had identified Core Skills/Practical Experience/Competencies as required in the context of its business(es) and sector(s) for it to function effectively and the names of Directors who have such skills/expertise/competence are as given below:

Skills/ Expertise/ Competencies	Mr. Ashok Kajaria	Mr. Chetan Kajaria	Mr. Rishi Kajaria	Mr. Dev Datt Rishi	Mr. Raj Kumar Bhargava	Mr. Debi Prasad Bagchi	Mr. H. Rathnakar Hegde	Mrs. Sushmita Singha
Technology	Yes	Yes	Yes	Yes	-	-	-	-
Manufacturing process	Yes	Yes	Yes	Yes	-	-	-	-
Accountancy	Yes	Yes	Yes	-	Yes	Yes	Yes	-
Finance and financial management	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes
Law	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes
Economics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Human Resources	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

m) Disclosures of transactions of the Company with the person or entity belonging to the Promoter/Promoter Group of the Company which hold(s) 10% or more shareholding in the Company are as under:

Sr. No.	Name of Entity belongs to Promoter/ Promoter Group of the Company	Category	Nature of Transaction during the financial year 2021-22	Amount of Transaction during the financial year 2021-22 (₹ in Crores)
1	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	Promoter Group	Interim Dividend Paid	20.69
2	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	Promoter Group	Interim Dividend Paid	20.69

n) The Company has complied with all the corporate governance mandatory requirements specified in the Listing Regulations and following are the details of non-mandatory/ discretionary requirements:

Details of Compliance with discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

The status of compliance with discretionary requirements of Part E of Schedule II of Listing Regulations is provided below:

a. The Board: The Company has appointed an Executive Chairman, being the promoter of the Company.

b. Shareholders' Rights: As the quarterly, half yearly and annual financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to household of each shareholders.

c. Modified opinion(s) in Audit Report: The Audit Reports on the Financial Statements (Standalone & Consolidated) for the year ended 31st March, 2022, do not contain any modified opinion.

d. Separate posts of Chairperson and the Managing Director of the Chief Executive Officer: As per the Articles of Association of the Company and in accordance with the provisions of the Companies Act, 2013, the Company continues to appoint one person as the Chairman & Managing Director of the Company

e. Reporting of Internal Auditor: Independent Internal Auditor has been appointed and is reporting directly to the Audit Committee.

o) CEO / CFO Certificate

The Chairman & Managing Director and the Chief Financial Officer ('CFO') of the Company have given the annual certification on the financial reporting and internal controls to the Board of the Company in accordance with the Listing Regulations. The Chairman & Managing Director and CFO of the Company also give quarterly certification on financial results while placing the financial results before the Board of the Company in terms of the Listing Regulations. The Annual Certificate given by the Chairman & Managing Director and CFO of the Company is published in this report.

p) Loans and Advances in the nature of loans given by the Company and its subsidiaries to firms/companies in which Directors are interested:

i) By the Company:

Loans given to		Advances in the nature of loans given to	
Firm/companies	**Amount (₹ in Crores) (Outstanding as on March 31, 2022)**	**Firm/ companies**	**Amount (₹ in Crores) (Outstanding as on March 31, 2022)**
Kajaria Bathware Private Limited	19.00	Nil	Nil
Kajaria Sanitayware Private Limited*	45.00	Nil	Nil
Kajaria Plywood Private Limited$	33.25	Nil	Nil
Kajaria Infinity Private Limited^	13.00	Nil	Nil
Kajaria Vitrified Private Limited#	173.57	Nil	Nil
Vennar Ceramics Limited	05.70	Nil	Nil

* step-down subsidiary of the Company.

^ changed from Kajaria Bharat Private Limited (Formerly Cosa Ceramics Private Limited) to Kajaria Infinity Private Limited w.e.f. June 24, 2022

changed from Jaxx Vitrified Private Limited to Kajaria Vitrified Private Limited w.e.f. April 30, 2022.

$ wholly-owned subsidiary of the Company w.e.f. May 20, 2022.

ii) By subsidiary(ies) of the Company:

Loans given to		Advances in the nature of loans given to	
Firm/ companies	**Amount (₹ in Crores) (Outstanding as on March 31, 2022)**	**Firm/companies**	**Amount (₹ in Crores) (Outstanding as on March 31, 2022)**
	Nil		**Nil**

q) During the year 2021-22, the Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations.

Means of Communication

Quarterly, Half-Yearly & Annual Financial Results:

The quarterly, half yearly, nine months ended and annual financial results of the Company are sent to the Stock Exchange(s) through permitted mode, immediately after approval of the Board of the Company. These are widely published in the Economic Times, The Financial Express/Jansatta and Business Standard (both English & Hindi). These results are simultaneously posted on the website of the Company at www.kajariaceramics.com along with submission to National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

Investor Release

The official release made to institutional Investors/Analysts, if any, are sent to NSE / BSE and posted on the Company's website. The Company also uploads the recording of Conference Call and transcript thereof at its website alongwith submission of the same to NSE & BSE, in compliance of the provisions of the Listing Regulations.

General Shareholders Information

Notice relating to the 36th Annual General Meeting is sent to the members at their registered address/email address available with the Depositories / the Company, as may be permitted by the applicable laws.

Date, Time and Venue of the 36th Annual General Meeting ('AGM')

Day & Date	:	Friday, 23rd September, 2022
Time	:	3.00 p.m (IST)
Venue	:	Registered Office of the Company will be deemed as the venue of the AGM

Dates of Book closure : Saturday, 17th September, 2022 to Friday, 23rd September, 2022 (Both days Inclusive)

Financial Year : April 1 to March 31

Financial Calendar (Tentative)

First Quarter Results :	2nd week of August, 2022
Second Quarter / Half Yearly Results :	4th week of October 2022
Third Quarter / Nine Months Results :	4th week of January 2023
Fourth Quarter / Annual Results for the year ending 31st March 2023 :	2nd week of May, 2023

Dividend Payment date

Final Dividend will be paid to all eligible shareholders within 30 days from the date of declaration of dividend at the 36th Annual General Meeting.

Dividend history for the last 5 years is as under:

Year	Dividend Rate (%)	In per Share	Dividend Amount (Rupees in Crores)
2021-22*	800	₹8	127.34
2020-21*	1000	₹10.00	159.08
2019-20*	300	₹3.00	47.69
2018-19	300	₹3.00	47.69
2017-18	300	₹3.00	47.69
2016-17	300	₹3.00	47.68

* Interim Dividend

Unpaid / Unclaimed Dividend:

The entire unpaid / unclaimed dividend up to the financial year 2013-14 has been transferred to Investor Education and Protection Fund ('IEPF'). No claims will lie against the Company in respect of unclaimed amount so transferred.

The unclaimed dividend declared in respect of the financial year 2014-15 is due to be transferred to the Investor Education and Protection Fund as per the applicable laws.

Transfer of equity shares to Investor Education and Protection Fund ('IEPF') Authority:

The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including its amendment (the 'IEPF Rules'), amongst other matters, provide for transfer of the shares, in respect of which dividend has not been paid or claimed for seven or more consecutive years, to IEPF Authority and the shares shall be credited to the Demat Account of IEPF Authority, within 30 days of such shares becoming due to be transferred to the IEPF.

Accordingly, the Company had transferred total 5,64,212 equity shares of Re. 1/- each, in respect of which dividend had not been claimed by the shareholders for 7 consecutive years or more (i.e. During the year 2021-22: 56,030 equity shares, during the year 2020-21: 54,470 equity shares, during the year 2019-20: 36,618 equity shares, during the year 2018-19: 53,362 equity shares and during the year 2017-18: 3,63,732 equity shares) to IEPF Authority. Further, Pursuant to the IEPF Rules, as on 31st March, 2022, the IEPE Authority has released 9,720 equity Shares of Re. 1/- each to the claiment(s).

Pursuant to the IEPF Rules, the unclaimed dividend for the financial year 2014-15 will become due for transfer in favour of the IEPF Authority on 14th October, 2022 (i.e. Due date) and accordingly, both the unclaimed dividend and shares in respect of which dividend had not been claimed by the shareholders for 7 consecutive years or more will be transferred to the IEPF Authority within 30 days of the Due date.

Market Price Data: Monthly High and Low quotation of shares traded on BSE/ NSE during the year 2021-22:

Month	BSE		NSE	
	High	Low	High	Low
April, 2021	988.00	856.70	990.00	851.05
May, 2021	971.90	860.00	972.00	859.90
June, 2021	1054.15	933.20	1054.90	933.00
July, 2021	1009.95	959.80	1009.90	960.00
August, 2021	1220.00	974.95	1219.00	960.00
September, 2021	1300.00	1102.40	1270.00	1116.10
October, 2021	1358.00	1173.45	1355.00	1171.10
November, 2021	1274.00	1045.85	1245.00	1045.85
December, 2021	1298.75	1096.15	1299.00	1095.60
January, 2022	1379.00	1180.00	1374.90	1175.10
February, 2022	1370.50	1076.00	1351.95	1075.10
March, 2022	1095.70	886.05	1097.15	885.30

Listing on Stock Exchanges:

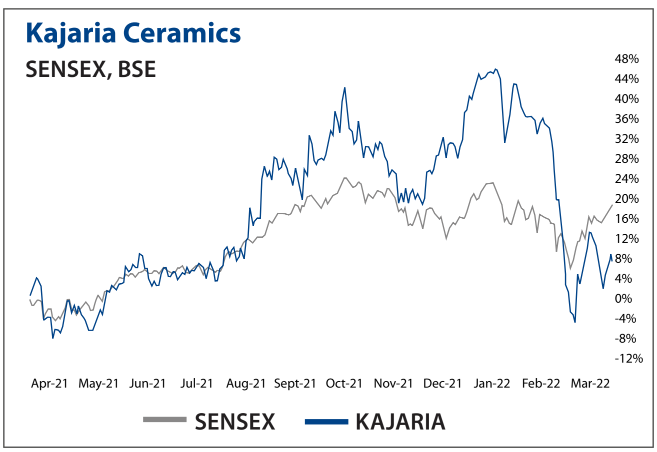
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 ('BSE').
- National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 ('NSE')

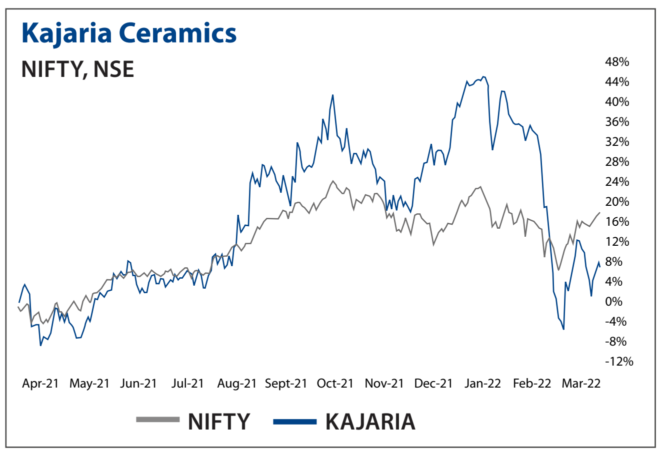
Listing fees for the financial year 2022-23 have been paid by the Company within the stipulated time.

Stock Code : 500233 (BSE) / KAJARIACER (NSE)

ISIN : INE217B01036

Performance in comparison to Broad Based Indices of BSE & NSE:





Registrar & Share Transfer Agent

The correspondence address of the Company's Registrar and Share Transfer Agent, i.e. MCS Share Transfer Agent Limited is as follows:

MCS Share Transfer Agent Limited
F- 65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi–110020
Phone No.: +91-11-41406149-52, Fax No.: +91-11-41709881
E-mail ID: admin@mcsregistrars.com

Share Transfer System

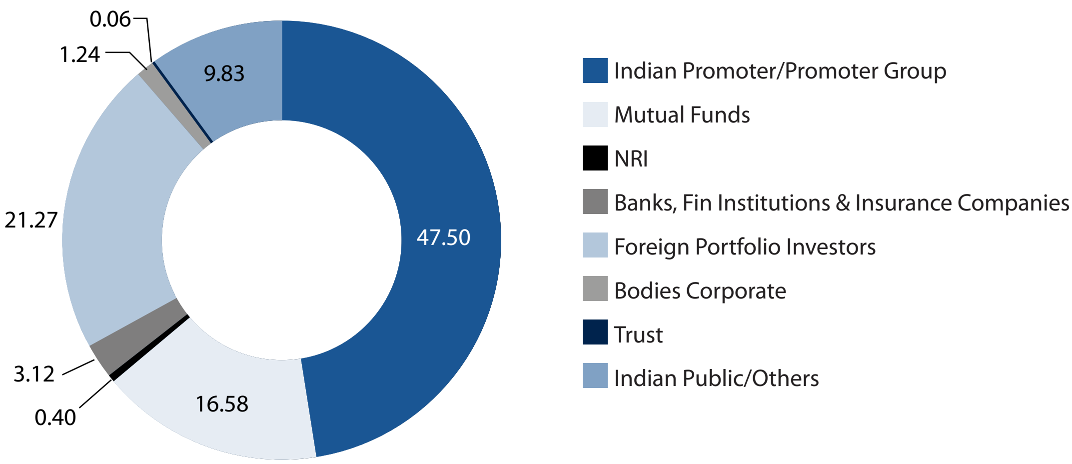
MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent ('RTA') for handling the share registry work relating to shares held in physical and electronic format at single point. Subject to the provisions of the applicable laws, the applications received by the Company/the Registrar and Share Transfer Agent for the transfer/transmission of shares are processed and the share certificate for the same are sent to the transferee within the stipulated period.

Pursuant to the amendment in the Regulation 40 of the Listing Regulations, with effect from 1st April, 2019, any request for transfer of shares held in physical form shall not be processed, except in case of transmission or transposition of shares or in case of transfer deed(s) once lodged with the Company prior to 1st April, 2019 and returned due to deficiency in the documents. Thus, the Members holding shares in physical form are requested to dematerialised their shareholding, as the shares of the Company are under compulsory demat trading.

Shareholding Pattern as on 31.03.2022

Category	No. of Shares Held	Percentage of Shareholding
Promoters/Promoter Group:		
Indian Promoters	75625231	47.50
Institutional Investors & Others:		
Mutual Funds	26395656	16.58
Banks, Financial Institutions & Insurance Companies	4970633	03.12
Foreign Portfolio Investors	33861510	21.27
Bodies Corporate	1970286	01.24
NRI	632208	00.40
Trust	94763	00.06
Indian Public / Others	15653763	09.83
Total	**159204050**	**100.00**

SHAREHOLDING PATTERN AS ON 31.03.2022



Distribution of Shareholding as on 31.03.2022

Category Range	No. of Shareholders		No. of shares	
	Total	% of shareholders	Total	% of share capital
1-500	78635	94.07	4130204	02.60
501-1000	2213	02.65	1739018	01.09
1001-2000	1342	01.60	2041067	01.28
2001-3000	429	00.51	1086460	00.68
3001-4000	210	00.25	748828	00.47
4001-5000	160	00.19	742652	00.47
5001-10000	230	00.27	1636223	01.03
10001 and above	377	00.46	147079598	92.38
Total	**83596**	**100.00**	**159204050**	**100.00**

Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in depository systems of both the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As at 31st March 2022, 158189575 equity shares out of 159204050 equity shares of the Company, forming 99.36% of the Company's paid up capital is held in dematerialised form. The status of shares held in demat and physical format is given below:

Particulars	No. of Shares	%
Shares in Demat Form		
NSDL	148790278	93.46
CDSL	9399297	05.90
Shares in Physical Form	1014475	00.64
Total	**159204050**	**100.00**

Outstanding GDRs / ADRs / Warrants or other Convertible Instruments

The Company has not issued any GDR/ADR/Warrants or other convertible instruments during the year 2021-22.

Other Information

a) Corporate Identification Number (CIN): L26924HR1985PLC056150

b) Reconciliation Audit for Share Capital as on 31st March, 2022

Reconciliation Audit for Share Capital is carried out at every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of the Company. The said Report, inter-alia, confirms that the total listed and paid up capital of the Company is an agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and in physical form.

Foreign Exchange Risk & Hedging Activities

There is no foreign currency loan outstanding as on 31st March 2022. The details of foreign currency exposure as on 31st March 2022 is provided in Note No. 48 of the Financial Statements. All import liabilities are unhedged because cost of forward premium was higher. However, all import liabilities are paid on the due date. There is no commodity price risk and commodity hedging risk during the financial year 2021-22.

Plant Locations

The plants of the Company are located as under:

- A-27 to 30, Industrial Area, Sikandrabad, Distt.: Bulandshahr (U.P.) - 203205.
- Alwar Shahpura Road, Village & Post: Malootana, Tehsil: Thanagazi, Distt.: Alwar (Rajasthan) -301022.
- 19 KM Stone, Bhiwadi - Alwar Road, Village: Gailpur, Distt.: Alwar (Rajasthan) - 301707.
- Survey No. 129, Industrial Park, Opp. Bhavanisankarapuram, Thatiparthi (V), Thottambedu (M), Near Srikalahasti, Distt.: Chittoor (A.P.) - 517 642*

* During the year 2021-22, this manufacturing facility became the part of the Company consequent upon the amalgamation of Kajaria Tiles Private Limited (vide the Order of the National Company Law Tribunal, Chandigarh Bench dated November 26, 2021).

Subsidiary Companies

As on 31st March, 2022, the Company does not have any material unlisted subsidiary Company as defined under the Listing Regulations.

Address for Correspondence

i. Registered Office:
Kajaria Ceramics Limited
SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana-122001
Telefax: +91-124-4081281

ii. Corporate Office:
Kajaria Ceramics Limited
J-1/B-1 (Extn.), Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110044
Phone: +91-11-26946409
Fax: +91-11-26946407

Email ID for Investors

The Company has designated investors@kajariaceramics.com as an email address especially for investors' grievance(s).

Declaration related to the Code of Conduct to Directors/ Senior Management

In accordance with the Listing Regulations, I hereby declare that all Directors and Senior Management Personnel of the Company have confirmed the compliance with the Code of Conduct as adopted by the Company.

For and on behalf of the Board

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

Place : New Delhi
Date : 21st July, 2022

CEO & CFO CERTIFICATE

To,

The Board of Directors of

Kajaria Ceramics Limited

Dear Sirs,

This is to certify that:

A. We have reviewed financial statements and the cash flow statement of Kajaria Ceramics Limited for the year ended 31st March, 2022 and that to the best of our knowledge and belief we state that:

1.These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022, which are fraudulent, illegal or in violation of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year ended 31st March, 2022;

2. significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances to significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi	**Ashok Kajaria**	**Sanjeev Agarwal**
Date : 17th May, 2022	Chairman & Managing Director	CFO

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members
KAJARIA CERAMICS LIMITED
SF-11, Second Floor
JMD Regent Plaza
Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi,
Gurgaon, Haryana - 122001

We have examined all relevant records of Kajaria Ceramics Limited (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. ACS 16302
Certificate of Practice No. 5673
UDIN: A016302D000662739

Place: Delhi
Date: 21.07.2022

Note:
Due to restricted movement amid COVID-19 pandemic, for the purpose of issuing the Certificate on Compliance with the conditions of Corporate Governance, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. and some of them was received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

SECRETARIAL COMPLIANCE REPORT OF KAJARIA CERAMICS LIMITED

FOR THE YEAR ENDED MARCH 31, 2022

To,

The Board of Directors

KAJARIA CERAMICS LIMITED

SF-11, Second Floor,

JMD Regent Plaza Mehrauli Gurgaon Road,

Village Sikanderpur Ghosi Gurgaon- 122001,

Haryana

We M/s. Chandrasekaran Associates have examined:

(a) All the documents and records made available to us and explanation provided by Kajaria Ceramics Limited. ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The Specific Regulations, whose provisions and the Circulars/ Guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;

(d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not Applicable during the year under review.

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment to the extent applicable;

(f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 prior to its repealment ; Not Applicable during the year under review;

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable during the year under review;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;

(j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;

(k) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.

(l) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable

and based on the above examination, We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2021.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

(e) The Company has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000326557

Date: 16.05.2022
Place: Delhi

Notes: Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
KAJARIA CERAMICS LIMITED
SF-11, Second Floor
JMD Regent Plaza
Mehrauli Gurgaon Road
Village Sikanderpur Ghosi
Gurgaon, Haryana -122001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 'Kajaria Ceramics Limited' having CIN: L26924HR1985PLC056150 and having registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Directors	DIN	Date of appointment in Company
1	Mr. Ashok Kumar Kajaria	00273877	20/12/1985
2	Mr. Chetan Kajaria	00273928	15/06/2000
3	Mr. Rishi Kajaria	00228455	26/07/2003
4	Mr. Raj Kumar Bhargava	00016949	09/11/1998
5	Mr. Debi Prasad Bagchi	00061648	29/06/2007
6	Mr. H. Rathnakar Hegde	05158270	17/01/2012
7	Mr. Dev Datt Rishi	00312882	14/01/2015
8	Ms. Sushmita Singha	02284266	30/03/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000634271

Date: 21.07.2022
Place: Delhi

Note:
Due to restricted movement amid COVID-19 pandemic, for the purpose of issuing the Certificate of Non-Disqualification of Directors, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. and some of them was received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

We at Kajaria believe in transparent reporting culture which empower our stakeholders. We are responsible for development of sustainable environment by contributing a bit from our side. We are working with a motto of changing the culture of 'fully compliant' to 'fully responsible' corporate.

Introduction of 'Business Responsibility and Sustainability Reporting' ("BRSR") reporting framework by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures, is a welcome step. 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.

This section provides the disclosure as per BRSR requirements.

SECTION A - GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity:	L26924HR1985PLC056150
2. Name of the Listed Entity:	Kajaria Ceramics Limited ("the Company")
3. Year of incorporation:	1985
4. Registered office address:	SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
5. Corporate address:	J-1/B-1 (Extn.), Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044
6. E-mail:	investors@kajariaceramics.com
7. Telephone:	91-124-4081281 91-11-26946409
8. Website:	www.kajariaceramics.com
9. Financial year for which reporting is being done:	2021-22
10. Name of the Stock Exchange(s) where shares are listed:	BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11. Paid-up Capital:	INR 15.92 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Investor Relations Cell 91-11-26946409 investors@kajariaceramics.com
13. Reporting boundary:	The boundary covers Kajaria Ceramics Limited and its subsidiaries namely: Kajaria Infinity Private Limited (formerly Kajaria Bharat Private Limited/Cosa Ceramics Private Limited) Kajaria Vitrified Private Limited (formerly Jaxx Vitrified Private Limited) Kajaria Plywood Private Limited Vennar Ceramics Limited. Kajaria Bathware Private Limited Kajaria Sanitaryware Private Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
i	Tiles	Manufacturing and trading of ceramic and vitrified tiles	90.8%
ii	Others including bathware, sanitaryware and plywood products	Manufacturing of sanitaryware and faucet and trading of plywood and laminates	9.2%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
i	Manufacturing of Ceramic / Vitrified Tiles. This activity accounts for majority turnover received by our Company	239|2392|23929	90.8%
ii	Manufacturing of Faucets/ Sanitaryware	281|2813|28132 239|2392|23922	7.4%
iii	Trading of plywood and laminates	466|4663|46631	1.8%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	10	53	63
International	0	1	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	The Company operates pan India
International (No. of countries)	The Company has presence across various countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

1.64%

c. A brief on types of customers

Kajaria caters to the consumers through dealers and sub dealer network. We also cater to institutional customers in building construction.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	**2,308**	2,220	96%	88	4%
2.	Other than Permanent (E)	**20**	20	100%	0	0%
3.	**Total employees (D + E)**	**2,328**	**2,240**	**96%**	**88**	**4%**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Workers						
4.	Permanent (F)	**2,072**	1,991	96%	81	4%
5.	Other than Permanent (G)	**2,634**	2,604	99%	30	1%
6.	**Total workers (F + G)**	**4,706**	**4,595**	**98%**	**111**	**2%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
Differently Abled Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

19. Participation/Inclusion/Representation of women

	Total (A)	Number and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0%

20. Turnover rate for permanent employees and workers

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	18%	11%	9%	23%	10%	12%	25%	12%
Permanent Workers	2%	0%	2%	3%	5%	3%	5%	26%	5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

As on 31st March 2022, the Company has five subsidiaries and one step down subsidiary. The details of the subsidiaries have been disclosed in the Annual Report for the financial year 2021-22. Our subsidiaries are listed below:

1. Kajaria Vitrified Private Limited.
2. Vennar Ceramics Limited.
3. Kajaria Infinity Private Limited.
4. Kajaria Plywood Private Limited.
5. Kajaria Bathware Private Limited.
6. Kajaria Sanitaryware Private Limited (step-down subsidiary).

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kajaria Bathware Private Limited	Subsidiary	85.00*	No
2	Kajaria Sanitaryware Private Limited	step-down subsidiary	0	No
3	Kajaria Plywood Private Limited (KPPL)	Subsidiary	100.00#	No
4	Kajaria Vitrified Private Limited	Subsidiary	87.37	No
5	Kajaria Infinity Private Limited (KIPL)	Subsidiary	68.33**	No
6	Vennar Ceramics Limited	Subsidiary	51.00	No

* Diluted basis

Includes 2.11% equity shares of KPPL acquired in May 2022

** Includes 17.33% equity shares of KIPL acquired in June 2022

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013

Yes

(ii) Turnover (in ₹):

3,705.19 Crore

(iii) Net worth (in ₹):

2,122. 38 Crore

VI. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes, https://www.kajariaceramics.com/pdf/whistel_blowing_policy.pdf	0	0	0	0
Investors (other than shareholders)		0	0	0	0
Shareholders		6	0	3	0
Employees and workers		0	0	0	0
Customers		979	0	997	0
Value Chain Partners		0	0	0	0
Other (please specify)		0	0	0	0

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Refer materiality assessment section in Integrated Annual Report					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1 Ethics & Transparency	P 2 Product Responsibility	P 3 Human Resources	P 4 Stakeholders Engagement	P 5 Respect for Human Rights	P 6 Responsible manufacturing	P 7 Public Policy Advocacy	P 8 Inclusive Growth	P 9 Customer Engagement
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.kajariaceramics.com/corporate-governance.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company adheres to all the requirements of our BR policy and we also encourage our value chain partners to adopt best practices to achieve responsible business operations								

Disclosure Questions	P 1 Ethics & Transparency	P 2 Product Responsibility	P 3 Human Resources	P 4 Stakeholders Engagement	P 5 Respect for Human Rights	P 6 Responsible manufacturing	P 7 Public Policy Advocacy	P 8 Inclusive Growth	P 9 Customer Engagement
4. Name of the national and international codes/ certifications/ labels/ standards adopted by your entity and mapped to each principle.	The Company has also adopted various standard specified by the International Organization for Standardization (ISO) at different plants, which are mentioned below: 1. ISO 9001:2015 for Quality Management System 2. ISO 14001:2015 for Environmental Management System 3. OHSAS 18001:2007 for Occupational Health & Safety Management System 4. SA 8000:2008 for Social Accountability Standards 5. ISO 22000:2005 for Preparation & Serving of Vegetarian Food/Non-Alcoholic Beverages for employees & visitors in its canteen 6. ISO 45001 for Occupational Health and Safety 7. ISO 50001:2011- Energy Conservation 8. Membership: India Green Building Council (IGBC) 9. CE Certified Product 10. BISL: ISI Certified product (IS15622/2017) 11. CII-Green Products and Services Council Certified Entity Vitrified Tiles as Green Product								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our Business Responsibility Policy outlines our commitments towards sustainability and responsible business								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Performance details are mentioned in various sections of our Integrated Annual Report								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	Our sustainability strategy mainstreams environmental and social considerations into economic decision making. We are proud to share that we have integrated financial and non-financial disclosures into one document – The Integrated Annual Report. The report covers performance on six capitals along with the value created by each capital.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Ashok Kajaria Chairman & Managing Director DIN : 00273877								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has constituted a Business Responsibility & Sustainability Committee ("BRS Committee") to oversee the implementation of the policy.								

