

February 22, 2022

**BSE Ltd.**  
P.J. Towers  
Dalal Street  
Mumbai - 400 001

**National Stock Exchange of India Ltd.**  
Bandra Kurla Complex  
Bandra (E)  
Mumbai - 400 051

**Sub: Notice of Postal Ballot**

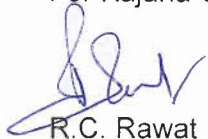
Dear Sir/Madam,

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars issued by the Ministry of Corporate Affairs regarding the Postal Ballot, etc., we enclose herewith the Notice of Postal Ballot dated January 21, 2022, of Kajaria Ceramics Limited ('the Company'), which is being sent to the Members of the Company, for obtaining their approvals through Postal Ballot by way of e-voting for passing of Special Resolution(s) with respect to consider and approve issue of additional employee stock options under Kajaria Employee Stock Option Scheme, 2015, as mentioned in the said Notice.

Kindly take the same on record.

Thanking You,

For 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

**Website:** www.kajariaceramics.com **Email:** investors@kajariaceramics.com

## NOTICE OF POSTAL BALLOT

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Management and Administration) Rules, 2014, as amended (the 'Rules') and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable laws and Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020, Circular No. 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs (the 'MCA') [hereinafter collectively referred to as the 'MCA Circulars'], Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (the 'SEBI Circulars'), Secretarial Standard issued by the Institute of Company Secretaries of India on General Meetings ('SS-2'), Kajaria Ceramics Limited (the 'Company') is seeking the approval of its Members for the matter as set out in the resolution(s) appended below, through Postal Ballot by voting through electronic means ('remote e-voting' or 'e-voting').

In compliance with the said MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/Registrar & Share Transfer Agent (the 'RTA'). If your e-mail address is not registered with the Company/Depositories/RTA, please follow the process provided in the Notes to receive user Id and password for remote e-voting. The communication of the assent or dissent of the Members would only take place through the remote e-voting.

The Board of Directors of the Company (the 'Board') has appointed Mr. Shashikant Tiwari (ACS No.: 28994, CP No. 13050) and in his absence Mr. Rupesh Agarwal, (Membership No.: ACS 16302, CP No.: 5673), Practicing Company Secretaries of M/s Chandrasekaran Associates, Company Secretaries having its office situated at 11 F, Pocket IV, Mayur Vihar, Phase 1, Delhi - 110091 as Scrutinizer for conducting the Postal Ballot process in accordance with law and in a fair and transparent manner.

In compliance with the provisions of Section 110 of the Act read with the Rules and the Listing Regulations (including any statutory modification or re-enactment thereof for the time being in force), the Company is pleased to provide a facility to its members to exercise their rights to vote on the resolution(s) proposed in the Postal Ballot by electronic means i.e. through remote e-voting services provided by National Securities Depository Limited ('NSDL').

The remote e-voting commences at **9:00 a.m. (IST) on Wednesday, February 23, 2022** and ends at **5:00 p.m. (IST) on Thursday, March 24, 2022**. The remote e-voting module shall be disabled by NSDL for voting thereafter and the voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.

The Scrutinizer shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall make and submit his Report within the prescribed time.

The results of voting will be announced by the Chairman & Managing Director of the Company or in his absence, any person authorised by him on/before the close of working hours on Friday, March 25, 2022 at the Corporate Office of the Company. The results along with the Scrutinizer's Report shall be displayed at the Registered Office and the Corporate Office of the Company. The results shall be communicated to the Stock Exchanges and the same along with the Scrutinizer's Report shall also be displayed on the Company's website www.kajariaceramics.com as well as on NSDL's website www.evoting.nsdl.com

### PROPOSED RESOLUTION(S):

#### ITEM NO. 1

#### **TO ISSUE ADDITIONAL STOCK OPTIONS TO THE ELIGIBLE EMPLOYEES OF THE COMPANY UNDER KAJARIA EMPLOYEE STOCK OPTION SCHEME 2015**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62, and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with rules made thereunder, the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the 'ESOP Regulations'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars/FAQs/guidelines issued by the Securities and Exchange Board of India (the 'SEBI') [including any statutory

modification or re-enactment thereof for the time being in force] and the Memorandum and Articles of Association and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), on the recommendation(s) of the Nomination and Remuneration Committee & the Board of Directors of the Company and pursuant to Kajaria Employee Stock Option Scheme 2015 (the '**ESOP Scheme 2015**') as approved by the Members of the Company at the Annual General Meeting of the Company held on September 7, 2015 and further modified by the Nomination and Remuneration Committee & the Board of Directors of the Company in their meeting(s) held on January 21, 2022, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as the '**Board**', which term shall include any committee of the Board (hereinafter called as the '**Committee**') to create, offer, grant, issue and allot, from time to time, 5,25,000 (Five Lacs Twenty Five Thousand Only) options in addition to 10,62,000 (Ten Lacs Sixty Two Thousand Only) options (adjusted after subdivision of face value of equity share from Rs. 2 to Re. 1) aggregating to 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) options as per ESOP Scheme 2015 to the eligible employees of the Company ('**eligible employees**') as defined under ESOP Scheme 2015 with option giving the right but not the obligation to the option holder to subscribe to one fully paid-up equity share in the Company, of face value of Re.1 each, directly by the Company, in one or more tranches and at such prices and on such terms and conditions, as may be determined by the Board or its Committee in accordance with the provisions of the ESOP Scheme 2015 and in due compliance with the applicable laws and regulations in force.

**RESOLVED FURTHER THAT** wherever the number of options mentioned in the ESOP Scheme 2015 as '5,31,000 equity shares' or '5,31,000 (Five Lacs Thirty One Thousand) options', be replaced with '15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) options convertible into 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) equity shares of Re. 1 each'.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division/undertaking, split, consolidation of shares, change in capital structure or such other event, the Board or its Committee be and is hereby authorised to make adjustments, as may be required in aforesaid 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) options convertible into 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) equity shares of Re. 1 each and to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under ESOP Scheme 2015 are passed on to the eligible employees.

**RESOLVED FURTHER THAT** the Board or its Committee be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP Scheme 2015 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board or its Committee be and is hereby authorised to make from time to time such modification, variations, alterations or revisions in the said ESOP Scheme 2015 as it may deem fit, which will not pre-judicial to the interest of the eligible employees, subject to approval from Members of the Company (wherever required) and in conformity with the provisions of the Act read with ESOP Regulations, the Memorandum and Articles