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P 8	P 9
Performance against above policies and follow up action	Yes, our BRS Committee reviews the Company Performance									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all applicable laws and regulations. As of March 31st, 2022, there were no fines or penalties against any of the NGRBC principles.									We have internal control measures that check compliance on a regular basis.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	The Company has not carried out independent audit / evaluation of working of the BR Policy by an internal or external agency as of now. However, our internal control procedures ensure periodic assessment of our operations to verify compliance to our policies and applicable regulations.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors **Key Managerial Personnel**	4 (as part of board Meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs. Topics covered includes: 1) Corporate Governance 2) Companies Act and rules made thereunder 3) SEBI Regulations 4) Environmental & Safety matters	100%
Employees other than BoD and KMPs	Multiple	Our employees receive multiple trainings throughout the year on topics such as - Health and Safety trainings, Anti-corruption and bribery topics, Prevention of Sexual Harassment topics, Energy efficiency, etc.	100%
Workers	Multiple	Our workers receive multiple trainings throughout the year on topics such as - Health and Safety trainings, Anti-corruption and bribery topics, Prevention of Sexual Harassment topics, Plantation activities, etc.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Punishment					
Fine			NIL		
Settlement					
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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.

The Company also has a whistle-blower mechanism that allows to raise voice against any instances of unethical/fraudulent activities, etc. The Whistle-blower policy is available at https://www.kajariaceramics.com/pdf/whistel_blowing_policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors		
KMPs	NIL	NIL
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2021-22	FY 2020-21
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		
Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	Not Applicable	

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not applicable. However, we are constantly updating our systems for emerging risks and regulatory changes

Leadership Indicators:

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
	NIL	

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, all directors of the Company disclose his/her interest in the Company(ies)/firm(s)/bodies corporate/other association of individuals and any changes therein, annually or upon any change. Further, Directors of the Company also provide a declaration under the Code of Business Conduct and Ethics confirming that there is no violation of the said code which also covers the processes to avoid the instances of conflict of interest. In the meeting of the Board, the Directors abstain from participating in the items in which they are concerned or interested.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicator:

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and CAPEX investments made by the entity, respectively.**

	FY 2021-22 (%)	FY 2020-21 (%)	Details of improvements in environmental and social impacts
R&D and Capex	Environmental and Social impact assessment is one of the key inputs for the new product development/ process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible.		

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we endavour that majority of our raw material is sourced within the state or the locations surrounding our plants. Wherever feasible, we ensure no hazardous materials are used and process wastes are reused or recycled into our manufacturing process.

2. b. If yes, what percentage of inputs were sourced sustainably?

Majority of the resources involved in our manufacturing process are sourced sustainably. We aspire to associate with raw material vendors, who comply with environment and labour laws. In addition, we encourage our vendors to be mindful of responsible business conduct principles such as prevention of environmental pollution, no child labour/forced labour, implementation of safety procedures, etc.

Most of our raw material vendors are located in proximity to our manufacturing units which helps to minimize transportation and related GHG emissions. The Company continuously strives for load and route optimization to ensure fuel efficiency of the fleets and subsequently lower GHG emissions

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We are not undertaking reclamation of our products sold as our tiles, sanitaryware and bathware products as they have a long lifespan.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable to us.

Leadership Indicator:

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details:**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
We have not conducted any LCA studies.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Our products are made from non-hazardous materials and we practice environment-friendly manufacturing processes while ensuring compliance with applicable regulations and laws. However, we recognize the importance of understanding the impact of our products on environmental and social aspects.		

3. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics(including packaging)	Very small quantity of plastic is used in our packaging. There is no process of reclaiming it.					
E-waste	Not applicable, the Company does not sell electronic products					
Hazardous waste	Not applicable, the Company does not sell products with hazardous substances					
Other waste	Not applicable					

4. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
We are not undertaking reclamation of our products sold as our tiles, sanitaryware and bathware products as they have a long lifespan. The cardboard used in our packaging material is recyclable.	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicator

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,220	630	28%	2,220	100%	0	0	0	0	0	0
Female	88	25	28%	88	100%	88	100%	0	0	0	0
Total	**2,308**	**655**	**28%**	**2,308**	**100%**	**88**	**4%**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	20	0	0	20	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**20**	**0**	**0**	**20**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,991	185	9%	1,991	100%	0	0	0	0	0	0
Female	81	0	0	81	100%	81	100%	0	0	0	0
Total	**2,072**	**185**	**9%**	**2,072**	**100%**	**81**	**4%**	**0**	**0**	**0**	**0**
Other than Permanent workers											
Male	2,604	0	0	0	0	0	0	0	0	0	0
Female	30	0	0	0	0	0	0	0	0	0	0
Total	**2,634**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2. Details of retirement benefits:

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers *	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers*	Deducted and deposited with the authority (Y/N/N.A.)
PF	97%	51%	Yes	98%	60%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	7%	17%	Yes	9%	22%	Yes

*Permanent workers

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

We ensure differently abled persons do not face any issue in all Kajaria locations/facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, our Business Responsibility policy clearly states our commitment as an equal opportunity employer. The Company advocates a constructive business environment which ensures equal employment opportunities for all without any discrimination with respect to caste, creed, gender, nationality, colour, race, religion, disability or sexual orientation.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we have grievance redressal mechanism in place for all our employees and workers, irrespective of categories. At the same time, employees and workers at any level are encouraged to discuss any grievance with HoD and/or HR head
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/ C)
Total Permanent Employees	**2,308**	**0**	**0**	**2,211**	**0**	**0**
Male	2,220	0	0	2,118	0	0
Female	88	0	0	93	0	0
Workmen						
Total Permanent Workers	2,072	204	10%	1,813	207	11%
Male	1,991	204	10%	1737	207	12%
Female	81	0	0	76	0	0

8. **Details of training given to employees and workers (Permanent only) :**

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2,220	148	7%	115	5%	2,118	183	9%	195	9%
Female	88	9	10%	9	10%	93	8	9%	8	9%
Total	**2,308**	**157**	**7%**	**124**	**5%**	**2,211**	**191**	**9%**	**203**	**9%**
Workmen										
Male	1,991	419	21%	425	21%	1,737	593	34%	290	17%
Female	81	64	79%	25	31%	76	62	82%	22	29%
Total	**2,072**	**483**	**23%**	**450**	**22%**	**1,813**	**655**	**36%**	**312**	**17%**

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2021-22 and FY 2020-21		
	Total (A)	No. (B)	% (B / A)
	Employees		
Male	Annual review of performance is conducted by respective line managers, reporting department heads and HR department.		
Female			
Total			
	Workers		
Male	Annual review of performance is conducted by respective line managers, reporting department heads and HR department.		
Female			
Total			

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system**

Yes, we have a health and safety management system in all our locations. The health & safety team in all our location regularly undertakes audits & inspections including workers and supervisor's feedback. Recommendations are discussed and suitably implemented.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We follow our hazard identification framework and conduct regular site inspections to ensure all safety procedures are being followed. Subsequently, we encourage our employees and workers to report any unsafe conditions or unsafe acts or near miss incidents promptly to the health & safety team to ensure corrective action in timely manner

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

All workers are permitted to work only after they are given safety briefing on the activities to be performed. Workers are encouraged to report any work related hazard through internal communication. All work hazard reported are actioned upon by health & safety team.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

The employees and workers of Kajaria Ceramics, Kajaria Bathware, Kajaria Sanitaryware and Kajaria Plywood have access to non-occupational medical and healthcare services.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) per one million-person hours worked*	Permanent Employees and Workers	0.7	0.5
	Contract Workers	0.5	0.3
Total recordable work-related injuries#	Permanent Employees and Workers	2	1
	Contract Workers	0	0
No. of fatalities	Permanent Employees and Workers	1	0
	Contract Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Permanent Employees and Workers	0	0
	Contract Workers	0	0

*includes all injuries with minimum 24 hours away from workplace

#injuries with minimum 48 hours away from workplace

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At Kajaria, safety of our employees and workers are our utmost priority. Our safety team conducts safety trainings and inspections to ensure all workers follow safety guidelines. We track health & safety performance of all our plants on a regular basis. All incidents found are thoroughly investigated with a root cause analysis followed by corrective actions.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	We have not conducted any external assessment.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:

The incidents reported are thoroughly investigated by the health & safety team to find the root cause followed by corrective actions and training

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of :

(A) Employees – Yes (Permanent)

(B) Workers – Yes (Permanent)

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures all applicable statutory dues related to transactions within its remit are deducted and deposited in accordance with regulations. These transactions are reviewed by our internal teams and external auditors. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	FY 2021-22 and FY 2020-21	
	Total no. of affected employees/ workers	**No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**
Employees	NIL	Not applicable
Workers		

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We expect all our value chain partners to follow applicable regulations and laws, including those related to health and safety practices and working conditions.
Working Conditions	

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicator

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The process involves identifying any individual or institution that adds value to the Company through regular interactions. This inter alia includes Investors, Government and Regulatory Bodies, Industry Bodies and Associations, Employees, Consumers or end users, Communities, Suppliers and Dealers

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Refer stakeholder engagement section of Integrated Annual Report				

Leadership Indicator

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The processes for the consultation between stakeholders and the Board on economic, environmental, and social topics are mentioned in 'Stakeholdes' Engagement' section at page no 23 of this report. Once we receive the inputs/feedbacks from stakeholders, the same is discussed with the Board on the basis of matters of priority and importance from time to time.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, we have engaged with our internal stakeholders to discuss risk and opportunities on Environment, Social & Governance topics. Consequently, we identified list of material topics important to the Company and stakeholders. Refer materiality section in the annual integrated report for details

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

There are no identified disadvantaged, vulnerable & marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights

Essential Indicator

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	Our code of conduct covers principles of human rights. During our induction session the code of conduct, human rights principles are explained in detail. All employees are expected to adhere to it during the course of their association with the Company					
Other than permanent						
Total						
Workmen						
Permanent	Our code of conduct covers principles of human rights. During our induction session the code of conduct, human rights principles are explained in detail. All workers are expected to adhere to it during the course of their association with the Company					
Other than permanent						
Total						

2. **Details of minimum wages paid to employees and workers:**

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	2,308	0	0	2,308	100%	2,211	0	0	2,211	100%
Male	2,220	0	0	2,220	100%	2,118	0	0	2,118	100%
Female	88	0	0	88	100%	93	0	0	93	100%
Other than Permanent	20	8	40%	12	60%	40	14	35%	26	65%
Male	20	8	40%	12	60%	40	14	35%	26	65%
Female	0	0	0	0	0	0	0	0	0	0
Workmen										
Permanent	2,072	0	0	2,072	100%	1,813	0	0	1,813	100%
Male	1,991	0	0	1,991	100%	1,737	0	0	1,737	100%
Female	81	0	0	81	100%	76	0	0	76	100%
Other than Permanent	2,634	1,570	60%	1,059	40%	2,606	1,395	54%	1,211	46%
Male	2,604	1,540	59%	1,059	41%	2,579	1,368	53%	1,211	47%
Female	30	30	100%	0	0	27	27	100%	0	0

3. **Details of remuneration/salary/wages:**

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Director (BOD)	7	Refer Director's report	1	Refer Director's report
Key Managerial Personnel	2	₹185 Lakhs per annum	0	None
Employees other than BoD and KMP (permanent)	2,218	₹ 7.3 Lakhs per annum	88	₹6.6 Lakhs per annum
Workers	1,991	₹3.7 Lakhs per annum	81	₹3.1 Lakhs per annum

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Our Human Resources function is responsible for handling human rights related impacts and issues arising from our operations. In addition, our Business Responsibility committee along with the respective business heads are responsible for addressing any human rights issues caused or contributed by the business

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Our employees and workers can register any grievances through our suggestion or complaint boxes. Alternatively, they can write or consult the Chief Human Resource Officer or HR heads of respective plants.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2021-22 and FY 2020-21	
	Filed during the year	**Pending resolution at the end of year**
Sexual Harassment	NIL	NIL
Discrimination at workplace		
Child Labor		
Forced Labor/ Involuntary Labor		
Wages		
Other Human Rights related issues		

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Stakeholder are encouraged to express freely, responsibly, and in an orderly way the opinions and feelings about any problem or complaint of harassment. We ensure protection against retaliation to complainants, witnesses, committee members and other employees involved in prevention and complaint resolution.

i) Our whistleblower policy provides the following guiding principles:
ii) ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
iii) treat victimization as a serious matter including initiating disciplinary action on such person/(s);
iv) ensure complete confidentiality;
v) not attempt to conceal evidence of the Protected Disclosure;
vi) take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
vii) provide an opportunity of being heard to the persons involved especially to the Subject;

8. Do human rights requirements form part of your business agreements and contracts?

We do not include the requirements in our contracts. However, we encourage our business partners to adhere to responsible business practices and follow all applicable laws and regulations

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	We are not conducting formal assessments on these topics; however, we are in compliance with all applicable laws and regulations
Discrimination at workplace	
Child Labor	
Forced Labor/ Involuntary Labor	
Wages	
Human Rights Issues	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the reporting period, we have not received any grievance/complaint which requires any modification or introduction of new business process for pertaining to human right

2. Details of the scope and coverage of any Human rights due diligence conducted.

We have not conducted any formal due diligence procedures for human rights issues during the year.

However, we are an equal opportunity employer for all without any discrimination with respect to caste, creed, gender, nationality, colour, race, religion, disability or sexual orientation

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

We ensure differently abled persons do not face any issue in all Kajaria locations/facilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We have not conducted any formal assessments of our value chain partners. The Company expects all value chain partners to adopt responsible business principles and comply with applicable laws and regulations in all our dealings.
Discrimination at workplace	
Child Labor	
Forced Labor/Involuntary Labor	
Wages	
Others	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

We have not conducted any formal assessments of our value chain partners. However, the Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by us in all their dealings

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicator

1. **Details of total energy consumption (Giga Joules) and energy intensity:**

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	7,63,207	6,12,694
Total fuel consumption (B)	68,19,921	53,93,500
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	75,83,127	60,06,194
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00020	0.00022

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/ evaluation/assurance was carried out for the reporting period

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, we are not a designated consumer of the PAT scheme.

3. **Provide details of the following disclosures related to water:**

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,59,294	1,10,955
River water	55,140	38,170
Rainwater harvested	1,04,154	72,785
(ii) Groundwater	7,76,949	6,85,216
(iii) Third party water	1,66,187	1,37,061
(iv) Seawater / desalinated water	0	0
(v) Others - municipality	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	11,02,430	9,33,232
Total volume of water consumption (in kiloliters)	11,02,430	9,33,232
Water intensity per rupee of turnover (Water consumed / turnover)	0.000030	0.000034

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/ evaluation/assurance was carried out for the reporting period

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

All the plants are zero liquid discharge facilities. We recycle all effluents in our ETP and STP and reuse the water recycled back into our manufacturing process.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Air emission are monitored regularly to ensure that we are in compliance with the permissible limits of regulatory norms.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/ evaluation/assurance was carried out for the reporting period

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions	Tonnes CO2e	4,56,029	3,67,132
Total Scope 2 emissions	Tonnes CO2e	1,57,998	1,26,544
Total Scope 1 and Scope 2 emissions	Tonnes CO2e	6,14,027	4,93,675
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	Tonnes CO2e/turnover	0.000017	0.000018

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/ evaluation/assurance was carried out for the reporting period

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We do not have dedicated projects to reduce GHG emissions. However, we do undertake measures to improve our energy efficiency and reduce our energy consumption, which impact our greenhouse gas emissions.

8. Provide details related to waste management by the entity:

Parameter	FY 2021-22	FY 2020-21
Total Waste (in metric tonnes)		
Plastic waste (A)	1,383.6	1,031.9
E-waste (B)	1.2	3.5
Bio-medical waste (C)	0.0	0.0
Construction and demolition waste (D)	-	-
Battery waste (E)	15.3	3.2
Radioactive waste (F)	-	-
Other Hazardous waste (G)	48.4	72.7
Other Non-hazardous waste generated (H) (ORANGE CATEGORY)	64,186.1	48,446.2
Total (A+B + C + D + E + F + G + H)	65,634.5	49,557.6
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	51,892.7	38,268.5
(ii) Re-used	-	-
(iii) Other recovery operations (a+b)		
a) Sold to authorized vendors	49.5	45.9
b) Sold to scrap vendors	13,692.3	11,243.2
Total	65,634.5	49,557.6

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/ evaluation/assurance was carried out for the reporting period

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Waste generation is an inevitable part of manufacturing process however, efforts have been taken to minimize generation of waste and at the same time create value from it. We have proactive maintenance schedule for all our machinery, engineering teams to handle any kind of spillage, leakages and periodic inspection schedule for machinery to minimize the quantity of waste generated. Simultaneously, majority of the broken tile pieces, rejected tiles are reused as raw material

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
During the reporting period no environmental impact assessments of projects undertaken.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
The Company is in compliance with all environment related applicable legislations			

Leadership Indicator

1. **Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources:**

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	43,216	36,039
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**43,216**	**36,039**
From non-renewable sources		
Total electricity consumption (D)	7,19,991	5,76,655
Total fuel consumption (E)	68,19,921	53,93,500
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**75,39,912**	**59,70,155**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period agency? If yes, name of the external agency.

2. **Provide the following details related to water discharged:**

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kiloliters)	Entire quantity of wastewater is recycled and used back in our plants	
(i) To Surface water		
(ii) To Groundwater		
(iii) To Seawater		
- No treatment		
- With treatment – in effluent treatment plant		
(iv) Sent to third parties		
(v) Gardening		
- No treatment		
- With treatment – sewage treatment plant		
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters): For each facility / plant located in areas of water stress, provide the following information:**

(i) Name of the area: Gailpur (Tijara block)

(ii) Nature of operations: tiles manufacturing

(iii) Water withdrawal, consumption, and discharge:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	4,38,500	3,98,298
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
Total volume of water withdrawal (in kiloliters)	4,38,500	3,98,298
Total volume of water consumption (in kiloliters)	4,38,500	3,98,298
Water intensity per rupee of turnover (Water consumed / turnover)	0.000012	0.000014
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Entire quantity of wastewater is recycled and used back in our plants	
(ii) To Groundwater		
(iii) To Seawater		
- No treatment		
- With treatment – in effluent treatment plant		
(iv) Sent to third parties		
(v) Gardening		
- No treatment		
- With treatment – sewage treatment plant		
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period

(i) Name of the area: Gailpur (Tijara block)

(ii) Nature of operations: faucet manufacturing

(iii) Water withdrawal, consumption, and discharge:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	8,897	6,877
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
Total volume of water withdrawal (in kiloliters)	8,897	6,877
Total volume of water consumption (in kiloliters)	8,897	6,877
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000002	0.0000002
Water discharge by destination and level of treatment (in kiloliters)		

(i) To Surface water	Entire quantity of wastewater is recycled and used back in our plants
(ii) To Groundwater	
(iii) To Seawater	
- No treatment	
- With treatment – in effluent treatment plant	
(iv) Sent to third parties	
(v) Gardening	
- No treatment	
- With treatment – sewage treatment plant	
Total water discharged (in kiloliters)	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period

(i) Name of the area: Sikandarabad

(ii) Nature of operations: tiles manufacturing

(iii) Water withdrawal, consumption, and discharge:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	1,49,207	1,06,634
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
Total volume of water withdrawal (in kiloliters)	1,49,207	1,06,634
Total volume of water consumption (in kiloliters)	1,49,207	1,06,634
Water intensity per rupee of turnover (Water consumed / turnover)	0.000004	0.000004
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Entire quantity of wastewater is recycled and used back in our plants	
(ii) To Groundwater		
(iii) To Seawater		
- No treatment		
- With treatment – in effluent treatment plant		
(iv) Sent to third parties		
(v) Gardening		
- No treatment		
- With treatment – sewage treatment plant		
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 3 emissions for fuel and electricity upstream only	We have not calculated Scope 3 GHG emissions		
Total Scope 3 emissions per rupee of turnover for fuel and electricity upstream only			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No independent assessment/ evaluation/assurance was carried out for the reporting period.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	Utilization of process waste in production process to conserve natural resources and reduce wastages in all plants	We re-use majority of broken tiles, sludge and other process waste back into our manufacturing process	Lower waste generation during manufacturing process
2	Installation of rainwater harvesting structure to conserve water	We have rainwater harvesting structures in our Srikalahasti plant and draw the water required from these sources, thus reducing our usage of ground water resources	Lower dependency on ground water
3	Use of renewable fuel sources	We utilise renewable electricity wherever possible in our plants. In addition, our Srikalahasti plant uses biomass as one of the fuel options during manufacturing	Lower dependency on thermal energy, resulting in lower emission

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Our Risk Management Committee is pivotal in defining our risk management strategies related to disaster management and business continuity. We have location-based emergency response plans which includes periodic mock drills against events such as fire, earthquake, etc. Our highly experienced team with right mix of people, and frequent knowledge exchange sessions between leadership team and plant representatives ensures highest product quality, desired production levels and no disruptions in any business functions

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

We have not conducted formal assessment our value chain partners on their impact on environment. However, we expect our value chain partners to be mindful of their impacts on the environment and comply with applicable laws and regulations

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We have not conducted formal assessment our value chain partners on their impact on environment

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essenial Indicator

1. a. Number of affiliations with trade and industry chambers/ associations.

We are affiliated with seven trade and industry chambers and associations

1. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chamber of Commerce and Industry	Pan India
2	PHD Chamber of Commerce	Pan India
3	Indian Council of Ceramic Tile and Sanitaryware	Pan India
4	Bhiwadi Manufacturers Association	Greater Bhiwadi
5	Sikandrabad Industries Association	Industrial Estate Sikandrabad
6	Indian Industries Association	Pan India
7	Bhiwadi Chamber of Commerce and Industries	Greater Bhiwadi

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Adjudicating Authority	Brief of the case	Corrective action taken
The Company has not received any order from the regulatory authority		

Leadership Indicator

1. Details of public policy positions advocated by the entity.

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link
The Company is associated with various chambers of commerce/ associations with an intention of mutual learning and contribution in development process. As and when required the Company put forth its view on the issues faced by the industry with respective business forums/chambers		No	As per requirements	Not Applicable

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Grievance Redressal of community is paramount in strengthening our relations with them. This provides us the social license to operate and execution of CSR projects. Our local HR team regularly interact with community members to identify and address their concerns. We have not encountered any specific grievances from the community in the reporting period

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	21%	18%
Sourced directly from within the district and neighboring districts	The Company gives priority to suppliers in local community for sourcing of input material.	

Leadership Indicator:

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
No Social Impact Assessment was conducted during the year.	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (In INR)
	None	

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No, we do not have such procurement criteria

(b) From which marginalized /vulnerable groups do you procure?

No, we do not have such procurement criteria

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Intellectual Property based on traditional knowledge	owned/ acquired	Benefit shared	Basis of calculating benefit share
Not applicable			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

Please refer to director's report for CSR project details

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback -

The Company is dedicated to deliver 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. 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. Further all the dealers are advised to ensure that the customer complaints are redressed in the shortest possible time.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	100%
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following:

	FY 2021-22	FY 2020-21
	Received during the year	Pending resolution at end of year
Data privacy	NIL	
Advertising		
Cyber-security		
Delivery of essential services		
Restrictive Trade Practices		
Unfair Trade Practices		

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:**

   We have an information security management policy which comprises of data protection, email, web and network protection. It also includes access control policy with two-factor authentication to protect the system from unauthorised access. Multiple security controls like firewall, end-point protection, web protection, etc. have been implemented to prevent data attacks and threats.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:**

   Not applicable

Leadership Indicator

1. **Channels / platforms where information on products and services of the entity can be accessed:**

   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 dealer network, display boards, exhibitions, catalogues, advertisements, etc.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

   Our packaging provides information on safe and responsible usage of products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

   None of our products are classified as essential services, hence it is not applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) :**

   No.

5. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact	Not applicable
b. Percentage of data breaches involving personally identifiable information of customers	

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Kajaria Ceramics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Kajaria Ceramics Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition We refer to the Company's significant accounting policies in note 3C(b) and the revenue related disclosures in note 26 of the standalone financial statements. The Company recognises revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, by transferring the control of goods to its customers at the time of dispatch evidenced by acknowledgement of receipt of goods by the transporter. Further, Ind AS 115 requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations. Owing to the volume of sales transactions, size of distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk and requires significant auditor attention. Accordingly, this matter has been determined as a key audit matter for current year audit.	**Our audit procedures, related to revenue recognition, included, but were not limited to, the following:** a) Assessed the design and tested operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); b) Assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; c) Scrutinized sales ledgers to verify completeness of sales transactions; d) On a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches and approved incentives / discounts schemes; e) Tested the appropriateness of accruals for various rebates and discounts as at the year-end; f) Assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; g) Circularized balance confirmations to a sample of customers and reviewed the reconciling items, if any; and h) Tested the related disclosures made in notes to the standalone financial statements in respect of the revenue from operations for appropriateness in accordance with the requirements of the applicable accounting standards.
Recoverability of investments made and loans given to certain subsidiaries As disclosed in note 6 to the accompanying standalone financial statements, the Company has a carrying value of ₹42.32 Crores as at 31st March, 2022 in respect of its investment in two of its subsidiary companies and has outstanding long-term loans recoverable from such subsidiaries aggregating to ₹206.82 Crores as on such date. Considering the continued losses recorded over the years by aforementioned subsidiary companies, the management has identified that indicators exist that requires the management to test the carrying value of such loans and investments for possible impairment.	**Our audit work included, but was not restricted to, performing the following procedures:** a) Obtained an understanding of the management's process, and evaluated design and tested operating effectiveness of controls on identification of indicators of impairment of the carrying value of investment and recoverability of loans under Ind AS 36 'Impairment of assets'; b) Assessed the professional competence, objectivity and capabilities of the specialist used by the management for performing required valuations to estimate the recoverable value of the investment in such subsidiary companies; c) Involved auditor's experts to assess the appropriateness of the valuation model used by the management and to test reasonability of the valuation assumptions used therein relating to discount rates, risk premium, industry growth rates, etc.,

Key audit matter	How our audit addressed the key audit matter
Management's assessment of the recoverable amount of investments in and loans given to these subsidiary companies requires estimation and judgement around assumptions used in the Discounted Cash Flow valuation model adopted by the Company for the purpose. The principal driver of recoverable value is the estimated growth in the operations of the subsidiary and ability to generate cash profits in the future. The key assumptions supporting management's assessment of such fair valuation include, but are not limited to, the estimated future financial performance, capital expenditure and the discount rates applied. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of the investment in subsidiary companies. Complexity involved in such assumptions and estimates increased in the current year. Considering the significance of the amounts involved, and auditor attention required to test the appropriateness of accounting estimate that involves high estimation uncertainty and significant management judgement, this matter has been determined to be a key audit matter for the current year audit.	d) Tested the future business projections, used for performing above said valuations, for the subsidiary from the business plans approved by the board of directors of the subsidiary Company, and ensured its consistency with our understanding of future business plans of the subsidiary companies obtained through interviews with both operating and senior management; e) Assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecast production; f) Performed sensitivity analysis on management's calculated recoverable value for key assumptions such as growth rates during explicit period, terminal growth rate and the discount rate used in the valuations performed; g) Tested the arithmetical accuracy of the valuation workings performed by the management expert; h) Tested the disclosures made in note 6 for appropriateness in accordance with the requirements of the accounting standards

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The comparative financial information presented in the accompanying standalone financial statement for the year ended 31 March 2021 includes the financial information of erstwhile wholly-owned subsidiary, M/s Kajaria Tiles Private Limited ('the transferor Company') which has been merged with the Company as explained in Note 39 to the accompanying standalone financial statements. Such financial information of the transferor Company for the year ended 31 March 2021 has been audited by the auditor of the transferor Company, M/s O P Bagla & Co LLP, who issued an unmodified opinion vide their audit report dated 10 May 2021, which have been furnished to us by the management and have been relied upon by us for the aforementioned purpose.

    Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 54 (ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 54 (ii) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

19. The interim dividend declared and paid by the Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act. Further, as stated in note 58 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AJBZHU8873

Place: New Delhi
Date: 17 May 2022

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report

of even date to the members of Kajaria Ceramics Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, capital work-in-progress and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

(₹ in crores)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the Company
Land	12.42	Erstwhile Kajaria Tiles Private Limited (now merged with the Company)	-	Upto 1 year	Refer note 4 IV and 39 to standalone financial statements.
Building	44.95				

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of ₹5 crore sanctioned by banks based on the security of current assets. The quarterly returns in respect of the working capital limits have been filed by the Company with such banks and such returns are in agreement with the books of account of the Company for the respective periods, which were subject to review.

(iii) (a) The Company has provided loans, and guarantee to Subsidiaries/Others during the year as per details given below:

(₹ in crores)

Particulars	Guarantees	Loans
Aggregate amount provided/ granted during the year:		
- Subsidiaries	0.19	105.07
- Others	Nil	23.00
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	0.19	105.07
- Others	Nil	13.40

(b) In our opinion, and according to the information and explanations given to us, the investments made and guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans such companies or other parties.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments and guarantees, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(**₹ in crores**)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	2.76	0.21	FY 2012-2015	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	1.51	0.34	FY 2010-2017	Appellate authorities till Commissioner level
Income Tax Act, 1961	Income-tax	2.52	-	FY 1990-2000	High Court
Income tax Act, 1961	Income-tax	0.05	-	FY 2017-18	Appellate authorities till Commissioner level
Sales tax laws	Value added tax	0.21	0.21	FY 2012-2017	Appellate authorities till Commissioner level

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, the Company has transferred unspent amount in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act

(b) According to the information and explanations given to us, there is no unspent amount pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AJBZHU8873

Place: New Delhi
Date: 17 May 2022

Annexure II to the Independent Auditor's Report

of even date to the members of Kajaria Ceramics Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Kajaria Ceramics Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AJBZHU8873

Place: New Delhi
Date: 17 May 2022

Standalone Balance Sheet as at 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	781.82	818.76
(b) Right-of-use assets	37	32.97	26.24
(c) Capital work-in-progress	4	181.39	9.28
(d) Other intangible assets	5	2.05	2.74
(e) Financial assets			
(i) Investments	6	119.12	112.17
(ii) Loans	7	289.52	230.65
(iii) Other financial assets	15	92.44	13.82
(f) Non-current tax assets (net)	8	10.15	1.82
(g) Other non-current assets	9	3.04	0.17
		1,512.50	**1,215.65**
Current assets			
(a) Inventories	10	286.79	239.65
(b) Financial assets			
(i) Investments	11	-	4.97
(ii) Trade receivables	12	441.84	371.90
(iii) Cash and cash equivalents	13	31.04	17.89
(iv) Bank balances other than (iii) above	14	391.61	417.11
(v) Loans	7	15.45	12.45
(vi) Other financial assets	15	0.30	0.35
(c) Other current assets	9	12.32	16.29
		1,179.35	**1,080.61**
TOTAL ASSETS		**2,691.85**	**2,296.26**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	15.92	15.91
(b) Other equity	17	2,094.86	1,854.60
		2,110.78	**1,870.51**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	9.96	8.94
(ii) Lease liabilities	19	19.09	12.97
(b) Provisions	20	14.65	14.03
(c) Deferred tax liabilities (net)	21	67.94	66.18
(d) Other non-current liabilities	22	0.98	1.51
		112.62	**103.63**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	30.00	-
(ii) Lease liabilities	19	11.31	11.37
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises; and		12.56	5.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		203.03	162.27
(iv) Other financial liabilities	24	126.96	70.46
(b) Other current liabilities	22	66.92	59.03
(c) Provisions	20	7.25	5.60
(d) Current tax liabilities (net)	25	10.42	7.63
		468.45	**322.12**
TOTAL LIABILITIES		**581.07**	**425.75**
TOTAL EQUITY AND LIABILITIES		**2,691.85**	**2,296.26**

See accompanying notes forming part of these standalone financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	26	3,299.38	2,523.20
Other income	27	43.77	38.25
TOTAL INCOME		**3,343.15**	**2,561.45**
EXPENSES			
Cost of materials consumed	28	586.94	431.42
Purchases of stock-in-trade		1,076.69	764.37
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(33.79)	98.59
Employee benefits expense	30	314.22	251.25
Finance costs	31	6.12	5.08
Depreciation and amortisation expense	32	84.16	80.58
Other expenses	33	823.76	517.35
TOTAL EXPENSES		**2,858.10**	**2,148.64**
Profit before tax		**485.05**	**412.81**
Tax expense:	34		
Current tax		120.95	107.71
Deferred tax		1.76	(2.85)
Profit for the year		**362.34**	**307.95**
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of profit or loss			
- Re-measurement of defined benefit plans		(0.58)	0.11
- Net (loss)/gain on FVTOCI equity securities		-	0.08
- Income-tax relating to items that will not be reclassified to statement of profit or loss		0.15	(0.02)
Total other comprehensive income for the year, net of tax		**(0.43)**	**0.17**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**361.91**	**308.12**
Earnings per equity share (face value of ₹1 each)	35		
- Basic (in ₹)		22.77	19.37
- Diluted (in ₹)		22.76	19.36

See accompanying notes forming part of these standalone financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
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(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Standalone Statement of Cash Flows for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	485.05	412.81
Adjusted for :		
Depreciation and amortisation expenses	84.16	80.58
Interest income	(41.01)	(34.26)
Interest expense	6.12	5.08
Share based payments to employees (net)	0.47	0.23
Loss on disposal of property, plant and equipment	1.10	1.37
Gain on disposal of current investment	(0.14)	(0.15)
Subsidy income	(0.53)	(0.54)
Provision for expected credit loss on trade receivables	0.96	1.14
Operating profit before working capital changes	**536.18**	**466.26**
Working capital adjustments:		
Movement in inventories	(47.14)	105.27
Movement in trade and other receivables	(70.90)	(25.24)
Movement in other assets	2.64	40.10
Movement in trade and other payables	66.01	(8.18)
Movement in provisions	1.69	(6.53)
Cash flow generated from operations	**488.48**	**571.68**
Less: taxes paid	(126.34)	(99.59)
Net cash flow generated from operations (A)	**362.14**	**472.09**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital advances, capital work-in-progress, intangible assets, intangible assets under development and payable towards property, plant and equipment)	(169.52)	(93.08)
Proceeds from disposal of property, plant and equipment	4.50	6.38
Purchase of long-term investments	(6.95)	-
Proceeds from sale of long-term investments	-	0.41
Proceeds from disposal of current investments	5.11	4.98
Loans given	(113.50)	(101.15)
Loans received back	51.34	90.56
Interest received	41.06	34.73
Movement in deposits having original maturity of more than 3 months (net)	(51.25)	(208.77)
Net cash flow (used in) investing activities (B)	**(239.21)**	**(265.94)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2.64)	(1.55)
Proceeds/(repayment) of short-term borrowings (net)	30.00	(34.25)
Payment of lease liabilities	(15.02)	(12.24)
Proceeds from issue of shares	5.22	5.26
Dividend and dividend distribution tax paid	(127.34)	(159.08)
Net cash flow (used in) financing activities (C)	**(109.78)**	**(201.86)**

Standalone Statement of Cash Flows (Contd.) for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Net increase/(decrease) in cash and cash equivalents (A+B+C)	**13.15**	**4.29**
Cash and cash equivalents at the beginning of the financial year	17.89	11.75
Add: Vested in the Company pursuant to the Scheme	-	1.85
Cash and cash equivalents at the end of the financial year	**31.04**	**17.89**
Components of cash and cash equivalents at the end of the financial year		
Balances with banks		
- Current accounts	30.69	17.65
Cash on hand	0.35	0.24
	31.04	**17.89**

Note :

1. This cash flow statement presented in accordance with indirect method as set out in Indian Accounting Standard - 7 ' Statement of cash flows' as specified in Indian Accounting Standard Rules, 2015 (as amended)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current borrowings	30.00	-
Lease liabilities	30.40	24.34
Non-current borrowings	9.96	8.94
Net debt	**70.36**	**33.28**

Particulars	Current borrowings	Lease liabilities	Non-current borrowings
Net debt as at 1 April 2020	**34.25**	**33.99**	**8.02**
Interest expenses on lease liabilities	-	2.59	-
Cash flows (net)	(34.25)	(12.24)	-
Non-cash adjustments - Fair value adjustments*	-	-	0.92
Net debt as at 31 March 2021	**-**	**24.34**	**8.94**
Lease liabilities on leases entered during the year		18.62	
Interest expenses on lease liabilities	-	2.46	-
Cash flows (net)	30.00	(15.02)	-
Non-cash adjustments - Fair value adjustments*	-	-	1.02
Net debt as at 31 March 2022	**30.00**	**30.40**	**9.96**

* pertains to unwinding of interest cost on non-current borrowings.

See accompanying notes forming part of these standalone financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Standalone Statement of changes in equity for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the reporting year	15.91	15.90
Add: Changes in equity share capital during the year (refer note 16)	0.01	0.01
Balance at the end of the reporting year	**15.92**	**15.91**

B. Other equity (refer note 17)

Particulars	Reserves and surplus						Items of other comprehensive income (OCI)	Total other equity
	General reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Capital reserve	Retained earnings	Equity instruments through OCI	
Balance as at 1 April 2020	**320.37**	**164.14**	**5.00**	**5.57**	**(27.38)**	**1,246.83**	**(0.47)**	**1,714.06**
Profit for the year	-	-	-	-	-	307.95	-	307.95
Items of OCI for the year, net of tax								
Remeasurement benefit of defined benefit plans								
Re-measurement of defined benefit plans	-	-	-	-	-	0.09	-	0.09
Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-	0.08	0.08
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**308.04**	**0.08**	**308.12**
Reserves vested in the Company pursuant to the Scheme (refer note 39)	-	-	-	-	-	(11.71)	-	(11.71)
Adjustment pursuant to the Scheme (refer note 39)	-	-	-	-	(2.19)	-	-	(2.19)
Employee stock option scheme	-	-	-	0.15	-	-	-	0.15
Shares issued during the year	-	5.25	-	-	-	-	-	5.25
Transferred from share options outstanding account to security premium reserve on issue of shares	-	2.16	-	(2.16)	-	-	-	-
Transferred to retained earnings from OCI on disposal of equity instruments	-	-	-	-	-	(0.39)	0.39	-
Dividend distributed	-	-	-	-	-	(159.08)	-	(159.08)
Balance as at 31 March 2021	**320.37**	**171.55**	**5.00**	**3.56**	**(29.57)**	**1,383.69**	**-**	**1,854.60**
Profit for the year	-		-	-	-	362.34	-	362.34
Items of OCI for the year, net of tax								
Re-measurement of defined benefit plans	-	-	-	-	-	(0.43)	-	(0.43)
Net gain on equity securities valued at Fair value through OCI	-	-	-	-	-	-	-	-
Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**361.91**	**-**	**361.91**
Employee stock option scheme	-	-	-	0.47	-	-	-	0.47
Shares issued during the year	-	5.21	-	-	-	-	-	5.21
Amount transferred from Share option outstanding account to Security premium on issue of shares	-	2.16	-	(2.16)		-		-
Dividend distributed	-	-	-	-	-	(127.33)	-	(127.33)
Balance as at 31 March 2022	**320.37**	**178.92**	**5.00**	**1.87**	**(29.57)**	**1,618.27**	**-**	**2,094.86**

See accompanying notes forming part of these standalone financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
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(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

1. Corporate information

KAJARIA CERAMICS LIMITED ("KCL" or "the Company") is a limited Company domiciled in India and was incorporated on 20 December 1985. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange. The registered office of the Company is located at SF-11, Second Floor, JMD Regent Plaza Mehrauli Gurgaon Road, Village Sikanderpur Ghosi Gurgaon Haryana - 122001, India. KCL is a manufacturer of Ceramic and Vitrified wall and floor tiles.

The financial statements for the year ended 31 March 2022 were authorised in accordance with a resolution of Board of Directors on 17 May 2022.

2. Application of Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements.

Standards issued but not effective

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Company.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- **Ind AS 102 Share Based Payments** - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- **Ind AS 103 Business Combinations** - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- **Ind AS 114 Regulatory Deferral Accounts** - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual

Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.

- **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets** - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- **Ind AS 38 Intangible Assets** - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.

3. Significant accounting policies and other explanatory information

A. Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the Security Exchange Boards of India.

The financial statements have been prepared under the historical cost convention and amortised costs basis except for certain financial assets and liabilities which are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements of the Company are presented in Indian Rupees (₹/₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimals in crores as per the requirement of Schedule III to the Act, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

B. Overall considerations

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

These accounting policies have been used throughout all periods presented in the standalone financial statements.

C. Significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognises revenue at the point in time, when control of the asset is transferred to the customer depending upon the terms of sale with the customers.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as goods and service tax is excluded from revenue.

Interest income and dividend:

Interest income is recognised using effective interest method.

Dividend income is recognised when the right to receive payment is established.

Export benefits:

The Company recognises income from duty drawback and export benefit on an accrual basis.

c. Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores and spares, stock-in-trade and other products are carried at the lower of cost and net realizable value.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares and other products, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

d. Property, plant and equipment

Measurement and recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material / equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as per requirement of Schedule III.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars	Useful lives
Plant and machinery	7, 10 and 18 years
Fit-out and other assets at sales outlets	5 years
Roads	30 and 60 years

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

e. Intangible Assets

Measurement and recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation

Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life.

De-recognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

f. Research and development costs

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.

Items of property, plant and equipment utilized for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

g. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

h. Foreign currency transactions

Initial recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

i. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant (deferred income) is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. The loan or assistance is subsequently recognised in the statement of profit and loss on a straight line basis over the period of loan.

j. Taxes on income

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k. Employee benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

I. Defined contribution plans:

The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

II. Defined benefit plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits:

Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

l. Share-based payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

m. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief

Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

p. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal

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and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

s. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

t. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

D. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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(Amounts in ₹ Crores, unless otherwise stated)

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Estimation of current tax and deferred tax

Management judgement is required for the calculation of provision of income- taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

Amendment to Accounting Standards (Ind AS) issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

4. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Display assets	Total
Gross carrying amount									
As at 1 April 2020	14.90	242.73	850.06	8.33	36.56	8.86	4.36	21.69	1,187.49
Vested in the Company pursuant to the scheme (refer note 39)	12.42	44.95	78.74	0.63	0.48	0.55	0.32	-	138.09
Additions	40.91	21.44	27.79	1.12	9.28	0.73	2.60	1.15	105.02
Disposals	0.30	1.44	23.94	0.04	5.02	0.58	0.03	4.15	35.50
As at 31 March 2021	**67.93**	**307.68**	**932.65**	**10.04**	**41.30**	**9.56**	**7.25**	**18.69**	**1,395.10**
Additions	0.28	3.95	25.69	0.61	6.81	0.53	0.27	2.10	40.24
Disposals	-	-	16.93	0.22	3.92	0.54	0.48	1.46	23.55
As at 31 March 2022	**68.21**	**311.63**	**941.41**	**10.43**	**44.19**	**9.55**	**7.04**	**19.33**	**1,411.79**
Accumulated depreciation									
As at 1 April 2020	-	77.92	413.47	5.37	13.25	5.40	3.38	14.42	533.21
Vested in the Company pursuant to the scheme (refer note 39)		0.57	2.31	0.03	0.02	0.02	0.04	-	2.99
Depreciation charge for the year (refer note 32)	-	7.68	50.93	0.62	4.39	0.98	0.60	2.63	67.83
Disposals	-	0.45	19.94	0.01	3.43	0.37	0.03	3.46	27.69
As at 31 March 2021	**-**	**85.72**	**446.77**	**6.01**	**14.23**	**6.03**	**3.99**	**13.59**	**576.34**
Depreciation charge for the year (refer note 32)	-	8.15	54.18	0.62	5.01	0.89	0.86	1.87	71.58
Disposals	-	-	13.28	0.16	2.27	0.46	0.45	1.33	17.95
As at 31 March 2022	**-**	**93.87**	**487.67**	**6.47**	**16.97**	**6.46**	**4.40**	**14.13**	**629.97**
Net carrying amount									
As at 31 March 2022	**68.21**	**217.76**	**453.74**	**3.96**	**27.22**	**3.09**	**2.64**	**5.20**	**781.82**
As at 31 March 2021	**67.93**	**221.96**	**485.88**	**4.03**	**27.07**	**3.53**	**3.26**	**5.10**	**818.76**

Notes:

I. Property, plant and equipment pledged as security

Refer note 50 for information on property, plant and equipment pledged as security by the Company.

II. Contractual obligations

Refer to note 38 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

III. Title deeds

Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

IV. As part of the merger plan freehold land and buildings amounting to ₹12.42 crore and ₹44.95 was acquired, Company has already initiated the process of changing the name with the Registrar of properties from erstwhile Kajaria Tiles Private Limited to Kajaria Ceramics Limited. (refer note 39 for details).

4. Property, plant and equipment (cont'd)

V. Capital work-in-progress

Capital work-in-progress amounting to ₹181.39 crores (31 March 2021 : ₹9.28 crores) mainly pertains to machinery pending installation and civil work being carried on at the plants of the Company.

VI. Details of Capital Work in Progress (CWIP) ageing is as below:

Particulars	As at 31 March 2022				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in progress	181.39	-	-	-	181.39
	As at 31 March 2021				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in progress	8.44	0.84	-	-	9.28

Note : There are no such project under capital work in progress whose completion is overdue or has exceeded it's cost compared to its original plan as of 31 March 2022 and 31 March 2021.

5. Other intangible assets

Particulars	Software	Total
Gross carrying amount		
As at 1 April 2020	**8.15**	**8.15**
Additions	1.51	1.51
Disposals	-	-
As at 31 March 2021	**9.66**	**9.66**
Additions	-	-
Disposals	-	-
As at 31 March 2022	**9.66**	**9.66**
Accumulated amortisation		
As at 1 April 2020	**6.38**	**6.38**
Amortisation charge for the year (refer note 32)	0.54	0.54
Disposals	-	-
As at 31 March 2021	**6.92**	**6.92**
Amortisation charge for the year (refer note 32)	0.69	0.69
Disposals	-	-
As at 31 March 2022	**7.61**	**7.61**
Net carrying amount		
As at 31 March 2022	**2.05**	**2.05**
As at 31 March 2021	**2.74**	**2.74**

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(Amounts in ₹Crores, unless otherwise stated)

6. Non-current financial assets - Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments (unquoted)		
Investments in subsidiaries (measured at cost) - Trade		
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited) * 13,061,532 (31 March 2021: 13,061,532) equity shares of ₹10 each fully paid up	32.63	32.63
Vennar Ceramics Limited 12,240,000 (31 March 2021: 12,240,000) equity shares of ₹10 each fully paid up	18.24	18.24
Cosa Ceramics Private Limited 5,430,881 (31 March 2021: 4,642,040) equity shares of ₹10 each fully paid up	18.56	11.61
Kajaria Bathware Private Limited 25,000,000 (31 March 2021: 25,000,000) equity shares of ₹10 each fully paid up	40.00	40.00
Kajaria Plywood Private Limited* 9,691,000 (31 March 2021: 9,691,000) equity shares of ₹10 each fully paid up	9.69	9.69
Total	**119.12**	**112.17**
Aggregate amount of unquoted investments	**119.12**	**112.17**

*With respect to investments done amounting to ₹42.32 crore (previous year ₹42.32 crore) and loan given to these subsidiary companies of ₹206.82 crore (previous year ₹ 139.75 crore) (refer note 40 for details), management, during the year, has done a detailed evaluation on the recoverability of these investments/ loans given wherein valuation of these subsidiaries has been conducted by an independent valuer as at 31 March 2022 using the 'Discounted Cash Flow valuation model'. Basis such assessment done, management believes that the investments done/ loans given would be recoverable and accordingly no provision has been recorded in respect of recoverability of these balances as at the year end.

7. Loans#

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured				
Loans to other companies (refer note (i))	-	-	13.40	10.50
Loans to related parties (refer note (ii))	289.52	230.65	0.54	0.15
Others	-	-	1.51	1.80
Total	**289.52**	**230.65**	**15.45**	**12.45**

#Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

Notes:

(i) Loans to other companies represents interest bearing loans given for the business purposes.

(ii) Represents loans given to subsidiary companies and Kajaria Ceramics Employee Gratuity Trust. The loan granted to these subsidiaries is used for business purposes (refer note 40 (4) for details).

8. Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provisions)	10.15	1.82
Total	**10.15**	**1.82**

Includes tax receivable amounting to ₹6.24 crore recognised pursuant to the Scheme (also refer note 39)

9. Other assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Considered good- unsecured				
Capital advances	2.05	0.17	-	-
Advances other than above:				
Advance to suppliers	-	-	2.66	4.90
Prepaid expenses	0.99	-	3.71	4.29
Export benefit receivables	-	-	0.09	0.67
Balances with statutory authorities	-	-	5.86	6.43
Total	**3.04**	**0.17**	**12.32**	**16.29**

10. Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	37.93	31.96
Work-in-progress	9.79	7.92
Finished goods	159.51	140.30
Stock-in-trade	17.52	4.81
Stores and spares	47.01	40.68
Packing material	15.03	13.98
Total	**286.79**	**239.65**

For mode of valuation refer Accounting policy number 3C(c)

11. Current financial assets - Investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of units	Amount	No. of units	Amount
Investments in mutual funds (unquoted) - measured at FVTPL				
DSP Arbitrage Fund - Reg. - Monthly Dividend	-	-	47,79,200.92	4.97
Total		**-**		**4.97**
Aggregate amount of unquoted investments and market value thereof		**-**		**4.97**

Refer note 45 for the fair value disclosures.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

12. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured	441.84	371.90
Credit impaired	6.42	7.33
Less: Allowance for expected credit losses	(6.42)	(7.33)
Total	**441.84**	**371.90**

Note:

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member.

b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Particulars	Outstanding as at 31 March 2022						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered goods	293.69	141.77	0.28	0.46	1.83	3.81	441.84
(ii) Disputed Trade receivables - considered goods	-		0.01	0.12	0.55	5.74	6.42
Less: Allowance for expected credit losses	-		(0.01)	(0.12)	(0.55)	(5.74)	(6.42)
Total	**293.69**	**141.77**	**0.28**	**0.46**	**1.83**	**3.81**	**441.84**

Particulars	Outstanding as at 31 March 2021						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered goods	238.59	121.51	0.85	4.09	4.47	2.39	371.90
(ii) Disputed Trade receivables - considered goods	-		0.07	0.66	1.57	5.03	7.33
Less: Allowance for expected credit losses	-		(0.07)	(0.66)	(1.57)	(5.03)	(7.33)
Total	**238.59**	**121.51**	**0.85**	**4.09**	**4.47**	**2.39**	**371.90**

Note: There are no unbilled receivables.

13. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	30.69	17.65
Cash on hand	0.35	0.24
Total	**31.04**	**17.89**

Note: There are no repatriation restrictions with regard to cash and cash equivalents as the end of the reporting period and prior period.

14. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks in current accounts - unpaid dividends*	2.53	2.28
Deposits with original maturity of greater than three months and remaining maturity of less than twelve months**	389.08	414.83
Total	**391.61**	**417.11**

* These balances are not available for use by the Company and not due for deposit in the Investor Education and Protection Fund.
** Deposits amounting to ₹191.77 crores (31 March 2021 : ₹55.58 crores) have been pledged by the Company against facilities taken by various subsidiaries and against performance guarantees of the Company.

15. Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured				
Deposits with original maturity of greater than twelve months	77.00	-	-	-
Interest accrued on deposits	-	-	0.30	0.35
Security deposits	15.44	13.82	-	-
Total	**92.44**	**13.82**	**0.30**	**0.35**

16. Equity share capital

Particulars	As at 31 March 2022	As at 30 March 2021
Authorised:		
77,00,00,000 equity shares of ₹1 each (31 March 2021: 52,00,00,000 of ₹1 each)	77.00	52.00
77,10,000 preference shares of ₹100 each (31 March 2021: 77,10,000 of ₹100 each)	77.10	77.10
	154.10	**129.10**
Issued and subscribed:		
15,92,04,050 equity shares of ₹1 each (31 March 2021: 15,90,81,000 equity shares of ₹1 each)	15.92	15.91
Total	**15.92**	**15.91**

A. Reconciliation of the authorised share - Equity shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
At the beginning of the reporting year	52,00,00,000	52.00	52,00,00,000	52.00
Add: Increased pursuant to the Scheme (refer note 39)	25,00,00,000	25.00	-	-
Balance at the end of the year	**77,00,00,000**	**77.00**	**52,00,00,000**	**52.00**

*There is no change in authorised capital of preference share during the current year and previous year.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

B. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
At the beginning of the reporting year	15,90,81,000	15.91	15,89,57,200	15.90
Add: Shares issued on exercise of employee share option	1,23,050	0.01	1,23,800	0.01
Outstanding at the end of the year	**15,92,04,050**	**15.92**	**15,90,81,000**	**15.91**

C. Terms/rights attached to equity shares

The Company has only one class of equity share having face value of ₹1 per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of share is entitled to voting rights proportionate to their share holding. The interim dividend for ₹8 per share (previous year ₹10 per share) has been distributed to the shareholders on approval of Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

D. Shares reserved for issue under options

Information relating to Kajaria Ceramics Employee Stock Option Plan, 2015, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 43.

E. Details of shareholders holding more than 5% shares in the Company*:

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held having face value of ₹1 each	% of holding in class	Number of shares held having face value of ₹1 each	% of holding in class
Promotors:				
VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	8.12%	1,29,33,973	8.13%
CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	16.25%	2,58,67,947	16.26%
RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	16.25%	2,58,67,947	16.26%

* As per the records of the Company, including its register of members

F. Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and brought back during the last 5 years for each class of shares

Except for shares issued under scheme of arrangements as approved by Hon'ble Court, the Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares and any bonus shares which has been issued in the current year and preceding five years. During the financial year ended 31 March 2018, Pursuant to the scheme, existing equity shares of the Company held by Kajaria Securities Private Limited ('KSPL') stood cancelled and the Company had issued 6,46,69,867 equity shares of ₹1 each to shareholders of erstwhile KSPL in proportion of their shareholding in KSPL.

The Company has issued equity shares aggregating 2,66,050 (up to 31 March 2021 : 1,43,000) shares of ₹1 each fully paid during the financial years 2017-18 to 2021-22 on exercise of option granted under the employee stock option plan wherein part consideration was received in form of employee service.

(Amounts in ₹Crores, unless otherwise stated)

16. Equity share capital (cont'd)

G. Details of shares held by promotors:

As at 31 March 2022

S. No.	Promotor Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	-	1,29,33,973	8.12%	-
2	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.25%	-
3	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.25%	-
4	Mr. Ashok Kajaria	10,47,004	-	10,47,004	0.66%	-
5	Mr. Chetan Kajaria	13,39,880	-	13,39,880	0.84%	-
6	Mr. Rishi Kajaria	18,05,716	-	18,05,716	1.13%	-
7	Mrs. Versha Devi Kajaria	17,77,014	-	17,77,014	1.12%	-
8	Mrs. Rasika Kajaria	5,70,000	-	5,70,000	0.36%	-
9	Mrs. Shikha Kajaria	6,00,000	-	6,00,000	0.38%	-
10	Mr. Kartik Kajaria	4,50,000	-	4,50,000	0.28%	-
11	Mr. Raghav Kajaria	4,50,000	-	4,50,000	0.28%	-
12	Mr. Parth Kajaria	4,50,000	-	4,50,000	0.28%	-
13	Mr. Vedant Kajaria	4,50,000	-	4,50,000	0.28%	-
14	Mr. A.K. Kajaria (HUF)	19,67,750	-	19,67,750	1.24%	-
15	Mr. Chetan Kajaria (HUF)	42,000	-	42,000	0.03%	-
16	Mr. Rishi Kajaria (HUF)	6,000	-	6,000	0.00%	-

As at 31 March 2021

S. No.	Promotor Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	-	1,29,33,973	8.13%	-
2	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.26%	-
3	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.26%	-
4	Mr. Ashok Kajaria	10,47,004	-	10,47,004	0.66%	-
5	Mr. Chetan Kajaria	13,39,880	-	13,39,880	0.84%	-
6	Mr. Rishi Kajaria	18,05,716	-	18,05,716	1.14%	-
7	Mrs. Versha Devi Kajaria	17,77,014	-	17,77,014	1.12%	-
8	Mrs. Rasika Kajaria	5,70,000	-	5,70,000	0.36%	-
9	Mrs. Shikha Kajaria	6,00,000	-	6,00,000	0.38%	-
10	Mr. Kartik Kajaria	4,50,000	-	4,50,000	0.28%	-
11	Mr. Raghav Kajaria	4,50,000	-	4,50,000	0.28%	-
12	Mr. Parth Kajaria	4,50,000	-	4,50,000	0.28%	-
13	Mr. Vedant Kajaria	4,50,000	-	4,50,000	0.28%	-
14	Mr. A.K. Kajaria (HUF)	19,67,750	-	19,67,750	1.24%	-
15	Mr. Chetan Kajaria (HUF)	42,000	-	42,000	0.03%	-
16	Mr. Rishi Kajaria (HUF)	6,000	-	6,000	0.00%	-

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

17. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
a) General reserves		
Balance at the beginning/end of the year	**320.37**	**320.37**
b) Securities premium reserve		
Balance at the beginning of the year	**171.55**	**164.14**
Share issued during the year (refer note 16)	5.21	5.25
Amount transferred from Share option outstanding account to Security premium on issue of shares	2.16	2.16
Balance at the end of the year	**178.92**	**171.55**
c) Capital redemption reserve		
Balance at the beginning/end of the year	**5.00**	**5.00**
d) Share options outstanding account		
Balance at the beginning of the year	**3.56**	**5.57**
Employee stock option scheme	0.47	0.15
Transferred to security premium on issue of shares	(2.16)	(2.16)
Balance at the end of the year	**1.87**	**3.56**
e) Capital reserve		
Balance at the beginning of the year	(29.57)	(27.38)
Adjustment pursuant to the Scheme (refer note 39)	-	(2.19)
Balance at the beginning/end of the year	**(29.57)**	**(29.57)**
f) Retained earnings		
Balance at the beginning of the year	**1,383.69**	**1,246.83**
Adjustment pursuant to the Scheme (refer note 39)	-	(11.71)
Profit for the year	362.34	307.95
Other comprehensive income (OCI) for the year, net of tax	(0.43)	0.09
Transferred from OCI on disposal of equity instruments	-	(0.39)
Dividend distributed (including Interim dividend)	(127.33)	(159.08)
Balance at the end of the year	**1,618.27**	**1,383.69**
g) Other comprehensive income		
Equity Instruments designated at fair value through other comprehensive income		
Balance at the beginning of the year	-	**(0.47)**
Changes during the year (net of tax)	-	0.08
Transferred to retained earnings of disposal of equity instruments	-	0.39
Balance at the end of the year	-	-
Total other equity	**2,094.86**	**1,854.60**

(Amounts in ₹Crores, unless otherwise stated)

17. Other equity (cont'd)

Nature and purpose of reserves -

a) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

b) Securities premium

This reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital redemption reserve

This reserve was created on redemption of preference shares in the financial year 2001-02. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

d) Share options outstanding account

The reserve is used to recognise the grant date fair value of the options issued to employees under Kajaria Ceramics Employee Stock Option Plan, 2015.

e) Capital reserve

The reserve was created on Scheme of Arrangement (the Scheme) between the Company and Kajaria Securities Private Limited ('KSPL') in financial year 2017-18 and Kajaria Tiles Private Limited ('KTPL') in the financial year 2021-22.

f) Retained earnings

Created from profit/loss of the Company, as adjusted for distributions to owners in the form of dividend and transfer to other reserve.

g) Equity instruments designated as fair value through other comprehensive income ('FVOCI')

The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18. Borrowings

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Term loan - Secured				
Deferred payment liabilities Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)	9.96	8.94	-	-
Working capital facility - Secured				
From banks	-	-	30.00	-
Total	**9.96**	**8.94**	**30.00**	**-**

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Terms of borrowings

Type of loan	Loan outstanding As at 31 March 2022	Loan outstanding As at 31 March 2021	Rate of interest	Security guarantee	Repayment terms
Term loan - deferred payment liabilities	9.96	8.94	Nil	Secured against first charge on factory land and building of the Company at Sikandrabad, Uttar Pradesh.	Repayable in one instalment after 7 years from date of disbursement.
Working capital facility (secured)	30.00	-	31 March 2022 : 5.60% per annum. (31 March 2021: not applicable)	Secured against first charge on inventories and book debts of the Company and second charge on immovable and movable assets of its factories at Sikandrabad, Uttar Pradesh and Gailpur, Rajasthan.	Repayable on demand

The above loans have been utilised as per the purpose for these loans were sanctioned.

The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

19. Lease liabilities

Particulars	Non-current As at 31 March 2022	Non-current As at 31 March 2021	Current As at 31 March 2022	Current As at 31 March 2021
Lease liabilities (refer note 37)	19.09	12.97	11.31	11.37
Total	**19.09**	**12.97**	**11.31**	**11.37**

20. Provisions

Particulars	Non-current As at 31 March 2022	Non-current As at 31 March 2021	Current As at 31 March 2022	Current As at 31 March 2021
Provision for employee benefits obligation (refer note 36)				
Gratuity	1.18	1.84	5.61	4.31
Compensated absences	13.47	12.19	1.64	1.29
Total	**14.65**	**14.03**	**7.25**	**5.60**

(Amounts in ₹Crores, unless otherwise stated)

21. Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Deferred tax liability on:		
Difference between book balance and tax balance of property, plant and equipment	75.69	80.43
	75.69	**80.43**
(b) Deferred tax assets on:		
Provision for compensated absences	3.80	3.50
Others	3.95	10.75
	7.75	**14.25**
Deferred tax liabilities (net)	**67.94**	**66.18**

Movements in deferred tax liabilities and deferred tax assets:

Particulars	Property, plant and equipment	Compensated absences	Others	Total
As at 1 April 2020	76.58	(3.86)	(3.69)	69.03
Charged/(credited) to the statement of profit or loss	3.85	0.36	(7.06)	(2.85)
Charged/(credited) to other comprehensive income	-	-	-	-
As at 31 March 2021	**80.43**	**(3.50)**	**(10.75)**	**66.18**
Charged/(credited) to the statement of profit or loss	(4.74)	(0.30)	6.80	1.76
Charged/(credited) to other comprehensive income	-	-	-	-
As at 31 March 2022	**75.69**	**(3.80)**	**(3.95)**	**67.94**

22. Other liabilities

Particulars	Non Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Advance received from customers	-	-	31.31	27.79
Statutory dues payable	-	-	35.07	30.70
Deferred government grant	0.98	1.51	0.54	0.54
Total	**0.98**	**1.51**	**66.92**	**59.03**

23. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables {including acceptances (refer note b below)}		
- Total outstanding dues of micro enterprises and small enterprises (refer note 42)	12.56	5.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	203.03	162.27
Total	**215.59**	**168.03**

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	As at 31 March 2022					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
- Total outstanding dues of micro enterprises and small enterprises	12.56	-	-	-	-	12.56
- Total outstanding dues of creditors other than micro enterprises and small enterprises	202.29	0.64	0.10	-	-	203.03
-Disputed Dues - micro enterprises and small enterprises		-	-	-	-	-
-Disputed Dues - other than micro enterprises and small enterprises		-	-	-	-	-
Total	**214.85**	**0.64**	**0.10**	**-**	**-**	**215.59**

Particulars	As at 31 March 2021					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
- Total outstanding dues of micro enterprises and small enterprises	5.76	-	-	-	-	5.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	162.17	0.10	-	-	-	162.27
-Disputed Dues - micro enterprises and small enterprises	-	-	-	-	-	-
-Disputed Dues - other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**167.93**	**0.10**	**-**	**-**	**-**	**168.03**

Note: There are no unbilled dues.

24. Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unclaimed dividends*	2.53	2.28
Security deposits from customers	13.27	13.52
Security deposits others	15.74	12.62
Employee payable	48.78	41.37
Liabilities toward unspent corporate social responsibility (refer note 57)	0.54	0.67
Others	0.40	-
Creditors for capital goods	45.70	-
Total	**126.96**	**70.46**

* Not due for deposit to the Investor Education and Protection Fund.

25. Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current tax liabilities (net)	10.42	7.63
Total	**10.42**	**7.63**

26. Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Tiles	3,296.53	2,520.78
Power	-	0.25
	3,296.53	**2,521.03**
Other operating revenues	2.85	2.17
Total	**3,299.38**	**2,523.20**

Disclosure pursuant to Ind AS-115 'Revenue from contracts with customers', are as follows:

(a) **Disaggregation of revenue:**

Revenue arises mainly from the sale of manufactured and traded goods.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of tile	3,296.53	2,520.78
Revenue from sale of power	-	0.25
Total	**3,296.53**	**2,521.03**

Sale of products are net of discounts amounting to ₹142.41 crores (31 March 2021 : ₹117.89 crores)

(b) **Assets and liabilities related to contracts with customers is as below:**

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities related to sale of goods		
Advance from customers	31.31	27.79
Security deposits from customers	13.27	13.52

(c) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed. The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 45 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

(d) **Significant changes in contract assets and liabilities:**

The change in contract liabilities (interest bearing deposit from customers and advances received from customer) during the year.

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities (Advance from customers)		
Opening balance	**27.79**	**27.65**
Revenue recognised during the year	27.79	27.65
Addition during the year (net)	31.31	27.79
Closing balance	**31.31**	**27.79**

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities (Security deposits from customers)		
Opening balance	**13.52**	**13.92**
Receipt/(repayment) during the year (net)	(0.25)	(0.40)
Closing balance	**13.27**	**13.52**

27. Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income measured at amortised cost on:		
Loan to subsidiaries (refer note 40)	17.72	18.44
Fixed deposits with banks	20.56	15.15
Other financial assets carried at amortised cost	0.62	0.56
Others	2.11	0.11
Gain on disposal of current investments	0.14	0.15
Net gain on foreign currency transaction and translation	0.01	-
Other non-operating income	2.61	3.84
Total	**43.77**	**38.25**

28. Cost of materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Body material	274.41	203.99
Glaze, frits and chemicals	185.67	143.51
Packing material consumed	126.86	83.92
Total	**586.94**	**431.42**

(Amounts in ₹Crores, unless otherwise stated)

29. Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance		
Finished goods	140.30	235.70
Stock-in-trade	4.81	5.69
Work-in-progress	7.92	10.23
Total	**153.03**	**251.62**
Closing balance		
Finished goods	159.51	140.30
Stock-in-trade	17.52	4.81
Work-in-progress	9.79	7.92
Total	**186.82**	**153.03**
	(33.79)	**98.59**

30. Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	293.90	233.19
Contribution to provident and other funds (also refer note 36)	14.24	13.57
Share based payments to employees	0.47	0.23
Staff welfare expenses	5.61	4.26
Total	**314.22**	**251.25**

31. Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	3.65	2.29
Interest on lease liabilities	2.46	2.59
Other borrowing costs	0.01	0.20
Total	**6.12**	**5.08**

32. Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 4)	71.58	67.83
Amortisation of intangible assets (refer note 5)	0.69	0.54
Amortisation on right-of-use assets (refer note 37)	11.89	12.21
Total	**84.16**	**80.58**

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

33. Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	558.23	312.05
Stores and spares consumed	66.05	52.19
Repairs and maintenance:		
- Buildings	3.78	3.45
- Plant and equipment	13.43	10.78
- Others	4.39	4.43
Rent (refer note 37d)	1.13	0.30
Rates and taxes	2.16	0.96
Traveling and conveyance	26.04	16.88
Insurance charges	3.85	3.42
Legal and professional charges	4.13	3.44
Payment to auditors as:		
- auditor	0.49	0.46
- for other services	0.46	0.35
- for reimbursement of expenses	0.02	0.03
Packing, freight and forwarding expenses	33.98	24.24
Advertisement, publicity and sales promotion	55.73	32.79
Sales commission	10.27	10.15
Loss on disposal of property, plant and equipment	1.10	1.37
Provision for expected credit loss	0.96	1.14
Corporate social responsibility expenditure (refer note 57)	7.50	8.00
Research and development expenses (refer note 56)	7.58	11.57
Miscellaneous expenses	22.48	19.35
Total	**823.76**	**517.35**

34. Income-tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Income-tax expense debited to statement of profit and loss		
Current tax		
Current tax on profits for the year	127.19	107.53
Adjustment of tax relating to earlier periods	(6.24)	0.18
Total current tax expense	120.95	107.71
Deferred tax		
Deferred tax charge/(credit) for the year	1.76	(2.85)
	1.76	(2.85)
Total tax expense	**122.71**	**104.86**
(b) Income-tax expense charged/(credited) to other comprehensive income		
Current tax		
Current tax charge/(credit) for the year	(0.15)	0.02
	(0.15)	**0.02**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	485.05	412.81
Tax at the Indian tax rate of 25.168%(31 March 2021: 25.168%)	122.08	103.90
Adjustments in respect of current income tax pursuant to the Scheme (refer note 39)	(6.24)	0.18
Deferred tax liabilities recognised pursuant to Scheme	4.53	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses not allowed as deduction	2.34	0.78
Income-tax expense	**122.71**	**104.86**

35. Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity holders of the Company for basic earnings (₹ in crores) for the year	362.34	307.95
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	15,91,56,882	15,89,94,849
Weighted average number of equity shares in calculating diluted earnings per share (refer note below) (Nos.)	15,91,96,545	15,90,40,262
Earnings per share		
- Basic (₹)	22.77	19.37
- Diluted (₹)	22.76	19.36

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Note: Weighted average number of equity shares used as denominator

Particulars	No. of shares	
	31 March 2022	31 March 2021
Weighted average number of equity shares used as denominator in calculating basic earnings per shares	15,91,56,883	15,89,94,849
Adjustments for calculation of diluted earnings per share:		
- Oustanding employee stock options	39,662	45,413
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share	**15,91,96,545**	**15,90,40,262**

36. Employee benefits

The Company has following post-employment benefit plans:

A) Defined contribution plan

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the provident fund is ₹9.34 crores (31 March 2021: ₹8.54 crores)

B) Defined benefit plans - Gratuity (funded)

The Company has defined benefit gratuity plan for its employees where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of insurance, whereby these contributions are transferred to the insurer. Gratuity is computed as 15 days last drawn salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation at the beginning of the year	**44.13**	**39.86**
Add: vested in the Company pursuant to the Company	-	0.10
Current service cost	3.87	3.62
Interest cost	3.09	2.70
Benefits paid	(1.14)	(2.02)
Actuarial loss/(gain) on obligations	(0.05)	(0.13)
Defined benefit obligation at the end of the year	**49.90**	**44.13**

Changes in the fair value of plan assets are, as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	**37.98**	**29.28**
Contribution during the year	4.25	8.75
Benefits paid	(1.14)	(2.01)
Expected return on plan assets	2.65	1.98
Actuarial (loss)/gain on plan asset	(0.63)	(0.02)
Fair value of plan assets at the end of the year	**43.11**	**37.98**

(Amounts in ₹Crores, unless otherwise stated)

Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets	43.11	37.98
Defined benefit obligation	49.90	44.13
Net asset/(liability) recognised in the Balance Sheet (refer note 20)	**(6.79)**	**(6.15)**
Current	5.61	4.31
Non current	1.18	1.84

Amount recognised in Statement of Profit and Loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	3.87	3.62
Interest cost	3.09	2.70
Expected return on plan asset	(2.65)	(1.98)
Amount recognised in Statement of Profit and Loss	**4.31**	**4.34**

Breakup of actuarial gain/(loss)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial gain/(loss) on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	0.51	(1.84)
Actuarial gain/(loss) arising from experience adjustments	(0.46)	1.97
Actuarial gain/(loss) on plan assets	(0.63)	(0.02)
Amount of gain/(loss) recognised in other comprehensive income	**(0.58)**	**0.11**

The major categories of plan assets are as follows:

Gratuity	As at 31 March 2022	As at 31 March 2021
Investment details	**Funded**	**Funded**
Investment with gratuity funds	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	7.00%	6.75%
Expected rate of return on plan assets	7.00%	6.75%
Future salary increases	8.60%	8.50%
Attrition rate:-		
18-30 years	3.00%	3.00%
30-44 years	3.00%	3.00%
44-58 years	3.00%	3.00%
Retirement age	58 years	58 years
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Note:

a.) The discount rate is based upon the market yield available on government bonds at the accounting date relevant to currency of benefits payments for a term that matches the liability.

b.) The estimates for future salary increase rate taxes amount of inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

c.) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act,1972.

Experience adjustment:

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Present value of defined benefit obligation	49.90	44.13	39.86	34.01	31.12
Experience gain/(loss) on liability	(0.46)	1.97	1.71	(0.02)	(1.63)

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 is as shown below:

Gratuity plan	Sensitivity level		Impact on Defined benefit obligation	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Assumptions				
Discount rate	+1%	+1%	(4.07)	(8.06)
	-1%	-1%	4.75	0.05
Future salary increases	+1%	+1%	4.63	(0.07)
	-1%	-1%	(4.05)	(8.04)
Withdrawal rate	+1%	+1%	(0.45)	(4.78)
	-1%	-1%	0.53	(3.79)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Effect of plan on Company's future cash flows

(a) Funding arrangements and funding Policy

The Company has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) The following payments are expected contributions to the defined benefit plan in future years (in absolute terms i.e. undiscounted):

Particulars	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	5.47	4.22
Between 2 and 5 years	8.38	7.07
Beyond 5 years	36.05	32.82
Total expected payments	**49.90**	**44.11**

Note : 1. Expected contribution for next year is ₹3.47 crores (31 March 2021 : ₹3.08 crores)

2. Average duration of the defined benefit obligation at the end of reporting period is 11 years (31 March 2021 : 12 years)

C) Other long-term employee benefits - Compensated absences (unfunded)

Particulars	31 March 2022	31 March 2021
Amounts recognised in the balance sheet		
Current	1.64	1.29
Non current	13.47	12.19
Total	**15.11**	**13.48**

37. Leases

a) The Company had adopted Ind AS 116 'Leases' from 1 April 2019 in the standalone financial statements.

b) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	60	1 to 5 years	2.40 years

There are no leases entered by the Company which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

c) Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

Particulars	Category of right-of-use assets		
	Land	Buildings	Total
Balance as at 1 April 2020	5.10	33.26	38.36
Add: Vested in the scheme pursuant to the scheme (refer note 39)	-	0.10	0.10
Add: Additions	-	4.92	4.92
Add: Adjustment on account of lease modification	-	(4.93)	(4.93)
Less: Amortisation charged on the right-of-use assets (refer note 32)	0.05	12.16	12.21
Balance as at 31 March 2021	**5.05**	**21.19**	**26.24**
Add: Additions	-	19.98	19.98
Add: Adjustment on account of lease modification	-	(1.36)	(1.36)
Less: Amortisation charged on the right-of-use assets (refer note 32)	0.05	11.84	11.89
Balance as at 31 March 2022	**5.00**	**27.97**	**32.97**

d) Lease payments not recognised as lease liabilities:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases (included in other expenses)	1.13	0.30
Total	**1.13**	**0.30**

e) The total cash outflow for leases for the year ended 31 March 2022 is ₹15.02 crores (31 March 2021: ₹12.15 crores)

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

f) **Future minimum lease payments are as follows:**

Minimum lease payments due	As on 31 March 2022		
	Lease payments	Finance charges	Net present values
Within 1 year	13.60	2.29	11.31
1 - 2 years	10.51	1.75	8.76
2 - 3 years	6.93	0.55	6.38
More than 3 years	4.09	0.14	3.95
Total	**35.13**	**4.73**	**30.40**

Minimum lease payments due	As on 31 March 2021		
	Lease payments	Finance charges	Net present values
Within 1 year	13.25	1.88	11.37
1 - 2 years	8.27	1.40	6.87
2 - 3 years	5.07	0.71	4.36
More than 3 years	1.87	0.13	1.74
Total	**28.46**	**4.12**	**24.34**

38. Commitments, contingencies and litigations

		31 March 2022	31 March 2021
(a)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.28	0.08
(b)	**Contingent liabilities**		
(i)	Corporate guarantees given (including undrawn amount)	68.70	68.70
(ii)	Claims against the Company not acknowledged as debt*		
	In respect of income tax, value added tax and service tax demands pending before various authorities and in dispute	7.05	7.00
	Others	2.16	2.25

* Company is contesting the above demands and the management, including its solicitor, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.

Company has certain litigations involving customers, vendors and based on legal advice of in-house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.

39. Scheme of Arrangement

The Hon'ble National Company Law Tribunal, vide its order dated 26 November 2021, approved a Scheme of Arrangement (the 'Scheme') between the Company and Kajaria Tiles Private Limited ('erstwhile KTPL'). Pursuant to the Scheme, all the properties, assets, rights, claims and obligations of the erstwhile KTPL have been transferred and vested in the name of Company on a going concern basis w.e.f. 1 April 2019. The Company has accounted for the merger under the pooling of interest method retrospectively for all periods presented and accordingly these numbers have been restated as prescribed in Appendix-C of Ind AS 103 - Business Combinations of entities under common control.

(Amounts in ₹Crores, unless otherwise stated)

40. Related party disclosures as per Ind AS 24 - Related Party disclosures

A. List of related parties as per Ind AS 24

(a) List of entities substantially owned directly or indirectly by the Company:

Direct subsidiaries:

S. No.	Name	Country of incorporation	Ownership interest of Kajaria Ceramics Limited (%)	
			31 March 2022	31 March 2021
1	Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	India	87.37%	87.37%
2	Vennar Ceramics Limited	India	51.00%	51.00%
3	Cosa Ceramics Private Limited	India	59.67%	51.00%
4	Kajaria Bathware Private Limited	India	85.00%	85.00%
5	Kajaria Plywood Private Limited	India	97.89%	97.89%

Indirect subsidiary:

Subsidiary of 'Kajaria Bathware Private Limited' (where control exists):

S. No.	Name	Country of incorporation	Ownership interest of Kajaria Ceramics Limited (%)	
			31 March 2022	31 March 2021
1	Kajaria Sanitaryware Private Limited	India	69.70%	69.70%

(b) Key management personnel:

S. No.	Name	Designation
1	Mr. Ashok Kajaria	Chairman and Managing Director
2	Mr. Chetan Kajaria	Joint Managing Director
3	Mr. Rishi Kajaria	Joint Managing Director
4	Mr. Dev Datt Rishi	Non-Executive Director
5	Mr. Raj Kumar Bhargava	Independent Director
6	Mr. Debi Prasad Bagchi	Independent Director
7	Mr. Harady Rathnakar Hegde	Independent Director
8	Mrs. Susmita Singha	Independent Director

(c) Enterprises owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-

S. No.	Name
1	Dua Engineering Works Private Limited
2	Malti Devi Kajaria Foundation
3	Kajaria Ceramics Employees Gratuity trust
4	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust))
5	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)
6	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)
7	A.K. Kajaria (HUF)
8	Chetan Kajaria (HUF)
9	Rishi Kajaria (HUF)

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

(d) Relatives of key management personnel

S. No.	Name
1	Mrs. Versha Devi Kajaria
2	Mrs. Rasika Kajaria
3	Mrs. Shikha Kajaria
4	Mr. Kartik Kajaria
5	Mr. Raghav Kajaria
6	Mr. Parth Kajaria
7	Mr. Vedant Kajaria

B. Transactions with the related parties

(1) Details relating to remuneration of Key Managerial Personnel (KMP)

Name of KMP	31 March 2022		31 March 2021	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ashok Kajaria*	5.67	-	2.64	-
Mr. Chetan Kajaria*	5.56	-	2.78	-
Mr. Rishi Kajaria*	5.56	-	2.78	-
Mr. Dev Dutt Rishi	-	0.04	-	0.01
Mr. Raj Kumar Bhargava	-	0.06	-	0.02
Mr. Debi Prasad Bagchi	-	0.07	-	0.03
Mr. Harady Rathnakar Hegde	-	0.07	-	0.03
Mrs. Susmita Singha	-	0.05	-	0.03

* Does not include employee benefits is relation to gratuity and compensated absence, as such provisions are for the Company as a whole.

(2) Dividend paid	31 March 2022	31 March 2021
Key management personnel and relatives of KMP		
- Mr. Ashok Kajaria	0.84	1.05
- Mr. Chetan Kajaria	1.07	1.34
- Mr. Rishi Kajaria	1.44	1.81
- Mrs. Versha Devi Kajaria	1.42	1.78
- Mrs. Rasika Kajaria	0.46	0.57
- Mrs. Shikha Kajaria	0.48	0.60
- Mr. Kartik Kajaria	0.36	0.45
- Mr. Raghav Kajaria	0.36	0.45
- Mr. Parth Kajaria	0.36	0.45
- Mr. Vedant Kajaria	0.36	0.45

(3) Guarantees received/(released) during the year

	31 March 2022	31 March 2021
Key management personnel and relatives of KMP		
- Mr. Ashok Kajaria	(70.00)	-
Guarantees received outstanding at year end	**31 March 2022**	**31 March 2021**
Key management personnel and relatives of KMP		
- Mr. Ashok Kajaria	31.40	101.40

(Amounts in ₹Crores, unless otherwise stated)

(4) The following transactions were carried out with related parties in the ordinary course of business:-

Particulars	31 March 2022		31 March 2021	
	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence
Purchase of goods				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	231.73	-	197.39	-
Cosa Ceramics Private Limited	100.67	-	70.33	-
Vennar Ceramics Limited	66.36	-	55.42	-
Total	**398.76**	**-**	**323.14**	**-**
Sale of products				
Cosa Ceramics Private Limited	-	-	0.04	-
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	0.02	-	0.01	-
Total	**0.02**	**-**	**0.05**	**-**
Sale of assets				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	0.15	-	0.02	-
Cosa Ceramics Private Limited	0.17	-	-	-
Total	**0.32**	**-**	**0.02**	**-**
Rent paid				
Dua Engineering Works Private Limited	-	1.59	-	0.61
Vennar Ceramics Limited	0.02	-	0.01	-
Total	**0.02**	**1.59**	**0.01**	**0.61**
Recovery of expenses				
Kajaria Bathware Private Limited	0.57	-	0.47	-
Total	**0.57**	**-**	**0.47**	**-**
Donation paid				
Malti Devi Kajaria Foundation	-	0.46	-	0.36
Total	**-**	**0.46**	**-**	**0.36**
Rent received				
Kajaria Bathware Private Limited	0.91	-	0.77	-
Kajaria Sanitaryware Private Limited	0.03	-	-	-
Total	**0.94**	**-**	**0.77**	**-**

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	31 March 2022		31 March 2021	
	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence
Interest income				
Vennar Ceramics Limited	0.74	-	1.04	-
Cosa Ceramics Private Limited	0.68	-	0.69	-
Kajaria Bathware Private Limited	1.34	-	1.60	-
Kajaria Sanitaryware Private Limited	3.35	-	3.77	
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	9.84	-	10.41	-
Kajaria Plywood Private Limited	1.77	-	0.93	-
Total	**17.72**	**-**	**18.44**	**-**
Loan given				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	70.57	-	33.25	-
Vennar Ceramics Limited	-	-	1.00	-
Kajaria Bathware Private Limited	5.00	-	7.00	-
Kajaria Sanitaryware Private Limited	8.00	-	9.35	-
Kajaria Ceramics Employee Gratuity Trust	-	1.53	-	1.50
Cosa Ceramics Private Limited	9.75	-	14.25	-
Kajaria Plywood Private Limited	15.75	-	7.05	-
Total	**109.07**	**1.53**	**71.90**	**1.50**
Loan repaid				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	19.25	-	44.60	-
Cosa Ceramics Private Limited	6.00	-	10.00	-
Kajaria Bathware Private Limited	5.00	-	6.90	-
Kajaria Sanitaryware Private Limited	14.35	-	6.20	-
Vennar Ceramics Limited	5.60	-	2.05	-
Kajaria Plywood Private Limited	-	-	1.00	-
Kajaria Ceramics Employee Gratuity Trust	-	1.14	-	2.00
Total	**50.20**	**1.14**	**70.75**	**2.00**
Guarantee Given/(released) during the year				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	0.19		38.27	
Vennar Ceramics Limited	-		1.11	
Cosa Ceramics Private Limited	(12.20)		17.45	
Kajaria Sanitaryware Private Limited	(7.38)		(9.58)	
Kajaria Bathware Private Limited	(25.00)		-	
	(44.39)	**-**	**47.25**	**-**

(Amounts in ₹Crores, unless otherwise stated)

Particulars	31 March 2022		31 March 2021	
	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence
Dividend paid				
VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust) (refer note 16 E)	-	10.34	-	12.93
CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust) (refer note 16 E)	-	20.70	-	25.87
RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust) (refer note 16 E)	-	20.70	-	25.87
A.K. Kajaria (HUF)	-	1.58	-	1.97
Chetan Kajaria (HUF)	-	0.03	-	0.04
Rishi Kajaria (HUF) (*rounded off to Nil)	-	-*	-	-*
	-	**53.35**	**-**	**66.68**
Balances outstanding at year end:				
Loan given *				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	173.57	-	122.25	-
Vennar Ceramics Limited	5.70	-	11.30	-
Cosa Ceramics Private Limited	13.00	-	9.25	-
Kajaria Sanitaryware Private Limited	45.00	-	51.35	-
Kajaria Bathware Private Limited	19.00	-	19.00	-
Kajaria Ceramics Employee Gratuity Trust	-	0.54	-	0.15
Kajaria Plywood Private Limited	33.25	-	17.50	-
Total	**289.52**	**0.54**	**230.65**	**0.15**
Trade payables/(advances given)				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	10.76	-	14.26	-
Vennar Ceramics Limited	2.74	-	1.93	-
Cosa Ceramics Private Limited	1.14	-	5.40	-
Total	**14.64**	**-**	**21.59**	**-**
Security deposit				
Dua Engineering Works Private Limited	-	0.60	-	0.60
Total	**-**	**0.60**	**-**	**0.60**
Guarantees given outstanding at year end * #				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	65.00	-	64.81	-
Vennar Ceramics Limited	12.75	-	12.75	-
Cosa Ceramics Private Limited	34.50	-	46.70	-
Kajaria Sanitaryware Private Limited	10.00	-	17.38	-
Kajaria Bathware Private Limited	20.00	-	45.00	-
Total	**142.25**	**-**	**186.64**	**-**

* The aforementioned loans and guarantees have been given for business purposes.

The aforementioned guarantees given represents the guarantees given by the Company is respect of original sanction limits of the working capital borrowings taken by the respective entity.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

41. Segment information

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance. In Company, the decision makers view the operating results internal division wise (Ceramic, Glazed, Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 is not considered applicable.

42. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under, to the extent the Company has received intimation from the 'Suppliers' regarding their status under the Act.

	Particulars	31 March 2022	31 March 2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprises	12.56	5.76
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

43. Share based payments

A Kajaria Ceramics Employee Stock Option Plan, 2015 ('ESOP 2015' or the 'Plan') was approved by the Board of Directors and the shareholders of the Company on 7 September 2015. The plan entitles employees of the Company and its subsidiaries to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Kajaria Ceramics Employee Stock Option Plan 2015
Exercise Price	₹425
Vesting conditions	45,800 options 24 months after the grant date ('First vesting')
	91,600 options 36 months after the grant date ('Second vesting')
	137,400 options 48 months after the grant date ('Third vesting')
	183,200 options 60 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 8 years from grant date.
Number of share options granted	458,000
Method of settlement	Equity

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹850 per option which is 7.42 % below the stock price i.e. ₹918.10 per share on the date of grant, i.e. 20 October 2015.

(Amounts in ₹Crores, unless otherwise stated)

During the year ended 31 March 2017, face value of equity shares of the Company was sub-divided to ₹1 per share from ₹2 per share. Accordingly, the exercise price also reduced to ₹425 per share from ₹850 per share and number of stock options increased to 458,000 equity shares from 229,000 equity shares. The number and weighted average exercise price of share options are as follows:

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2020	3,12,800	425.00
Forfeited during the year	(11,700)	425.00
Exercised during the year	(1,23,800)	425.00
At 31 March 2021	**1,77,300**	425.00
Exercisable as at 31 March 2021	**1,77,300**	
Weighted average remaining contractual life (in years)	**2.55**	
At 1 April 2021	1,77,300	425.00
Forfeited during the year	-	425.00
Exercised during the year	(1,23,050)	425.00
At 31 March 2022	**54,250**	425.00
Exercisable as at 31 March 2022	**54,250**	
Weighted average remaining contractual life (in years)	**1.55**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. The following principal assumptions were used in the valuation:

Grant date	20 October 2015	20 October 2015	20 October 2015	20 October 2015
Vesting date	**20 October 2017**	**20 October 2018**	**20 October 2019**	**20 October 2020**
Expiry date	**20 October 2023**	**20 October 2023**	**20 October 2023**	**20 October 2023**
Fair value of option at grant date	260.22	310.20	354.01	392.99
Exercise price	425.00	425.00	425.00	425.00
Expected volatility of returns	27.63%	27.63%	27.63%	27.63%
Weighted average contractual life (in years)	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years
Expected dividend yield	0.40%	0.40%	0.40%	0.40%
Risk free interest rate	7.15%-7.30%	7.15%-7.30%	7.15%-7.30%	7.15%-7.30%

B Board of Directors and the shareholders of the Company has approved to issue additional stock options to the eligible employees of the Company under Kajaria Ceramics Employee Stock Option Plan, 2015 ('ESOP 2015' or the 'Plan'). The eligible employees of the Company and its subsidiaries to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Kajaria Ceramics Employee Stock Option Plan 2015
Exercise Price	₹980
Vesting conditions	70,520 options 24 months after the grant date ('First vesting')
	141,040 options 36 months after the grant date ('Second vesting')
	211,560 options 48 months after the grant date ('Third vesting')
	282,080 options 60 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 8 years from grant date.
Number of share options granted	705,200
Method of settlement	Equity

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹980 per option which is 9.36 % below the stock price i.e. ₹1081.25 per share on the date of grant, i.e. 20 October 2015.

The number and weighted average exercise price of share options are as follows:

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2020	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
At 31 March 2021	-	-
Exercisable as at 31 March 2021	-	
Weighted average remaining contractual life (in years)		
At 1 April 2021	-	-
Granted during the year	7,05,200	980.00
Exercised during the year	-	980.00
At 31 March 2022	**7,05,200**	980.00
Exercisable as at 31 March 2022	**7,05,200**	
Weighted average remaining contractual life (in years)	**7.92**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. The following principal assumptions were used in the valuation:

Grant date	**02 March 2022**	**02 March 2022**	**02 March 2022**	**02 March 2022**
Vesting date	**02 March 2024**	**02 March 2025**	**02 March 2026**	**02 March 2027**
Expiry date	**02 March 2030**	**02 March 2030**	**02 March 2030**	**02 March 2030**
Fair value of option at grant date	404.29	429.57	444.28	460.59
Exercise price	980.00	980.00	980.00	980.00
Expected volatility of returns	32.66%	33.28%	32.49%	32.11%
Weighted average contractual life (in years)	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years
Expected dividend yield	0.68%	0.68%	0.68%	0.68%
Risk free interest rate	6.12%	6.26%	6.39%	6.50%

(Amounts in ₹Crores, unless otherwise stated)

44. Category wise classification of financial instruments

Particulars	31 March 2022			31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets						
Non-current						
(i) Loans	-	-	289.52	-	-	230.65
(ii) Other financial assets			92.44			13.82
Current						
(i) Investments	-	-	-	-	4.97	-
(ii) Trade receivables	-	-	441.84	-	-	371.90
(iii) Cash and cash equivalents	-	-	31.04	-	-	17.89
(iv) Bank balances other than (iii) above	-	-	391.61	-	-	417.11
(v) Loans	-	-	15.45	-	-	12.45
(vi) Other financial assets	-	-	0.30	-	-	0.35
Total financial assets	**-**	**-**	**1,262.20**	**-**	**4.97**	**1,064.17**

Excludes non-current investment measured at costs ₹119.12 crores (previous year - ₹112.17 crores)

Particulars	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial liabilities						
Non-current						
(i) Borrowings	-	-	9.96	-	-	8.94
(ii) Lease liabilities	-	-	19.09	-	-	12.97
Current						
(i) Borrowings	-	-	30.00	-	-	-
(ii) Trade payables	-	-	215.59	-	-	168.03
(iii) Lease liabilities	-	-	11.31	-	-	11.37
(iv) Other financial liabilities	-	-	126.96	-	-	70.46
Total financial liabilities	**-**	**-**	**412.91**	**-**	**-**	**271.77**

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

45. Fair value hierarchy

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There are no financial liabilities measured at fair value as at 31 March 2022 and 31 March 2021.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31 March 2022 and 31 March 2021 as follows:

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Investments (Non-current)	-	-	-	-
Investments (Current)	-	-	-	-
Total	**-**	**-**	**-**	**-**
	As at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments (Non-current)	-	-	-	-
Investments (Current)	-	4.97	-	4.97
Total	**-**	**4.97**	**-**	**4.97**

Valuation technique used to determine fair value:

Investments (Non current): Discounted Cash flow method using risk adjusted discount rate.

Investments (Current): The investments in mutual fund have been fair valued per net assets value (NAV) as at reporting date.

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair value, due to their short term nature.

46. Financial risk management objectives and policies

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below:

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, trade payables, interest bearing deposits, loans and derivative financial instruments.

The sensitivity analyses of the above mentioned risk in the following sections exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in note 38.

(Amounts in ₹ Crores, unless otherwise stated)

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However the risk is very low due to negligible borrowings. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Particulars	31 March 2022		31 March 2021	
	Increase/ decrease in basis points	Effect on profit before tax	Increase/ decrease in basis points	Effect on profit before tax
INR	+50	(0.01)	+50	(0.01)
INR	-50	0.01	-50	0.01

B. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	31 March 2022		31 March 2021	
	% change in rate	Effect on profit before tax	% change in rate	Effect on profit before tax
USD	+5%	(0.37)	+5%	(0.42)
	-5%	0.37	-5%	0.42
Euro	+5%	(1.75)	+5%	(0.01)
	-5%	1.75	-5%	0.01

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 12. An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 44. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Movement in allowance for expected credit losses on trade receivable:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7.33	6.19
Add: Allowance provided during the year	0.96	1.14
Less: for disputes settled	1.87	-
Balance at the end of the year	**6.42**	**7.33**

B. Financial instruments and cash deposits

The management considers the credit quality of current accounts and deposits with banks to be good and reviews the banking relationships on an on–going basis.

The Company does not require any security in respect of the above financial assets. There are no impairment provisions as at each statement of financial position date against these financial assets, except as disclosed in respect of trade receivables above. The management considers that all the above financial assets that are not impaired or past due for each of the statement of financial position dates under review are of good credit quality.

III. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2022					
Borrowings	30.00	-	9.96	-	39.96
Lease liabilities	3.37	7.94	19.09	-	30.40
Trade payables	215.59	-	-	-	215.59
Other financial liabilities	126.96	-	-	-	126.96
Total	**375.92**	**7.94**	**29.05**	**-**	**412.91**
Year ended 31 March 2021					
Borrowings	-	-	8.94	-	8.94
Lease liabilities	2.84	8.53	12.97	-	24.34
Trade payables	168.03	-	-	-	168.03
Other financial liabilities	70.46	-	-	-	70.46
Total	**241.33**	**8.53**	**21.91**	**-**	**271.77**

47. Capital Management

The Company's capital management objectives are:

a) to ensure the Company's ability to continue as going concern; and

b) to provide an adequate return to stakeholders

As at 31 March 2022, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

48. Unhedged foreign currency exposure

The Company has no outstanding derivative instruments at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

Particulars	31 March 2022		31 March 2021	
	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Foreign trade payables				
USD (in crores)	0.10	7.33	0.11	8.38
EUR (in crores)	0.41	35.07	0.02	5.20
AUD (in crores)	-	-	0.01	0.78
Foreign trade receivables				
USD (in crores)	0.12	8.84	0.07	5.29

49. Ratio Analysis on Standalone Financials

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance (%age)	Reasons
1	Interest Service Coverage Ratio	Earnings before Interest, Tax and Exceptional items (EBIT)	Finance Cost	80.26	82.26	-2%	
2	Debt Equity Ratio	Non Current Borrowings + Current Borrowings + Current Maturities of Non Current Borrowings (Total Debt)	Total Equity	0.02	0.00	296%	Owing to increase in operations, Working Capital requirement has increased.
3	Current Ratio	Current Assets	Current Liabilities	2.52	3.35	-25%	
4	Long Term Debt to WC Ratio	Non Current Borrowings (Incl. current maturities of non current borrowings)	Working Capital (Excl. current maturities of non current borrowings)	0.01	0.01	19%	
5	Current Liability Ratio	Current Liabilities	Total Liabilities	80.62%	75.66%	7%	
6	Total Debt to Total Assets Ratio	Total Debt	Total Assets	1.48%	0.39%	281%	Owing to increase in operations, Working Capital requirement has increased.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance (%age)	Reasons
7	Trade Receivables Turnover Ratio	Total Sales	Average Trade Receivables	8.11	7.01	16%	
8	Inventory Turnover Ratio	Cost of Goods Sold (Cost of Materials Consumed +Purchases + Changes in Inventories + Stores and Spares consumed + Power & Fuel)	Average Inventories	8.56	5.67	51%	Increase in cost of goods sold due to growth in sales and increase in input cost, majorly on account of power & fuel.
9	Operating Margin	EBIT - Other Income	Total Sales	13.56%	15.05%	-10%	
10	Net Profit Ratio	Profit after tax	Total Sales	10.98%	12.20%	-10%	

50. Asset pledged as security (refer note 18)

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Inventories	286.79	239.65
Trade receivables	441.84	371.90
Total current assets pledged as security	**728.63**	**611.55**
Non-current		
Property, plant and equipment (including CWIP)	456.71	423.94
Total non-current assets pledged as security	**456.71**	**423.94**

51. Reporting to banks

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

52. There are no loans which have been given to promoters, directors and KMP's.

53. Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2022 (Nos).	Balance outstanding as at March 31, 2021 (Nos).	Relation with struck off Company
Trivia Infotech Private Limited (CIN: U74990MH2010PTC198657)	Shares held by struck off the Company	2 equity shares of face value ₹1/- each	2 equity shares of face value ₹1/- each	Shareholder
Crystal Infowave Solutions Private Limited (CIN: U74900MH2009PTC198049)	Shares held by struck off the Company	2 equity shares of face value ₹1/- each	2 equity shares of face value ₹1/- each	Shareholder
S3 Solutions Private Limited (CIN: U72400TN2004PTC054467)	Shares held by struck off the Company	15 equity shares of face value ₹1/- each	-	Shareholder
Rajdeep Automation Private Limited (CIN: U99999MH1999PTC120445)	Shares held by struck off the Company	1125 equity shares of face value ₹1/- each	1225 equity shares of face value ₹1/- each	Shareholder

The Company has no transaction other than payment of declared dividend with stuck off companies.

54. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of PP&E, intangible asset and investment property:

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(viii) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

55. Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 6.

(ii) Details of guarantees issued or loans given by the Company as at 31st March, 2022 and 31st March, 2021 are given in Note 7 and 40.

Notes on the Standalone Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

56. Research and development expenditure

Research and development expenditure incurred during the year ended 31 March 2022 and 31 March 2021 is as follows:

Particulars	For the year 31 March 2022	For the year 31 March 2021
Capital expenditure	0.10	0.04
Revenue expenditure	7.58	11.57

57. Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend ₹7.50 crores (31 March 2021: ₹7.33 crores) for Corporate Social Responsibility activities. The Company has incurred CSR expenditure of ₹6.96 crores during the current financial year (31 March 2021: ₹6.66 crores) on the projects/activities for the benefit of the public in general and in the neighbourhood of the manufacturing facilities of the Company. Further the Company has provided an amounting to ₹0.54 crores (31 March 2021: ₹0.67 crores) against the unspent amount of obligation of CSR in accordance with requirements of the Act and plans to spend it with time line specified under the Act.

Particulars		For the year 31 March 2022	For the year 31 March 2021
(i)	Construction/acquisition of any asset		
	Paid in cash	2.13	0.08
	Other than cash	0.95	1.65
(ii)	On purposes other than (i) above		
	Paid in cash	3.88	4.93
(iii)	Projects in hand	0.54	0.67
Total		**7.50**	**7.33**

58. Post reporting date events

No adjusting or significant non-adjusting event has occurred between 31 March 2022 and the date of authorisation of Company's standalone financial statements. However, the Board of Directors of the Company have recommended a final dividend of ₹3 per share (31 March 2021: ₹ Nil) on equity shares of ₹1 each for the year ended 31 March 2022, subject to the approval of shareholders at the ensuing annual general meeting.

59. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Company has reclassified/regrouped certain previous year's balances.

60. The standalone financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 17 May 2022.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

For and on behalf of the Board of Directors

Neeraj Sharma
Partner
Membership no. : 502103

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Place: New Delhi
Date: 17 May 2022

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Kajaria Ceramics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Kajaria Ceramics Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition We refer to the Group's significant accounting policies in note 3(E)(b) and the revenue related disclosures in note 26 of the consolidated financial statements. The Group recognises revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, by transferring the control of goods to its customers at the time of dispatch evidenced by acknowledgement of receipt of goods by the transporter. Further, Ind AS 115 requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations. Owing to the volume of sales transactions, size of distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk and requires significant auditor attention. Accordingly, this matter has been determined as a key audit matter for current year audit.	**Our audit procedures, related to revenue recognition, included, but were not limited to, the following:** a) Assessed the design and tested operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); b) Assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; c) Scrutinized sales ledgers to verify completeness of sales transactions; d) On a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches and approved incentives / discounts schemes; e) Tested the appropriateness of accruals for various rebates and discounts as at the year-end; f) Assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; g) Circularized balance confirmations to a sample of customers and reviewed the reconciling items, if any; and h) Tested the related disclosures made in notes to the financial statements in respect of the revenue from operations for appropriateness in accordance with the requirements of the applicable accounting standards.
Impairment assessment of goodwill and property, plant and equipment (including capital work-in-progress) Refer Note 4 and 6 to the accompanying consolidated financial statements. As at 31st March, 2022, the carrying amount of goodwill and property, plant and equipment (including capital work-in-progress) pertaining to two subsidiaries as disclosed in aforesaid note aggregate to ₹3.67 crore and ₹185.42 crore respectively. Considering the continued losses recorded over the years by the aforementioned subsidiary companies, the management has identified that indicators exist that requires the management to test the carrying value of related goodwill and property, plant and equipment (including capital work-in-progress) for possible impairment.	**Our audit work included, but was not restricted to, performing the following procedures:** a) Obtained an understanding of the management's process, and evaluated design and tested operating effectiveness of controls on identification of indicators of impairment of the carrying value of property, plant and equipment (including capital work-in-progress) and intangible assets under Ind AS 36 'Impairment of assets'; b) Assessed the professional competence, objectivity and capabilities of the specialist used by the management for performing required value-in-use calculations to estimate the recoverable value of goodwill and property, plant and equipment (including capital work-in-progress) relating to such CGU; c) Involved our valuation specialists to assess the appropriateness of the value-in-use calculations used by the management and to test reasonability of the assumptions used therein relating to discount rates, risk premium, industry growth rates, etc.;

Key audit matter	How our audit addressed the key audit matter
Management's assessment of the recoverable amount of property, plant and equipment (including capital work-in-progress) and intangible assets requires estimation and judgement around identification of cash generating units (CGUs) and assumptions used in the determination of value-in-use for the purpose. The principal driver of recoverable value is the estimated growth in the operations of the CGU and ability to generate cash profits in the future. The key assumptions supporting management's assessment of the recoverable amount of property, plant and equipment and intangible assets are the estimated future financial performance, capital expenditure and the discount rates applied. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of the property, plant and equipment (including capital work-in-progress)) and intangible assets. Considering the significance of the amounts involved, and auditor attention required to test the appropriateness of accounting estimate that involves high estimation uncertainty and significant management judgement, this matter has been determined to be a key audit matter for the current year audit.	d) Tested the future business projections, used for performing above said computation, for the CGU from the business plans approved by the board of directors of the subsidiary Company, and ensured its consistency with our understanding of future business plans of the subsidiary Company obtained through interviews with both operating and senior management; e) Assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecast production; f) Performed sensitivity analysis on management's calculated recoverable value for key assumptions such growth rates during explicit period, terminal growth rate and the discount rate used in the calculations performed; g) Tested the arithmetical accuracy of the calculations performed by the management expert; h) Tested the disclosures made in Note 4 & 6 for appropriateness in accordance with the requirements of the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹712.13 crores and net assets of ₹190.00 crores as at 31 March 2022, total revenues of ₹806.29 crores and net cash flows(net) amounting to ₹6.82 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, on separate financial statements of the subsidiaries, we report that the Holding Company and four subsidiary companies, whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiary companies, whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies and taken on record by the Board of Directors of the Holding Company and its subsidiary companies respectively, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the

Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 39 to the consolidated financial statements;

ii. The Holding Company, its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022 and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies covered under the Act, during the year ended 31 March 2022;

iv. (a) The respective managements of the Holding Company and its subsidiary companies whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief , as disclosed in note 58 (ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiary companies whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, as disclosed in the note 58 (ii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

19. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act. Further, as stated in note 50 to the accompanying consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, the subsidiary companies have not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AJBYXO3312

Place: New Delhi
Date: 17 May 2022

Annexure A to the Independent Auditor's Report

of even date to the members of Kajaria Ceramics Limited on the consolidated financial statements for the year ended 31st March, 2022

List of entities included in the consolidated financial statements:

Holding Company

1. Kajaria Ceramics Limited

Subsidiaries

1. Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited);
2. Vennar Ceramics Limited;
3. Cosa Ceramics Private Limited;
4. Kajaria Plywood Private Limited;
5. Kajaria Bathware Private Limited; and
6. Kajaria Sanitaryware Private Limited (step-down subsidiary).

Annexure B to the Independent Auditor's Report

of even date to the members of Kajaria Ceramics Limited on the consolidated financial statements for the year ended 31st March, 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Kajaria Ceramics Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management

and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹712.13 crores and net assets of ₹190.68 crores as at 31 March 2022, total revenues of ₹806.29 crores and net cash flows(net) amounting to ₹6.82 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 2502103AJBYXO3312

Place: New Delhi
Date: 17 May 2022

Consolidated Balance Sheet as at 31 March 2022

(Amounts in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,099.83	1,152.40
(b) Right-of-use assets	38	38.92	28.79
(c) Capital work-in-progress	4	263.36	14.90
(d) Other intangible assets	5	2.39	2.79
(e) Goodwill	6	8.45	8.45
(f) Financial assets			
(i) Other financial assets	15	100.07	21.27
(g) Non-current tax assets (net)	8	14.41	3.83
(h) Deferred tax assets (net)	21	0.75	1.27
(i) Other non-current assets	9	7.02	0.20
		1,535.20	**1,233.90**
Current assets			
(a) Inventories	10	465.88	373.08
(b) Financial assets			
(i) Investments	11	-	4.97
(ii) Trade receivables	12	513.30	431.67
(iii) Cash and cash equivalents	13	32.30	24.82
(iv) Bank balances other than (iii) above	14	392.08	417.93
(v) Loans	7	16.03	12.86
(vi) Other financial assets	15	3.35	3.94
(c) Other current assets	9	28.40	23.43
		1,451.34	**1,292.70**
TOTAL ASSETS		**2,986.54**	**2,526.60**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	15.92	15.91
(b) Other equity	17	2,106.46	1,852.95
Equity attributable to the shareholders of the Company		**2,122.38**	**1,868.86**
(a) Non- controlling interests		64.78	64.60
TOTAL EQUITY		**2,187.16**	**1,933.46**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	23.80	31.31
(ii) Lease liabilities	19	24.21	15.41
(b) Provisions	20	17.95	16.64
(c) Deferred tax liabilities (net)	21	73.32	68.71
(d) Other non-current liabilities	22	0.98	1.51
		140.26	**133.58**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	104.12	67.52
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises; and		26.83	23.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises		271.31	183.45
(iii) Lease liabilities	19	12.76	11.79
(iv) Other financial liabilities	24	148.49	90.91
(b) Other current liabilities	22	76.95	68.07
(c) Provisions	20	7.97	6.21
(d) Current tax liabilities (net)	25	10.69	7.82
		659.12	**459.56**
TOTAL LIABILITIES		**799.38**	**593.14**
TOTAL LIABILITIES AND EQUITY		**2,986.54**	**2,526.60**

See accompanying notes forming part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	26	3,705.19	2,780.90
Other income	27	27.57	21.30
TOTAL INCOME (I)		**3,732.76**	**2,802.20**
EXPENSES			
Cost of materials consumed	28	824.75	590.40
Purchases of stock-in-trade		804.82	523.25
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(74.44)	133.30
Employee benefits expense	30	407.67	324.65
Finance costs	31	12.73	10.71
Depreciation and amortisation expense	32	115.36	106.67
Other expenses	33	1,131.70	700.48
TOTAL EXPENSES (II)		**3,222.59**	**2,389.46**
Profit before exceptional items and tax (I-II)		**510.17**	**412.74**
Exceptional items		-	-
Profit before tax		510.17	412.74
Tax expense:	34		
Current tax		120.97	108.30
Deferred tax		6.46	(4.46)
Profit for the year		**382.74**	**308.90**
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of profit and loss			
- Remeasurement of defined benefit plans		(0.60)	0.16
- Net (loss)/gain on equity security measured through OCI		-	0.08
- Income-tax relating to items that will not be classified to statement of profit and loss		0.15	(0.02)
Total other comprehensive income for the year, net of tax		**(0.45)**	**0.22**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**382.29**	**309.12**
Profit for the year attributable to:			
(a) Owners of the Company		376.98	308.05
(b) Non-controlling interest		5.76	0.85
Other comprehensive income for the year attributable to:			
(a) Owners of the Company		(0.45)	0.21
(b) Non-controlling interest		-	0.01
Total comprehensive income for the year attributable to:			
(a) Owners of the Company		376.53	308.26
(b) Non-controlling interest		5.76	0.86
Earnings per equity share (face value of ₹1 each)	35		
- Basic (in ₹)		23.69	19.37
- Diluted (in ₹)		23.68	19.37

See accompanying notes forming part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	510.17	412.74
Adjustments for :		
Depreciation and amortisation expense	115.36	106.67
Interest income	(23.79)	(17.40)
Interest expense	12.73	10.71
Gain on disposal of current investments	(0.14)	(0.15)
Exchange fluctuation (net)	(0.39)	0.52
Share based payments to employees (net)	0.47	0.15
Subsidy income	(0.53)	(0.54)
Provision for expected credit loss	0.96	1.14
Loss on sale/discard of property, plant and equipment	1.30	6.16
Operating profit before working capital changes	**616.14**	**520.00**
Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary		
Movement in inventories	(92.80)	139.64
Movement in trade and other receivables	(82.59)	(36.64)
Movement in other assets	(4.72)	11.46
Movement in trade and other payables	115.55	(21.91)
Movements in provisions	2.47	(5.78)
Cash flow generated from operations	**554.05**	**606.77**
Income taxes paid	(128.53)	(98.01)
Net cash flow generated from operating activities (A)	**425.52**	**508.76**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances, capital work-in-progress, intangible assets, intangible assets under development and capital creditors)	(268.71)	(112.70)
Proceeds from disposal of property, plant and equipment	5.32	11.49
Transactions with non-controlling interest	(6.94)	-
Proceeds from disposal of noncurrent investments	-	0.42
Loan given	(3.29)	(12.66)
Loan given repatriated	-	3.20
Proceeds from disposal of current investments	5.11	4.98
Interest received	21.50	17.58
Movement in deposits having original maturity of more than three months (net)	(50.90)	(207.85)
Net cash flow (used in) investing activities (B)	**(297.91)**	**(295.54)**

Consolidated Statement of Cash Flows (Contd.) for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(9.17)	(6.80)
Proceeds from issue of share capital	5.22	5.26
Proceeds/ (repayment) of long-term borrowings (net)	(7.94)	(0.34)
Proceeds/ (repayment) of short-term borrowings (net)	36.01	(29.88)
Payment of finance lease liabilities	(16.91)	(13.67)
Dividend paid to Company's shareholders including dividend distribution tax	(127.34)	(159.08)
Net cash flow (used in) financing activities (C)	**(120.13)**	**(204.51)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**7.48**	**8.71**
Cash and cash equivalents at the beginning of the financial year	24.82	16.11
Cash and cash equivalents at the end of the financial year	**32.30**	**24.82**

Components of cash and cash equivalents at the end of the year		
Balances with banks		
- Current accounts	31.87	24.49
Cash on hand	0.43	0.33
	32.30	**24.82**

Note :

1. This cash flow statement presented in accordance with indirect method as set out in Indian Accounting Standard - 7 ' Statement of cash flows' as specified in Indian Accouting Standard Rules, 2015 (as amended)
2. Refer note 51 for net debt reconciliation movement.

See accompanying notes forming part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Consolidated Statement of changes in equity for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the reporting year	15.91	15.90
Add: Changes in equity share capital during the year (refer note 16)	0.01	0.01
Balance at the end of the reporting year	**15.92**	**15.91**

B. Other equity (refer note 17)

Particulars	Reserves and surplus						Items of other comprehensive income (OCI)	Total other equity attributable to owners of the Company	Non-controlling interests	Total
	General reserve	Securities premium reserve	Capital redemption reserve	Share options outstanding account	Capital reserve	Retained earnings	Equity instruments through OCI			
Balance at 1 April 2020	**320.38**	**164.14**	**5.00**	**5.57**	**21.45**	**1,182.30**	**(0.47)**	**1,698.37**	**63.74**	**1,762.11**
Profit for the year	-	-	-	-	-	308.05	-	308.05	0.85	308.90
Items of OCI for the year, net of tax										
Remeasurement of defined benefit plans	-	-	-	-	-	0.13	-	0.13	0.01	0.14
Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-	0.08	0.08	-	0.08
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**308.18**	**0.08**	**308.26**	**0.86**	**309.12**
Shares issued during the year (refer note 16)	-	5.25	-	-	-	-	-	5.25	-	5.25
Employee stock option scheme	-	-	-	0.15	-	-	-	0.15	-	0.15
Transferred to security premium from stock options outstanding account on issue of shares	-	2.16	-	(2.16)	-	-	-	-	-	-
Transferred to retained earnings from OCI of disposal of equity instruments	-	-	-	-	-	(0.39)	0.39	-	-	-
Dividend distributed	-	-	-	-	-	(159.08)	-	(159.08)	-	(159.08)
Income-tax on dividend distribution	-	-	-	-	-	-	-	-	-	-
Transactions with holders of NCI	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	**320.38**	**171.55**	**5.00**	**3.56**	**21.45**	**1,331.01**	**-**	**1,852.95**	**64.60**	**1,917.55**
Profit for the year	-	-	-	-	-	376.98	-	376.98	5.76	382.74
Items of OCI for the year, net of tax										
Remeasurement of defined benefit plans	-	-	-	-	-	(0.45)	-	(0.45)	-	(0.45)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**376.53**	**-**	**376.53**	**5.76**	**382.29**
Shares issued during the year (refer note 16)	-	5.21	-	-	-	-	-	5.21	-	5.21
Employee stock option scheme	-	-	-	0.47	-	-	-	0.47	-	0.47
Transferred to security premium from stock options outstanding account on issue of shares	-	2.16	-	(2.16)	-	-	-	-	-	-
Dividend distributed	-	-	-	-	-	(127.33)	-	(127.33)	-	(127.33)
Transactions with holders of NCI	-	-	-	-	-	(1.37)	-	(1.37)	(5.58)	(6.95)
Balance at 31 March 2022	**320.38**	**178.92**	**5.00**	**1.87**	**21.45**	**1,578.84**	**-**	**2,106.46**	**64.78**	**2,171.24**

See accompanying notes forming part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

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Chairman and Managing Director
(DIN: 00273877)

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(DIN: 00273928)

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Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

1. Corporate information

KAJARIA CERAMICS LIMITED ("KCL" or the "Holding Company" or "the Company") is a limited Company domiciled in India and was incorporated on 20 December 1985. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange. The registered office of the Company is located at SF-11, Second Floor, JMD Regent Plaza Mehrauli Gurgaon Road, Village Sikanderpur Ghosi Gurgaon Haryana - 122001, India.

The Consolidated Financial Statements are comprised of the financial statements of the members of the Group as under:

Name of the Company	Nature of activities	Principal Place of Business	% Shareholding and Voting Power	
			As at March 31, 2022	As at March 31, 2021
i. Direct subsidiaries				
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited);	Manufacturing of Tiles	India	87.37%	87.37%
Vennar Ceramics Limited;	Manufacturing of Tiles	India	51.00%	51.00%
Cosa Ceramics Private Limited;	Manufacturing of Tiles	India	59.67%	51.00%
Kajaria Plywood Private Limited; and	Trading of plywood	India	97.89%	97.89%
Kajaria Bathware Private Limited	Manufacturing of bath fittings	India	85.00%	85.00%
ii. Subsidiaries of 'Kajaria Bathware Private Limited' (where control exists):				
Kajaria Sanitaryware Private Limited (step-down subsidiary).	Manufacturing of sanitaryware products	India	69.70%	69.70%

The Consolidated financial statements for the year ended 31 March 2022 were authorised in accordance with a resolution of Board of Directors on 17 May 2022.

2. Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements.

Standards issued but not effective

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- **Ind AS 102 Share Based Payments** - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- **Ind AS 103 Business Combinations** - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- **Ind AS 114 Regulatory Deferral Accounts** - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets** - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- **Ind AS 38 Intangible Assets** - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.

3. Significant accounting policies and other explanatory information

A. Statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the Security Exchange Boards of India.

Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Group has reclassified/regrouped certain previous year's balances.

B. Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements.

C. Historical cost convention

These consolidated financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

D. Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company, i.e., year ended on 31 March 2022.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity

- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

E. Significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognises revenue at the point in time, when control of the asset is transferred to the customer depending upon the terms of sale with the customers.

When either party to a contract has performed, an entity shall present the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Revenue includes only the gross inflows of economic benefits received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as goods and service tax is excluded from revenue.

Interest income and dividend:
Interest income is recognised using effective interest method.

Dividend income is recognised when the right to receive payment is established.

Export benefits:
The Group recognises income from duty drawback and export benefit on an accrual basis.

c. Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores and spares, stock-in-trade, trading and other products are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares, trading and other products, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

d. Property, plant and equipment

Measurement and recognition
An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars	Useful lives
Plant and Machinery	7, 10 and 18 years
Fit-out and other assets at sales outlets	5 years
Roads	30 and 60 years

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecogntion

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

e. Intangible Assets

Measurement and recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

f. Research and development costs

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.

Items of property, plant and equipment utilized for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

h. Foreign currency transactions

Initial recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Effective 1 April 2018, the Group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

i. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant (deferred income) is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. The loan or assistance is subsequently recognised in the statement of profit and loss on a straight line basis over the period of loan.

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

j. Taxes on income

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k. Employee benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Group recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

I. Defined contribution plans:

The Group makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

II. Defined benefit plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits:

Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

l. Share-based payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

m. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of property leases. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

for allocating resources and assessing performance of the operating segments of the Group.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

p. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

b) Financial liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

d) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

s. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

t. Fair value measurement

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

F. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Estimation of current tax and deferred tax

Management judgement is required for the calculation of provision of income- taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

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(Amounts in ₹Crores, unless otherwise stated)

4. Property, plant and equipment

Particulars	Freehold land	Lease-hold land	Build-ings	Plant and equip-ment	Furni-ture and fixtures	Vehicles	Office equip-ments	Com-puters	Display assets	Total
Gross carrying amount										
As at 1 April 2020	**38.40**	**6.63**	**394.12**	**1,277.14**	**12.51**	**42.40**	**14.92**	**5.69**	**26.56**	**1,818.37**
Additions	40.91	-	23.63	39.26	1.25	10.43	0.99	2.75	1.61	120.83
Disposals/adjustments	0.30	-	1.44	38.55	0.04	5.40	0.58	0.03	4.60	50.94
As at 31 March 2021	**79.01**	**6.63**	**416.31**	**1,277.85**	**13.72**	**47.43**	**15.33**	**8.41**	**23.57**	**1,888.26**
Additions	0.28	-	7.04	33.09	1.47	7.95	0.76	0.35	4.74	55.68
Disposals/adjustments	-	-	-	17.82	0.22	4.68	0.82	0.48	1.81	25.83
As at 31 March 2022	**79.29**	**6.63**	**423.35**	**1,293.12**	**14.97**	**50.70**	**15.27**	**8.28**	**26.50**	**1,918.11**
Accumulated depreciation										
As at 1 April 2020	**-**	**-**	**96.67**	**526.99**	**6.82**	**15.23**	**8.92**	**4.38**	**16.87**	**675.88**
Depreciation charge for the year (refer note 32)	-	-	11.06	70.76	0.96	5.04	1.28	0.67	3.50	93.27
Disposals/adjustments	-	-	0.45	25.18	0.02	3.55	0.37	0.03	3.69	33.29
As at 31 March 2021	**-**	**-**	**107.28**	**572.57**	**7.76**	**16.72**	**9.83**	**5.02**	**16.68**	**735.86**
Depreciation charge for the year (refer note 32)	-	-	11.55	78.45	0.98	5.78	1.19	0.94	2.74	101.63
Disposals/adjustments	-	-	-	13.82	0.16	2.63	0.55	0.45	1.60	19.21
As at 31 March 2022	**-**	**-**	**118.83**	**637.20**	**8.58**	**19.87**	**10.47**	**5.51**	**17.82**	**818.28**
Net carrying amount										
As at 31 March 2022	**79.29**	**6.63**	**304.52**	**655.92**	**6.39**	**30.83**	**4.80**	**2.77**	**8.68**	**1,099.83**
As at 31 March 2021	**79.01**	**6.63**	**309.03**	**705.28**	**5.96**	**30.71**	**5.50**	**3.39**	**6.89**	**1,152.40**

Notes:

1. Property, plant and equipment pledged as security - refer to note 18 for information on property, plant and equipment pledged as security by the Group.
2. Contractual obligations - refer to note 39 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
3. Title deeds of all the immovable property held by the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Group.
4. With respect to property, plant and equipment (including capital work-in-progress) amounting to ₹185.42 crore (included above) in respect of two subsidiary companies, management, during the year has done a detailed evaluation on the recoverability of these property, plant and equipment (including capital work-in-progress). Refer note no 6 for detailed assessment done.

(Amounts in ₹Crores, unless otherwise stated)

4. Property, plant and equipment (cont'd)

5. Capital work-in-progress

Capital work-in-progress mainly pertains to Plant and Equipment pending installation and civil work being carried on at the plants of the Group.

6. Details of Capital Work in Progress (CWIP) ageing is as below:

Particulars	As at 31 March 2022				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in progress	262.99	0.37	-	-	263.36
	As at 31 March 2021				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in progress	11.67	3.23	-	-	14.90

Note : There are no such project under capital work in progress whose completion is overdue or has exceeded it's cost compared to its original plan as of 31 March 2022 and 31 March 2021.

5. Other intangible assets

Particulars	Software	Total
Gross carrying amount		
As at 1 April 2020	**8.78**	**8.78**
Additions	1.53	1.53
As at 31 March 2021	**10.31**	**10.31**
Additions	0.34	0.34
Disposals/adjustments	-	-
As at 31 March 2022	**10.65**	**10.65**
Accumulated amortisation		
As at 1 April 2020	**6.96**	**6.96**
Amortisation charge for the year (refer note 32)	0.56	0.56
As at 31 March 2021	**7.52**	**7.52**
Amortisation charge for the year (refer note 32)	0.74	0.74
Disposals/adjustments	-	-
As at 31 March 2022	**8.26**	**8.26**
Net carrying amount		
As at 31 March 2022	**2.39**	**2.39**
As at 31 March 2021	**2.79**	**2.79**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

6. Goodwill

Particulars	As at 31 March 2022	As at 31 March 2021
Goodwill on Consolidation	**8.45**	**8.45**

Note:

The Group has conducted an impairment assessment to test the recoverability of the carrying value of its goodwill. Impairment indicator was noted with respect to two of its subsidiaries (carrying goodwill of ₹3.67 crore), each subsidiary is representing a separate cash generating unit (CGU) with one engaged in manufacturing of tiles and other engaged in trading of plywood products. The recoverable amount of CGU related to such goodwill have been derived from value-in-use calculations. The calculation uses cashflow forecasts based on the most recently approved financial budgets and future projections. Key assumptions for the value in use calculation are forecasted revenue growth and discount rate of 13.33% and a terminal growth of 2% is forecasted. The pre-tax discount rate is derived from the Company's weighted average cost of capital.

7. Loans#

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured		
Loans to other companies (refer note (i))	13.40	10.50
Loans to related parties (refer note (ii))	0.54	0.15
Others	2.09	2.21
Total	**16.03**	**12.86**

\# Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Notes:

(i) Loans to other companies represents interest bearing loans given for the business purposes and is repayable on demand.

(ii) Represents loans given to Kajaria Ceramics Employee Gratuity Trust (refer note 36 for details).

8. Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provisions)	14.41	3.83
Total	**14.41**	**3.83**

\# Includes tax receivable amounting to ₹6.24 crore recognised pursuant to the Scheme (also refer note 59)

(Amounts in ₹Crores, unless otherwise stated)

9. Other assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Considered good- unsecured				
Capital advances	6.03	0.20	-	-
Advance other than capital advances:				
Advance to suppliers	-	-	11.36	9.29
Prepaid expenses	0.99	-	6.74	5.56
Deferred lease expense	-	-	-	-
Export benefit receivables	-	-	0.26	0.67
Balance with statutory authorities	-	-	9.40	7.27
Others	-	-	0.64	0.64
Total	**7.02**	**0.20**	**28.40**	**23.43**

10. Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	63.68	52.68
Work-in-progress	26.75	20.30
Finished goods	252.22	190.19
Stock-in-trade	43.64	37.68
Stores and spares	62.68	55.02
Packing material	16.91	17.21
Total	**465.88**	**373.08**

For mode of valuation refer Accounting policy number 3E (c))

11. Current financial assets - Investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of units	Amount	No. of units	Amount
Investments in mutual funds (unquoted) - measured at FVTPL				
DSP Arbitrage Fund - Reg. - Monthly Dividend	-	-	47,79,200.92	4.97
Total		**-**		**4.97**
Aggregate amount of unquoted investments and market value thereof		-		**4.97**

Refer note 44 for the fair value disclosures.

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

12. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured	513.30	431.67
Credit impaired	6.42	7.33
Less: Allowance for expected credit losses	(6.42)	(7.33)
Total	**513.30**	**431.67**

Notes:

a) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member.

b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Particulars	As at 31 March 2022						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered goods	314.35	190.41	1.72	0.50	2.07	4.25	513.30
(ii) Disputed Trade receivables - considered goods	-	-	0.01	0.12	0.55	5.74	6.42
Less: Allowance for expected credit losses	-	-	(0.01)	(0.12)	(0.55)	(5.74)	(6.42)
Total	**314.35**	**190.41**	**1.72**	**0.50**	**2.07**	**4.25**	**513.30**

Particulars	As at 31 March 2021						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered goods	257.01	159.89	0.97	5.59	5.04	3.17	431.67
(ii) Disputed Trade receivables - considered goods	-	-	0.07	0.66	1.57	5.03	7.33
Less: Allowance for expected credit losses	-	-	(0.07)	(0.66)	(1.57)	(5.03)	(7.33)
Total	**257.01**	**159.89**	**0.97**	**5.59**	**5.04**	**3.17**	**431.67**

Note: There are no unbilled receivables.

13. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	31.87	24.49
Cash on hand	0.43	0.33
Total	**32.30**	**24.82**

Note: a) There are no repatriation restrictions with regard to cash and cash equivalents as the end of the reporting period and prior periods.

(Amounts in ₹Crores, unless otherwise stated)

14. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks in current accounts - unpaid dividends*	2.53	2.28
Deposits with original maturity of greater than three months and remaining maturity of less than twelve months**	389.08	414.83
Margin money deposit (pledged with banks against non fund based facilities)	0.47	0.82
Total	**392.08**	**417.93**

Note :

* These balances are not available for use by the Group and not due for deposit in the Investor Education and Protection Fund.

** Deposits amounting to ₹191.77 crores (31 March 2021 : ₹55.58 crores) have been pledged by the Group against facilities taken by various subsidiaries and against perfomance guarantees of the Holding Company.

15. Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured				
Deposits with original maturity of greater than twelve months	77.00	-	-	-
Interest accrued on deposits	-	-	3.27	0.98
Security deposits*	23.07	21.27	-	0.04
Others	-	-	0.08	2.92
Total	**100.07**	**21.27**	**3.35**	**3.94**

* Includes Security Deposit given to Related Party amounting to ₹ 0.60 crore (31 March 2021 ₹0.60 crore) (refer note 36)

16. Equity share capital

Particulars	As at 31 March 2022	As at 30 March 2021
Authorised:		
77,00,00,000 equity shares of ₹1 each (31 March 2021: 52,00,00,000 of ₹1 each)	77.00	52.00
77,10,000 preference shares of ₹100 each (31 March 2021: 77,10,000 of ₹100 each)	77.10	77.10
	154.10	**129.10**
Issued and subscribed:		
15,92,04,050 equity shares of ₹1 each (31 March 2021: 15,90,81,000 equity shares of ₹1 each)	15.92	15.91
Total	**15.92**	**15.91**

A. Reconciliation of the authorised share - Equity shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
At the beginning of the reporting year	52,00,00,000	52.00	52,00,00,000	52.00
Add: Increased pursuant to the Scheme (refer note 39)	25,00,00,000	25.00	-	-
Balance at the end of the year	**77,00,00,000**	**77.00**	**52,00,00,000**	**52.00**

*There is no change in authorised capital of preference share during the current year and previous year.

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

B. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
At the beginning of the reporting year	15,90,81,000	15.91	15,89,57,200	15.90
Add: Shares issued on exercise of employee share option	1,23,050	0.01	1,23,800	0.01
Outstanding at the end of the year	**15,92,04,050**	**15.92**	**15,90,81,000**	**15.91**

C. Terms/rights attached to equity shares

The Holding Company has only one class of equity share having face value of ₹1 per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of share is entitled to voting rights proportionate to their share holding. The interim dividend has been distributed to the shareholders on approval of Board of Directors. The interim dividend for ₹8 per share (previous year ₹10 per share) has been distributed to the shareholders on approval of Board of Directors.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive assets of the Holding Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

D. Shares reserved for issue under options

Information relating to Kajaria Ceramics Employee Stock Option Plan, 2015, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 42.

E. Following shareholders hold equity shares more than 5% of the total equity shares of the Holding Company*:

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held having face value of ₹1 each	% of holding in class	Number of shares held having face value of ₹1 each	% of holding in class
Promotors:				
VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	8.12%	1,29,33,973	8.13%
CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	16.25%	2,58,67,947	16.26%
RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	16.25%	2,58,67,947	16.26%

* As per the records of the Holding Company, including its register of members

F. Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and brought back during the last 5 years for each class of shares

Except for shares issued under scheme of arrangements as approved by Hon'ble Court, the Group has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares and any bonus shares which has been issued in the current year and preceding five years. Pursuant to the scheme, existing equity shares of the Holding Company held by Kajaria Securities Private Limited ('KSPL') stood cancelled and the Group had issued 6,46,69,867 equity shares of ₹1 each to shareholders of erstwhile KSPL in proportion of their shareholding in KSPL.

The Holding Company has issued equity shares aggregating 2,66,050 (up to 31 March 2021 : 1,43,000) shares of ₹1 each fully paid during the financial years 2017-18 to 2021-22 on exercise of option granted under the employee stock option plan wherein part consideration was received in form of employee service.

(Amounts in ₹Crores, unless otherwise stated)

16. Equity share capital (cont'd)

G. Details of shares held by promotors:

As at 31 March 2022

S. No.	Promotor Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	-	1,29,33,973	8.12%	-
2	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.25%	-
3	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.25%	-
4	Mr. Ashok Kajaria	10,47,004	-	10,47,004	0.66%	-
5	Mr. Chetan Kajaria	13,39,880	-	13,39,880	0.84%	-
6	Mr. Rishi Kajaria	18,05,716	-	18,05,716	1.13%	-
7	Mrs. Versha Devi Kajaria	17,77,014	-	17,77,014	1.12%	-
8	Mrs. Rasika Kajaria	5,70,000	-	5,70,000	0.36%	-
9	Mrs. Shikha Kajaria	6,00,000	-	6,00,000	0.38%	-
10	Mr. Kartik Kajaria	4,50,000	-	4,50,000	0.28%	-
11	Mr. Raghav Kajaria	4,50,000	-	4,50,000	0.28%	-
12	Mr. Parth Kajaria	4,50,000	-	4,50,000	0.28%	-
13	Mr. Vedant Kajaria	4,50,000	-	4,50,000	0.28%	-
14	Mr. A.K. Kajaria (HUF)	19,67,750	-	19,67,750	1.24%	-
15	Mr. Chetan Kajaria (HUF)	42,000	-	42,000	0.03%	-
16	Mr. Rishi Kajaria (HUF)	6,000	-	6,000	0.00%	-

As at 31 March 2021

S. No.	Promotor Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	1,29,33,973	-	1,29,33,973	8.13%	-
2	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.26%	-
3	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	2,58,67,947	-	2,58,67,947	16.26%	-
4	Mr. Ashok Kajaria	10,47,004	-	10,47,004	0.66%	-
5	Mr. Chetan Kajaria	13,39,880	-	13,39,880	0.84%	-
6	Mr. Rishi Kajaria	18,05,716	-	18,05,716	1.14%	-
7	Mrs. Versha Devi Kajaria	17,77,014	-	17,77,014	1.12%	-
8	Mrs. Rasika Kajaria	5,70,000	-	5,70,000	0.36%	-
9	Mrs. Shikha Kajaria	6,00,000	-	6,00,000	0.38%	-
10	Mr. Kartik Kajaria	4,50,000	-	4,50,000	0.28%	-
11	Mr. Raghav Kajaria	4,50,000	-	4,50,000	0.28%	-
12	Mr. Parth Kajaria	4,50,000	-	4,50,000	0.28%	-
13	Mr. Vedant Kajaria	4,50,000	-	4,50,000	0.28%	-
14	Mr. A.K. Kajaria (HUF)	19,67,750	-	19,67,750	1.24%	-
15	Mr. Chetan Kajaria (HUF)	42,000	-	42,000	0.03%	-
16	Mr. Rishi Kajaria (HUF)	6,000	-	6,000	0.00%	-

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

17. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
a) General reserves		
Balance at the beginning/end of the year	**320.38**	**320.38**
b) Security premium reserve		
Balance at the beginning of the year	**171.55**	**164.14**
Share issued during the year (refer note 16)	5.21	5.25
Transferred to security premium from stock options outstanding account on issue of shares	2.16	2.16
Balance at the end of the year	**178.92**	**171.55**
c) Capital redemption reserve		
Balance at the beginning/end of the year	**5.00**	**5.00**
d) Share options outstanding account		
Balance at the beginning of the year	**3.56**	**5.57**
Employee stock option scheme	0.47	0.15
Transferred to security premium on issue of shares	(2.16)	(2.16)
Balance at the end of the year	**1.87**	**3.56**
e) Capital reserve		
Balance at the beginning/end of the year	**21.45**	**21.45**
f) Retained earnings		
Balance at the beginning of the year	**1,331.01**	**1,182.30**
Profit for the year	376.98	308.05
Items of OCI for the year, net of tax	(0.45)	0.13
Transferred from OCI on disposal of equity instruments	-	(0.39)
Dividend distributed	(127.33)	(159.08)
Transactions with holders of NCI	(1.37)	-
Balance at the end of the year	**1,578.84**	**1,331.01**
g) Other comprehensive income		
Equity instruments designated as fair value through other comprehensive income		
Balance at the beginning of the year	-	**(0.47)**
Fair valuation of investment in equity instruments through OCI (net of tax)	-	0.08
Transferred to retained earnings of disposal of equity instruments	-	(0.39)
Balance at the end of the year	-	-
Equity attributable to the owners of the Group	**2,106.46**	**1,852.95**

(Amounts in ₹ Crores, unless otherwise stated)

17. Other equity (cont'd)

Nature and purpose of reserves -

a) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

b) Securities premium

This reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital redemption reserve

This reserve was created on redemption of preference shares in the financial year 2001-02. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

d) Share options outstanding account

The reserve is used to recognise the grant date fair value of the options issued to employees under Kajaria Ceramics Employee Stock Option Plan, 2015.

e) Capital reserve

The reserve was created on Scheme of Arrangement (the Scheme) between the Company and Kajaria Securities Private Limited ('KSPL') Further, it includes difference between the amount by which the carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary where changes in the Group's ownership interest in a subsidiary does not result in the Group losing control of the subsidiary.

f) Retained earnings

Created from profit/loss of the Group, as adjusted for distributions to owners in the form of dividend and transfer to other reserve.

g) Equity instruments designated as fair value through other comprehensive income ('FVOCI')

The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18. Borrowings

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Term loan - Secured				
(i) From banks	6.08	6.88	2.36	1.77
(ii) Deferred payment liabilities Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)	9.96	8.94	-	-
Term loan - Unsecured				
From others	7.76	15.49	-	-
Working capital facility - Secured				
Secured				
From banks	-	-	101.76	65.75
Total	**23.80**	**31.31**	**104.12**	**67.52**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Terms of borrowings

Type of loan	Loan outstanding		Rate of interest	Security guarantee	Repayment terms
	As at 31 March 2022	As at 31 March 2021			
Term loan - from banks (secured)	4.12	5.51	Rate of interest is variable and linked to MCLR. Interest rate at 31 March 2022 is 7.50%	Term loan is secured against the PPE of Cosa Ceramics Private Limited (Buildings and Plant & Machinery). Above loan is further secured by directors of Cosa Ceramics Private Limited and corporate guarantee to the extent of 100% (previous year : 51%) by the Holding Company.	Repayable in 48 monthly instalments commencing from February 2021. Previous year : Repayable in 84 and 61 monthly instalments commencing from May 2016 and June 2012
Term loan - from banks (secured)	4.32	3.14	Rate of interest is variable and linked to MCLR. Interest rate as 31 March 2022 is 7.75% to 9.25%	Secured against first charge on immovable and movable assets (present and future) and second charge on current assets of Vennar Ceramics Limited at Vishnupuram, Perikigudem, Andhra Pradesh.	Repayable in monthly instalments of ₹0.15 crores in 36 instalments.
Deferred payment liabilities Interest free loan from Financial Institution	9.96	8.94	Nil	Secured against first charge on factory land and building of the Holding Company at Sikandrabad, Uttar Pradesh.	Repayable in one instalment after 7 years from date of disbursement.
Loan from others - Unsecured	7.76	15.49	7% to 8% per annum	None	Payable after 31 March 2022
Working capital facility (secured)	27.91	23.12	Rate of interest is variable and linked to MCLR. Interest rate at 31 March 2022 is 5.60%	Secured by first charge on inventories and book debts and second charge on immovable and movable assets of Jaxx Vitrified Private Limited (at its factories at Morbi, Gujarat).	On demand
Working capital facility (secured)	18.99	20.07	Rate of interest is variable and linked to MCLR. Interest rate at 31 March 2022 is 7.30%	Secured by first charge on inventories and book debts and second charge on immovable and movable assets of Cosa Ceramics Private Limited (at its factories at Morbi, Gujarat).	On demand
Working capital facility (secured)	11.14	8.50	Rate of interest is variable and linked to MCLR. Interest rate at 31 March 2022 is 8.50% to 9%	Secured by first charge on inventories and book debts and second charge of movable and immovable assets, both present and future of Vennar Ceramics Limited and further guaranteed by the Holding Company and Anjani Vishnu Holdings Limited in the ratio of 51:49.	On demand
Working capital facility (secured)	9.58	11.97	Rate of interest is variable and linked to LIBOR. Interest rate at 31 March 2022 is 4%-5%	Secured against hypothecation of entire raw materials, stock in process, stores and spares, packing materials, finished goods and book debts of Kajaria Bathware Private Limited, both present and future. Above loan is further secured by guarantee of Holding Company.	Upto 154 days
Working capital facility (secured)	30.00	-	5.60%	Secured by first charge on inventories and book debts and second charge on immovable and movable assets of the Holding Company (at its factories at Sikandrabad, Uttar Pradesh and Gailpur, Rajasthan).	On demand
Working capital facility (secured)	4.14	2.09	Rate of interest is variable and linked to MCLR. Interest rate at 31 March 2022 is 7.30%	Secured against first charge on Inventories and Book debts of Kajaria Bathware Private Limited, both present & future. Above loan is further secured by guarantee of Holding Company.	On demand

The above loans have been utilised as per the purpose for these loans were sanctioned.

The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

(Amounts in ₹Crores, unless otherwise stated)

19. Lease liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 38)	24.21	15.41	12.76	11.79
Total	**24.21**	**15.41**	**12.76**	**11.79**

20. Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits obligation (refer note 37)				
Gratuity	3.51	3.60	6.09	4.68
Compensated absences	14.44	13.04	1.88	1.53
Total	**17.95**	**16.64**	**7.97**	**6.21**

21. Deferred tax assets/liabilities (net)

	Particulars	As at 31 March 2022	As at 31 March 2021
(a)	**Deferred tax liability on:**		
	Difference between book balance and tax balance of property, plant and equipment	94.53	95.47
		94.53	**95.47**
(b)	**Deferred tax assets on:**		
	Provision for employee benefit obligations	3.95	3.57
	Others (including MAT input credit)	18.01	24.46
		21.96	**28.03**
		72.57	**67.44**
	Amount recognised in the consolidated balance sheet to the extent not netted off*:		
	Deferred tax assets (net)	**0.75**	**1.27**
	Deferred tax liabilities (net)	**73.32**	**68.71**

* The Group does not have legal enforceable right to offset the recognised deferred tax asset of one entity with the deferred tax liability of another entity within the Group.

Movements in deferred tax liabilities and deferred tax assets:

Particulars	Property, plant and equipment	Compensated absences	Other provisions	Total
As at 1 April 2020	84.83	(3.96)	(9.30)	71.57
Charged/(credited) to the statement of profit or loss	10.64	0.39	(15.49)	(4.46)
MAT credit adjusted during the year	-	-	0.33	0.33
As at 31 March 2021	**95.47**	**(3.57)**	**(24.46)**	**67.44**
Charged/(credited) to the statement of profit or loss	(0.94)	(0.38)	7.78	6.46
MAT credit adjusted during the year	-	-	(1.33)	(1.33)
As at 31 March 2022	**94.53**	**(3.95)**	**(18.01)**	**72.57**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

22. Other liabilities

Particulars	Non Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Advance received from customers	-	-	33.49	29.21
Statutory dues payable	-	-	42.92	38.32
Deferred government grant	0.98	1.51	0.54	0.54
Total	**0.98**	**1.51**	**76.95**	**68.07**

23. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	26.83	23.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises	271.31	183.45
Total	**298.14**	**207.24**

Note :

a) The carrying values of trade payables are considered to be a reasonable approximation of fair value.

Particulars	As at 31 March 2022					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
- Total outstanding dues of micro enterprises and small enterprises	26.83	-	-	-	-	26.83
- Total outstanding dues of creditors other than micro enterprises and small enterprises	254.55	16.30	0.18	0.28	-	271.31
-Disputed Dues - micro enterprises and small enterprises	-		-	-	-	-
-Disputed Dues - other than micro enterprises and small enterprises	-		-	-	-	-
Total	**281.38**	**16.30**	**0.18**	**0.28**	**-**	**298.14**

Particulars	As at 31 March 2021					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
- Total outstanding dues of micro enterprises and small enterprises	23.79	-	-	-	-	23.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises	172.07	10.94	0.21	0.23	-	183.45
-Disputed Dues - micro enterprises and small enterprises	-		-	-	-	-
-Disputed Dues - other than micro enterprises and small enterprises	-		-	-	-	-
Total	**195.87**	**10.94**	**0.21**	**0.23**	**-**	**207.24**

Note: There are no unbilled dues.

24. Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unclaimed dividends*	2.52	2.28
Interest bearing deposits from customers	14.17	14.41
Security deposits received	20.31	16.72
Employee payable	63.77	51.64
Liabilities towards unspent corporate social responsibility (refer note 48)	0.54	0.67
Creditors for capital goods	46.73	5.16
Others	0.45	0.03
Total	**148.49**	**90.91**

* Not due for deposit to the Investors Education and Protection Fund.

25. Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current tax liabilities (net)	10.69	7.82
Total	**10.69**	**7.82**

26. Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Tiles	3,359.99	2,776.99
Others	336.66	0.25
	3,696.65	2,777.24
Other operating revenues	8.54	3.66
Total	**3,705.19**	**2,780.90**

Disclosure pursuant to Ind AS-115 'Revenue from contracts with customers', are as follows:

(a) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of tile	3,359.99	2,776.99
Revenue from sale of others	336.66	0.25
Total	**3,696.65**	**2,777.24**

Sale of products are net of discounts amounting to ₹158.32 crores (31 March 2021 : ₹123.02 crores).

Notes on the Consolidated Financial Statements for the year ended 31 March 2022
(Amounts in ₹Crores, unless otherwise stated)

(b) Liabilities related to contracts with customers are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities related to sale of goods		
Advance from customers	33.49	29.21
Interest bearing deposits from customers	14.17	14.41

(c) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 45 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

(d) Significant changes in contract assets and liabilities:

The movement in contract liabilities (interest bearing deposit from customers and advances received from customers) during the year.

Movement for contract liabilities is as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities (Advance from customers)		
Opening balance	**29.21**	**37.46**
Revenue recognised during the year	29.21	37.46
Addition during the year (net)	33.49	29.21
Closing balance	**33.49**	**29.21**

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities (Interest bearing deposits from customers)		
Opening balance	**14.41**	**15.38**
Receipt/(repayment) during the year (net)	(0.24)	(0.97)
Closing balance	**14.17**	**14.41**

(Amounts in ₹Crores, unless otherwise stated)

27. Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income measured at amortised cost on:		
Fixed deposits with bank	23.17	16.84
Other financial assets carried at amortised cost	0.62	0.56
Gain on disposal of current investments	0.14	0.15
Net gain on foreign currency transactions and translation	0.39	0.16
Other non-operating income	3.25	3.59
Total	**27.57**	**21.30**

28. Cost of materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Body material	442.32	320.41
Glaze, frits and chemicals	226.62	167.95
Packing material	155.81	102.04
Total	**824.75**	**590.40**

29. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance		
Finished goods	190.19	315.22
Stock-in-trade	37.68	39.53
Work-in-progress	20.30	26.72
Total	**248.17**	**381.47**
Closing balance		
Finished goods	252.22	190.19
Stock-in-trade	43.64	37.68
Work-in-progress	26.75	20.30
Total	**322.61**	**248.17**
	(74.44)	**133.30**

30. Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	383.88	303.88
Contribution to provident fund and other funds (refer note 37)	16.45	15.43
Share based payments to employees	0.47	0.15
Staff welfare expenses	6.87	5.19
Total	**407.67**	**324.65**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

31. Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	9.66	7.79
Interest on lease liabilities	2.99	2.28
Other borrowing costs	0.08	0.64
Total	**12.73**	**10.71**

32. Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 4)	101.63	93.27
Amortisation of intangible assets (refer note 5)	0.74	0.56
Amortisation on right to use assets (refer note 38)	12.99	12.84
Total	**115.36**	**106.67**

33. Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	758.98	414.90
Stores and spares consumed	98.05	73.52
Repairs and maintenance		
- Building	4.07	3.79
- Plant and equipment	18.78	15.02
- Others	5.04	4.92
Rent (refer note 38)	2.85	1.72
Rates and taxes	2.40	1.24
Traveling and conveyance	34.15	22.24
Insurance charges	5.17	4.47
Legal and professional charges	5.70	6.23
Payment to auditor as :		
- auditor	0.70	0.70
- for other services	0.52	0.43
- for reimbursement of expenses	0.03	0.03
Packing, freight and forwarding expenses	57.93	42.01
Advertisement, publicity and sales promotion	80.25	46.41
Sales commission	11.14	10.93
Loss on disposal of property, plant and equipment	1.30	6.16
Provision for expected credit loss	0.96	1.14
Corporate social responsibility expenditure (refer note 48)	7.50	7.33
Research and development expenses (refer note 49)	7.58	11.57
Net loss on foreign currency transactions and translation	-	0.68
Miscellaneous expenses	28.60	25.04
Total	**1,131.70**	**700.48**

(Amounts in ₹Crores, unless otherwise stated)

34. Income-tax expense

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a)	**Income-tax expense debited to statement of profit and loss**		
	Current tax		
	Current tax expense on profits for the year	**120.97**	**108.30**
	Deferred tax		
	Deferred tax charge/(credit) for the year	6.46	(4.46)
		6.46	**(4.46)**
	Total tax expense	**127.43**	**103.84**
(b)	**Income-tax expense debited/(credited) to other comprehensive income**		
	Current tax		
	Current tax charge/(credit) for the year	(0.15)	0.02
	Deferred tax		
	Deferred tax charge/(credit) for the year	-	-
		(0.15)	**0.02**
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Profit before tax	510.17	412.74
	Tax at the Indian tax rate of 25.168% (31 March 2021: 25.168%)	128.40	103.88
	Adjustments in respect of current income-tax of previous years	(6.24)	0.18
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Expenses not allowed as deduction	2.36	1.67
	Deductions not leading to timing differences		(0.10)
	Deferred tax liabilities recognised pursuant to the Scheme	4.53	-
	Subsidiary Company not recognised as deferred tax asset	(1.62)	(1.79)
	Income-tax expense	**127.43**	**103.84**

35. Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity holders of the Holding Company for basic earnings (₹ in crores) for the year	376.98	308.05
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	15,91,56,882	15,89,94,849
Weighted average number of equity shares in calculating diluted earnings per share (refer note below) (Nos.)	15,91,96,545	15,90,40,262
Earnings per share		
- Basic (₹)	23.69	19.37
- Diluted (₹)	23.68	19.37

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Note: Weighted average number of equity shares used as denominator:

Particulars	No. of shares	
	31 March 2022	31 March 2021
Weighted average number of equity shares used as denominator in calculating basic earnings per shares	15,91,56,882	15,89,94,849
Adjustments for calculation of diluted earnings per share:		
- Outstanding employee stock options	39,662	45,413
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share	**15,91,96,545**	**15,90,40,262**

36. Related party disclosures in accordance with Ind AS 24 - Related party disclosures

I List of related parties as per Ind AS 24

(a) Key management personnel (KMP):

Name of the KMP	Designation
Mr. Ashok Kajaria	Chairman and Managing Director
Mr. Chetan Kajaria	Joint Managing Director
Mr. Rishi Kajaria	Joint Managing Director
Mr. Dev Dutt Rishi	Non Executive Director
Mr. Raj Kumar Bhargava	Independent director
Mr. Debi Prasad Bagchi	Independent director
Mr. Harady Rathnakar Hegde	Independent director
Mrs. Susmita Singha	Independent director

(b) Enterprises controlled by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-

Name of the Entity
Dua Engineering Works Private Limited
Malti Devi Kajaria Foundation
Kajaria Ceramics Employees Gratuity Trust
VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)
CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)
RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)
Mr. A.K. Kajaria (HUF)
Mr. Chetan Kajaria (HUF)
Mr. Rishi Kajaria (HUF)

(c) Relatives of key management personnel

Name of relatives
Mrs. Versha Devi Kajaria
Mrs. Rasika Kajaria
Mrs. Shikha Kajaria
Mr. Kartik Kajaria
Mr. Raghav Kajaria
Mr. Parth Kajaria
Mr. Vedant Kajaria

(Amounts in ₹Crores, unless otherwise stated)

36. Related party transactions (cont'd)

II Details of transaction with Key Managerial Personnel (KMP) and related to KMP are as follows:

(a) Details relating to remuneration to KMP:

Name of KMP	31 March 2022		31 March 2021	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ashok Kajaria*	5.67	-	2.64	-
Mr. Chetan Kajaria*	5.56	-	2.78	-
Mr. Rishi Kajaria*	5.56	-	2.78	-
Mr. Dev Dutt Rishi	-	0.04	-	0.01
Mr. Raj Kumar Bhargava	-	0.06	-	0.02
Mr. Debi Prasad Bagchi	-	0.07	-	0.03
Mr. Harady Rathnakar Hegde	-	0.07	-	0.03
Mrs. Susmita Singha	-	0.07	-	0.03

* Does not include employee benefits is relation to gratuity and compensated absence, as such provisions are for the Company as a whole.

(b) Dividend paid	31 March 2022	31 March 2021
Key management personnel and relatives of KMP		
- Mr. Ashok Kajaria	0.84	1.05
- Mr. Chetan Kajaria	1.07	1.34
- Mr. Rishi Kajaria	1.44	1.81
- Mrs. Versha Devi Kajaria	1.42	1.78
- Mrs. Rasika Kajaria	0.46	0.57
- Mrs. Shikha Kajaria	0.48	0.60
- Mr. Kartik Kajaria	0.36	0.45
- Mr. Raghav Kajaria	0.36	0.45
- Mr. Parth Kajaria	0.36	0.45
- Mr. Vedant Kajaria	0.36	0.45

(c) Guarantees received/(released) during the year

Particulars	31 March 2022	31 March 2021
Key management personnel and relatives of KMP		
- Mr. Ashok Kajaria	(70.00)	-

(d) Guarantee received outstanding at year end	31 March 2022	31 March 2021
Key management personnel and relatives of KMP		
- Mr. Askok Kajaria (for loan taken by the Holding Company)	31.40	101.40

Details of transactions with enterprises over which KMP or their relatives are able to exercise significant influence:

	Particulars	31 March 2022	31 March 2021
(e)	**Rent paid**		
	Dua Engineering Works Private Limited	1.59	0.61
(f)	**Donation paid**		
	Malti Devi Kajaria Foundation	0.46	0.36

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Details of transactions with enterprises over which KMP or their relatives are able to exercise significant influence: (contd.)

	Particulars	31 March 2022	31 March 2021
(g)	**Loan given**		
	Kajaria Ceramics Employee Gratuity Trust	1.53	1.50
(h)	**Loans repaid**		
	Kajaria Ceramics Employee Gratuity Trust	1.14	2.00
(i)	**Dividend paid**		
	VK Trustees Private Limited (in its capacity as sole trustee of Versha Kajaria Family Private Trust)	10.34	12.93
	CK Trustees Private Limited (in its capacity as sole trustee of Chetan Kajaria Family Private Trust)	20.70	25.87
	RK Trustees Private Limited (in its capacity as sole trustee of Rishi Kajaria Family Private Trust)	20.70	25.87
	Mr. A.K. Kajaria (HUF)	1.58	1.97
	Mr. Chetan Kajaria (HUF)	0.03	0.04
	Mr. Rishi Kajaria (HUF) (* rounded off to Nil)	-*	-*
	B. Outstanding balances as at year end:		
	Loan given		
	Kajaria Ceramics Employee Gratuity Trust	0.54	0.15
	Security deposit		
	Dua Engineering Works Private Limited	0.60	0.60

37. Employee benefit

The Group has following post-employment benefit plans:

A) Defined contribution plan

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund. The Group's contribution to the provident fund is ₹11.11 crores (31 March 2021: ₹10.38 crores).

B) Defined benefit plans - Gratuity

The Group has defined benefit gratuity plan for its employees where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of insurance, whereby these contributions are transferred to the insurer. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Group makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

(Amounts in ₹Crores, unless otherwise stated)

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation at the beginning of the year	**46.71**	**41.95**
Current service cost	4.54	4.18
Interest cost	3.24	2.83
Benefits paid	(1.29)	(2.06)
Actuarial loss/(gain) on obligations	(0.03)	(0.19)
Past service cost	-	-
Defined benefit obligation at the end of the year	**53.17**	**46.71**

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	38.43	29.69
Contribution during the year	4.33	8.80
Benefits paid	(1.21)	(2.06)
Expected interest income on plan assets	2.65	2.03
Actuarial gain/(loss) on plan asset	(0.63)	(0.03)
Fair value of plan assets at the end of the year	**43.57**	**38.43**

Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets	43.57	38.43
Defined benefit obligation	53.17	46.71
Net (liability) recognised in the Consolidated Balance Sheet (refer note 20)	**(9.60)**	**(8.28)**
Current	6.09	4.68
Non current	3.51	3.60

Amount recognised in Consolidated Statement of Profit and Loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	4.54	4.18
Interest expense	3.24	2.83
Expected return on plan asset	(2.65)	(2.03)
Amount recognised in Consolidated Statement of Profit and Loss	**5.13**	**4.98**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Breakup of actuarial gain/(loss)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial gain/(loss) arising on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	0.51	(1.85)
Actuarial gain/(loss) arising from experience adjustments	(0.48)	2.04
Actuarial gain/(loss) arising on plan assets	(0.63)	(0.03)
Amount of gain/(loss) recognised in other comprehensive income	**(0.60)**	**0.16**

The major categories of plan assets are as follows:

Gratuity	As at 31 March 2022	As at 31 March 2021
Investment details	**Funded**	**Funded**
Investment with gratuity funds	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	7.00%	6.75% - 7.00%
Expected rate of return on Plan assets	7.00%	6.75%
Future salary increases	5% to 10.00%	5% to 10.00%
Attrition Rate :		
18-30 years	3.00%	3.00%
30-44 years	3.00%	3.00%
44-58 years	3.00%	3.00%
Retirement age	58 years	58 years
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

Note:

a.) The discount rate is based upon the market yield available on government bonds at the accounting date relevant to currency of benefits payments for a term that matches the liability.

b.) The estimates for future salary increase rate taxes amount of inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

c.) The group provides for gratuity for employees in India as per the Payment of Gratuity Act,1972.

Experience adjustment:

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Present value of defined benefit obligation	53.17	46.71	41.95	35.15	31.81
Experience gain/(loss) on liability	(0.48)	2.04	1.72	(0.02)	(1.60)

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 is as shown below:

Gratuity Plan	Sensitivity level		Impact on defined benefit obligation	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Assumptions				
Discount rate	+1%	+1%	(4.23)	(3.94)
	-1%	-1%	4.93	4.58
Future salary increases	+1%	+1%	4.82	4.46
	-1%	-1%	(4.22)	(3.93)
Withdrawal rate	+1%	+1%	(0.46)	(0.48)
	-1%	-1%	0.54	0.54

Note:

1. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
2. Sensitivities due to mortality and withdrawals are insignificant and hence ignored.
3. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Effect of plan on Company's future cash flows

(a) Funding arrangements and funding Policy

The Company has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) The following payments are expected contributions to the defined benefit plan in future years (in absolute terms i.e. undiscounted):

Particulars	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	5.95	4.59
Between 2 and 5 years	9.32	7.76
Beyond 5 years	37.90	34.36
Total expected payments	**53.17**	**46.71**

Note:

1. Expected contribution for next year is ₹4.45 crores (31 March 2021 : ₹3.76 crores)
2. The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (31 March 2021: 12 years).

C) Other long-term employee benefits - Compensated absences (unfunded)

Particulars	31 March 2022	31 March 2021
Amounts recognised in the consolidated balance sheet		
Current	1.88	1.53
Non current	14.44	13.04

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

38. Leases

a) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	66	1 to 8 years	2.40 years to 5.5 years

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

b) (i) Amounts recognised in consolidated balance sheet and consolidated statement of profit and loss :

The consolidated balance sheet shows the following amounts relating to leases:

Particulars	Category of right-of-use assets		
	Land	Buildings	Total
Balance as at 1 April 2020 (on account of initial application of Ind AS 116)	5.10	36.90	42.00
Add: Additions	-	5.72	5.72
Add: Adjustment on account of lease modification		(6.09)	(6.09)
Less: Amortisation charged on the right-of-use assets (refer note 32)	0.05	12.79	12.84
Balance as at 31 March 2021	**5.05**	**23.74**	**28.79**
Add: Additions	-	24.48	24.48
Add: Adjustment on account of lease modification	-	(1.36)	(1.36)
Less: Amortisation charged on the right-of-use assets (refer note 32)	0.05	12.94	12.99
Balance as at 31 March 2022	**5.00**	**33.92**	**38.92**

c) Lease payments not recognised as lease liabilities:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases (included in other expenses)	2.85	1.72
Total	**2.85**	**1.72**

d) The total cash outflow for leases for the year ended 31 March 2022 ₹16.91 crores (31 March 2021 : ₹13.67 crores)

e) **Future minimum lease payments as on 31 March 2022 and 31 March 2021 are as follows:**

Minimum lease payments due	As on 31 March 2022		
	Lease payments	Finance charges	Net present values
Within 1 year	15.48	2.72	12.76
1 - 2 years	12.73	2.07	10.66
2 - 3 years	9.12	1.17	7.95
3 - 4 years	5.11	0.09	5.02
More than 4 years	0.65	0.07	0.58
Total	**43.09**	**6.12**	**36.97**

Minimum lease payments due	As on 31 March 2021		
	Lease payments	Finance charges	Net present values
Within 1 year	13.96	2.17	11.79
1 - 2 years	9.05	1.65	7.40
2 - 3 years	5.86	0.91	4.95
3 - 4 years	2.20	0.24	1.96
More than 4 years	1.21	0.11	1.10
	32.28	**5.08**	**27.20**

(Amounts in ₹Crores, unless otherwise stated)

39. Commitments, contingencies and litigations

		31 March 2022	31 March 2021
(a)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.01	0.16
(b)	**Contingent liabilities**		
	Claims against the Group not acknowledged as debt		
	- In respect of income tax, value added tax, service tax and excise duty demands pending before various authorities and in dispute	7.22	7.18
	- In respect of consumer cases	2.16	2.25

The Group is contesting the above demands and the management, including its solicitor, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for the tax demand raised.

The Group has certain litigations involving customers and vendors and based on legal advice of in-house legal team, the management believes that no material liability will devolve on the Group in respect of these litigations.

40. Segment reporting

Basis of segment reporting

The Group has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes:

Reportable segment	Operations
Tiles	Manufacturing and trading of ceramic and vitrified wall and floor tiles
Others including bathware, sanitaryware and plywood products	Manufacturing of sanitaryware and faucet and trading of plywood and block board

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies.

Particulars	31 March 2022			31 March 2021		
	Tiles	Others	Total	Tiles	Others	Total
A. Segment revenue	**3,363.39**	**341.80**	**3,705.19**	**2,532.75**	**248.15**	**2,780.90**
B. Segment results	**475.84**	**19.49**	**495.33**	**394.09**	**8.06**	**402.15**
C. Reconciliation of segment result with profit after tax						
Segment results	475.84	19.49	495.33	394.09	8.06	402.15
Add/(Less):						
Other income			27.57			21.30
Finance costs			(12.73)			(10.71)
Income taxes			(127.43)			(103.84)
Profit after tax as per Statement of Profit and Loss			**382.74**			**308.90**
D. Other information						
Segment assets	2,299.42	233.66	2,533.08	1,859.11	203.10	2,062.21
Un-allocable assets			453.46			464.39
Total assets			**2,986.54**			**2,526.60**
Segment liabilities	522.20	61.12	583.32	362.49	50.87	413.36
Un-allocable liabilities			216.06			179.78
Total liabilities			**799.38**			**593.14**

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

41. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the 'Suppliers' regarding their status under the Act.

	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprises	26.83	23.79
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

42. Share based payments

A Kajaria Ceramics Employee Stock Option Plan, 2015 ('ESOP 2015' or the 'Plan') was approved by the Board of Directors and the shareholders of the Company on 7 September 2015. The plan entitles employees of the Group to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Kajaria Ceramics Employee Stock Option Plan 2015
Exercise Price	₹425
Vesting conditions	45,800 options 24 months after the grant date ('First vesting')
	91,600 options 36 months after the grant date ('Second vesting')
	137,400 options 48 months after the grant date ('Third vesting')
	183,200 options 60 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 8 years from grant date.
Number of share options granted	458,000
Method of settlement	Equity

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹850 per option which is 7.42 % below the stock price i.e. ₹918.10 per share on the date of grant, i.e. 20 October 2015.

(Amounts in ₹Crores, unless otherwise stated)

During the year ended 31 March 2017, face value of equity shares of the Company was sub-divided to ₹1 per share from ₹2 per share. Accordingly, the exercise price also reduced to ₹425 per share from ₹850 per share and number of stock options increased to 458,000 equity shares from 229,000 equity shares. The number and weighted average exercise price of share options are as follows:

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2020	3,12,800	425.00
Forfeited during the year	(11,700)	425.00
Exercised during the year	(1,23,800)	425.00
At 31 March 2021	**1,77,300**	425.00
Exercisable as at 31 March 2021	**1,77,300**	
Weighted average remaining contractual life (in years)	**2.55**	
At 1 April 2021	1,77,300	425.00
Forfeited during the year	-	425.00
Exercised during the year	(1,23,050)	425.00
At 31 March 2022	**54,250**	425.00
Exercisable as at 31 March 2022	**54,250**	
Weighted average remaining contractual life (in years)	**1.55**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. The following principal assumptions were used in the valuation:

Grant date	**20 October 2015**	**20 October 2015**	**20 October 2015**	**20 October 2015**
Vesting date	**20 October 2017**	**20 October 2018**	**20 October 2019**	**20 October 2020**
Expiry date	**20 October 2023**	**20 October 2023**	**20 October 2023**	**20 October 2023**
Fair value of option at grant date	260.22	310.20	354.01	392.99
Exercise price	425.00	425.00	425.00	425.00
Expected volatility of returns	27.63%	27.63%	27.63%	27.63%
Weighted average contractual life (in years)	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years
Expected dividend yield	0.40%	0.40%	0.40%	0.40%
Risk free interest rate	7.15%-7.30%	7.15%-7.30%	7.15%-7.30%	7.15%-7.30%

B Board of Directors and the shareholders of the Company has approved to issue additional stock options to the eligible employees of the Company under Kajaria Ceramics Employee Stock Option Plan, 2015 ('ESOP 2015' or the 'Plan'). The eligible employees of the Company and its subsidiaries to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Kajaria Ceramics Employee Stock Option Plan 2015
Exercise Price	₹980
Vesting conditions	70,520 options 24 months after the grant date ('First vesting')
	141,040 options 36 months after the grant date ('Second vesting')
	211,560 options 48 months after the grant date ('Third vesting')
	282,080 options 60 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 8 years from grant date.
Number of share options granted	705,200
Method of settlement	Equity

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(Amounts in ₹Crores, unless otherwise stated)

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹980 per option which is 9.36 % below the stock price i.e. ₹1081.25 per share on the date of grant, i.e. 20 October 2015.

The number and weighted average exercise price of share options are as follows:

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2020	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
At 31 March 2021	-	-
Exercisable as at 31 March 2021	-	
Weighted average remaining contractual life (in years)		
At 1 April 2021	-	-
Granted during the year	7,05,200	980.00
Exercised during the year	-	980.00
At 31 March 2022	**7,05,200**	980.00
Exercisable as at 31 March 2022	**7,05,200**	
Weighted average remaining contractual life (in years)	**7.92**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. The following principal assumptions were used in the valuation:

Grant date	**02 March 2022**	**02 March 2022**	**02 March 2022**	**02 March 2022**
Vesting date	**02 March 2024**	**02 March 2025**	**02 March 2026**	**02 March 2027**
Expiry date	**02 March 2030**	**02 March 2030**	**02 March 2030**	**02 March 2030**
Fair value of option at grant date	404.29	429.57	444.28	460.59
Exercise price	980.00	980.00	980.00	980.00
Expected volatility of returns	32.66%	33.28%	32.49%	32.11%
Weighted average contractual life (in years)	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years	2.5-5.5 years
Expected dividend yield	0.68%	0.68%	0.68%	0.68%
Risk free interest rate	6.12%	6.26%	6.39%	6.50%

(Amounts in ₹Crores, unless otherwise stated)

43. Category wise classification of financial instruments

Particulars	31 March 2022			31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets						
Non-current						
Other financial assets	-	-	100.07	-	-	21.27
Current						
Investments	-	-	-	-	4.97	-
Trade receivables	-	-	513.30	-	-	431.67
Cash and cash equivalents	-	-	32.30	-	-	24.82
Other bank balances	-	-	392.08	-	-	417.93
Loans	-	-	16.03	-	-	12.86
Other financial assets	-	-	3.35	-	-	3.94
Total financial assets	**-**	**-**	**1,057.13**	**-**	**4.97**	**912.49**
* rounded off to nil						
Financial liabilities						
Non-current						
(i) Borrowings	-	-	23.80	-	-	31.31
(ii) Lease liabilities	-	-	24.21	-	-	15.41
Current						
(i) Borrowings	-	-	104.12	-	-	67.52
(ii) Trade payables	-	-	298.14	-	-	207.24
(iii) Lease liabilities	-	-	12.76	-	-	11.79
(iv) Other financial liabilities	-	-	148.49	-	-	90.91
Total financial liabilities	**-**	**-**	**611.52**	**-**	**-**	**424.18**

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investments in mutual funds is determined using quoted net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the Group's interest bearings borrowings are determined using discount rate that reflects the Group's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

44. Fair value hierarchy

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There are no financial liabilities measured at fair value as at 31 March 2022 and 31 March 2021.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31 March 2022 and 31 March 2021 as follows:

	As at 31 March 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Non Current - Investment	-	-	-	-
Current - Investment	-	-	-	-
Total	**-**	**-**	**-**	**-**
	As at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Non Current - Investment	-	-	-	-
Current - Investment	-	4.97	-	4.97
Total	**-**	**4.97**	**-**	**4.96**

Valuation technique used to determine fair value:

Investments (Non current): Discounted Cash flow method using risk adjusted discount rate.

Investments (Current): The investments in mutual fund have been fair valued per net assets value (NAV) as at reporting date.

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair value, due to their short term nature.

45. Financial risk management objectives and policies

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.:

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, trade payables, interest bearing deposits, loans and derivative financial instruments.

The sensitivity analyses of the above mentioned risk in the following sections exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in note 39.

(Amounts in ₹Crores, unless otherwise stated)

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

Particulars	31 March 2022		31 March 2021	
	Increase/ decrease in basis points	Effect on profit before tax	Increase/ decrease in basis points	Effect on profit before tax
INR	+50	(0.82)	+50	(2.08)
INR	-50	0.82	-50	2.08

B. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	% change in rate	Effect on profit before tax	
		31 March 2022	31 March 2021
USD	+5%	(1.30)	(0.86)
	-5%	1.30	0.86
Euro	+5%	(1.96)	0.08
	-5%	1.96	(0.08)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The Group provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provides for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At the year end the Group does not have any significant concentrations of bad debt risk other than that disclosed in note 12.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 43. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Movement in allowance for expected credit losses on trade receivable:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	**7.33**	**6.19**
Add: Allowance during the year	0.96	1.14
Less: used against bad debts	(1.87)	-
Balance at the end of the year	**6.42**	**7.33**

B. Financial instruments and cash deposits

The management considers the credit quality of current accounts and deposits with banks to be good and reviews the banking relationships on an on–going basis.

The Group does not require any security in respect of the above financial assets. There are no impairment provisions as at each statement of financial position date against these financial assets, except as disclosed in respect of trade receivables above. The management considers that all the above financial assets that are not impaired or past due for each of the statement of financial position dates under review are of good credit quality.

III. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31 March 2022					
Borrowings*	98.47	5.65	23.80	-	127.92
Lease liabilities	3.73	9.03	24.21	-	36.97
Trade payables	297.93	0.21	-	-	298.14
Other financial liabilities	148.49	-	-	-	148.49
	548.62	**14.89**	**48.01**	**-**	**611.52**

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31 March 2021					
Borrowings*	61.65	5.87	31.31	-	98.83
Lease liabilities	3.48	8.31	15.41	-	27.20
Trade payables	207.24	-	-	-	207.24
Other financial liabilities	87.89	3.02	-	-	90.91
	360.26	**17.20**	**46.72**	**-**	**424.18**

* In absolute terms i.e. discounted and including current maturity portion

46. Unhedged foreign currency exposure

The Company has no outstanding derivative instruments at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

Particulars	31 March 2022		31 March 2021	
	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Foreign trade payables/other payable				
USD in crores	0.13	9.96	0.11	8.41
EURO in crores	0.52	44.47	0.05	7.79
AUD in crores	-	-	0.01	0.78
Foreign trade receivables				
USD in crores	0.23	17.39	0.07	5.29
Short term borrowings				
USD in crores	0.11	8.35	0.15	11.22
EUR in crores	0.01	1.24	0.01	0.74

47. Capital management

The Group's capital management objectives are:

a) to ensure the Group's ability to continue as going concern; and

b) to provide an adequate return to stakeholders

For the purpose of the Group’s capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Holding Company. The Group manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings, less cash and cash equivalents.

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(Amounts in ₹Crores, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
Total borrowings	127.92	98.83
Less: Cash and cash equivalents	(32.30)	(24.82)
Total debts	**95.62**	**74.01**
Capital employed	2,122.38	1,868.86
Total capital employed	**2,122.38**	**1,868.86**
Gearing ratio (%)	**4.51%**	**3.96%**

48. Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Group was required to spend ₹7.47 crores (31 March 2021: ₹7.33 crores) for Corporate Social Responsibility activities. The Group has incurred CSR expenditure of ₹6.96 crores during the current financial year (31 March 2021: 6.66 crores) on the projects/activities for the benefit of the public in general and in the neighbourhood of the manufacturing facilities of the Holding Company. Further the Group has provided an amounting to ₹0.54 crores (31 March 2021: ₹0.67 crores) against the unspent amount of obligation of CSR in accordance with requirements of the Act and plans to spend it with time line specified under the Act.

Particulars	For the year 31 March 2022	For the year 31 March 2021
(i) Construction/acquisition of any asset		
Paid in cash	2.13	0.08
Other than cash	0.95	1.65
(ii) On purposes other than (i) above		
Paid in cash	3.88	4.93
(iii) Projects in hand	0.54	0.67
	7.50	**7.33**

49. Research and development expenditure

Research and development expenditure incurred during the year ended 31 March 2022 and 31 March 2021 is as follows:

Particulars	For the year 31 March 2022	For the year 31 March 2021
Capital expenditure	0.10	0.04
Revenue expenditure	7.58	11.57
Total	**7.68**	**11.61**

50. Post reporting date events

No adjusting or significant non-adjusting event has occurred between 31 March 2022 and the date of authorisation of Company's consolidated financial statements. However, the Board of Directors of the Company have recommended a final dividend of ₹3 per share (31 March 2021: ₹Nil per share) on equity shares of ₹1 each for the year ended 31 March 2022, subject to the approval of shareholders at the ensuing annual general meeting.

(Amounts in ₹Crores, unless otherwise stated)

51. Reconciliation of liabilities arising from financing activities pursuant to Ind AS - 7 Cash flows

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at 31 March 2022	As at 31 March 2021
Current borrowings	101.76	65.75
Lease Liabilities (including current portion)	36.97	27.20
Non-current borrowings (including current maturities)	26.16	33.08
Net debt	**164.89**	**126.03**

The changes of the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Current borrowings	Lease Liabilities	Non-current borrowings
Net debt as at 1 April 2020	**95.63**	**37.88**	**32.50**
Lease Liabilities recognised under Ind AS 116 at 1 April 2020	-	-	-
Interest on lease liabilities	-	2.99	-
Cash flows	(29.88)	(13.67)	(0.34)
Non-cash adjustments - Fair value adjustments	-	-	0.92
Net debt as at 31 March 2021	**65.75**	**27.20**	**33.08**
Lease liabilities on leased entered during the year	-	23.12	-
Interest on lease liabilities	-	3.56	-
Cash flows	36.01	(16.91)	(7.94)
Non-cash adjustments - Fair value adjustments	-	-	1.02
Net debt as at 31 March 2022	**101.76**	**36.97**	**26.16**

52. Ratio Analysis

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance (%age)	Reasons
1	Debt Service Coverage Ratio	Profit after tax + Depreciation & Amortisation + Interest on Long term loans + Proceeds from fresh long term loans	Interest on Long term loans + Principal repayments of long term loans	53.86	22.93	135%	Increase in working capital utilisation in FY 2022 because of increase in operation.
2	Interest Service Coverage Ratio	Earnings before Interest, Tax and Exceptional items (EBIT)	Finance Cost	40.62	39.46	3%	
3	Debt Equity Ratio	Non Current Borrowings + Current Borrowings + Current Maturities of Non Current Borrowings (Total Debt)	Total Equity	0.06	0.05	14%	
4	Current Ratio	Current Assets	Current Liabilities	2.20	2.81	-22%	
5	Long Term Debt to WC Ratio	Non Current Borrowings (Incl. current maturities of non current borrowings)	Working Capital (Excl. current maturies of non current borrowings)	0.03	0.04	-17%	
6	Current Liability Ratio	Current Liabilities	Total Liabilities	82.45%	77.48%	6%	

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance (%age)	Reasons
7	Total Debt to Total Assets Ratio	Total Debt	Total Assets	4.28%	3.91%	10%	
8	Trade Receivables Turnover Ratio	Total Sales	Average Trade Receivables	7.84	6.71	17%	
9	Inventory Turnover Ratio	Cost of Goods Sold (Cost of Materials Consumed +Purchases + Changes in Inventories + Stores and Spares consumed + Power & Fuel)	Average Inventories	5.75	3.92	47%	Increase in cost of goods sold due to growth in sales and increase in input cost.
10	Operating Margin	EBIT - Other Income	Total Sales	13.21%	14.43%	-8%	
11	Net Profit Ratio	Profit after tax	Total Sales	10.17%	11.08%	-8%	

53. Disclosure of additional information pertaining to the Holding Company and Subsidiaries as per Schedule III of Companies Act, 2013

Particulars	Net assets as at 31 March 2022		Share in profit or loss (Including OCI) for the year 2021-22		Share in other comphrensive income (OCI) for the year 2021-22		Share in total comphrensive income for the year 2021-22	
	As % of consolidated net assets	Net assets (Total assets minus total liabilities)	As % of consolidated profit or loss	Profit/ (Loss)	As % of consolidated OCI	OCI	As % of consolidated total comprehensive income	Total comprehensive income
A. Holding Company								
Kajaria Ceramics Limited	96.51%	2,110.78	94.67%	362.34	95.56%	(0.43)	94.67%	361.91
B. Subsidiaries								
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	1.06%	23.15	3.38%	12.95	-2.22%	0.01	3.39%	12.96
Vennar Ceramics Limited	1.85%	40.43	0.93%	3.56	2.22%	(0.01)	0.93%	3.55
Cosa Ceramics Private Limited	2.94%	64.31	-0.78%	(2.99)	-2.22%	0.01	-0.78%	(2.98)
Kajaria Bathware Private Limited	3.92%	85.76	4.82%	18.46	6.67%	(0.03)	4.82%	18.43
Kajaria Plywood Private Limited	-1.26%	(27.47)	-2.69%	(10.28)	0.00%	-	-2.69%	(10.28)
Non-controlling interests in all subsidiaries	2.96%	64.78	1.50%	5.76	0.00%	-	1.51%	5.76
Elimination on account of consolidation	-7.98%	(174.58)	-1.84%	(7.06)	0.00%	-	-1.85%	(7.06)
Total	**100.00%**	**2,187.16**	**100.00%**	**382.74**	**100.00%**	**(0.45)**	**100.00%**	**382.29**

(Amounts in ₹ Crores, unless otherwise stated)

Particulars	Net assets as at 31 March 2021		Share in profit or loss for the year 2020-21		Share in other comphrensive income (OCI) for the year 2020-21		Share in total comphrensive income for the year 2020-21	
	As % of consolidated net assets	Net assets (Total assets minus total liabilities)	As % of consolidated profit or loss	Profit/ (Loss)	As % of consolidated OCI	OCI	As % of consolidated total comprehensive income	Total comprehensive income
A. Holding Company								
Kajaria Ceramics Limited	96.74%	1,870.51	99.69%	307.95	72.73%	0.16	99.67%	308.11
B. Subsidiaries								
Kajaria Vitrified Private Limited (formerly known as Jaxx Vitrified Private Limited)	0.53%	10.19	0.88%	2.72	31.82%	0.07	0.90%	2.79
Vennar Ceramics Limited	1.91%	36.88	0.42%	1.31	4.55%	0.01	0.43%	1.32
Cosa Ceramics Private Limited	3.48%	67.29	-1.48%	(4.56)	4.55%	0.01	-1.47%	(4.55)
Kajaria Bathware Private Limited	3.56%	68.85	3.83%	11.83	-18.18%	(0.04)	3.81%	11.79
Kajaria Plywood Private Limited	-0.89%	(17.19)	-3.41%	(10.53)	0.00%	-	-3.41%	(10.53)
Non-controlling interests in all subsidiaries	3.34%	64.60	0.28%	0.85	4.55%	0.01	0.28%	0.86
Elimination on account of consolidation	-8.67%	(167.67)	-0.23%	(0.67)	0.00%	-	-0.22%	(0.67)
Total	**100.00%**	**1,933.46**	**100.00%**	**308.90**	**100.00%**	**0.22**	**100.00%**	**309.12**

54. Asset pledged as security (refer note 18)

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Inventories	465.88	373.08
Trade receivables	513.30	431.67
Total current assets pledged as security	**979.18**	**804.75**
Non-current		
Property, plant and equipment (including CWIP)	856.69	763.20
Total non-current assets pledged as security	**856.69**	**763.20**

55. Reporting to banks

The Group is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

56. There are no loans which have been given to promoters, directors and KMP's.

Notes on the Consolidated Financial Statements for the year ended 31 March 2022

(Amounts in ₹Crores, unless otherwise stated)

57. Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2022 (Nos).	Balance outstanding as at March 31, 2021 (Nos).	Relation with struck off Company
Trivia Infotech Private Limited (CIN: U74990MH2010PTC198657)	Shares held by struck off the Company	2 equity shares of face value ₹1/- each	2 equity shares of face value ₹1/- each	Shareholder
Crystal Infowave Solutions Private Limited (CIN: U74900MH2009PTC198049)	Shares held by struck off the Company	2 equity shares of face value ₹1/- each	2 equity shares of face value ₹1/- each	Shareholder
S3 Solutions Private Limited (CIN: U72400TN2004PTC054467)	Shares held by struck off the Company	15 equity shares of face value ₹1/- each	-	Shareholder
Rajdeep Automation Private Limited (CIN: U99999MH1999PTC120445)	Shares held by struck off the Company	1125 equity shares of face value ₹1/- each	1225 equity shares of face value ₹1/- each	Shareholder

The Group has no transaction other than payment of declared dividend with stuck off companies..

58. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) Compliance with number of layers of companies:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of PP&E, intangible asset and investment property:

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(viii) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

59. Scheme of Arrangement

The Hon'ble National Company Law Tribunal, vide its order dated 26 November 2021, approved a Scheme of Arrangement (the 'Scheme') between the Company and Kajaria Tiles Private Limited ('erstwhile KTPL'). Pursuant to the Scheme, all the properties, assets, rights, claims and obligations of the erstwhile KTPL have been transferred and vested in the name of Company on a going concern basis w.e.f. 1 April 2019. The Company has accounted for the merger under the pooling of interest method retrospectively for all periods presented and accordingly these numbers have been restated as prescribed in IND AS 103 - Business Combinations of entities under common control.

60. The consolidated financial statements are approved for issue by the Board of Directors at its meeting conducted on 17 May 2022.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Neeraj Sharma
Partner
Membership no. : 502103

Place: New Delhi
Date: 17 May 2022

For and on behalf of the Board of Directors

Ashok Kajaria
Chairman and Managing Director
(DIN: 00273877)

Chetan Kajaria
Joint Managing Director
(DIN: 00273928)

Rishi Kajaria
Joint Managing Director
(DIN: 00228455)

Ram Chandra Rawat
COO (A&T) and Company Secretary
(FCS No. 5101)

Sanjeev Agarwal
Chief Financial Officer

Kajaria

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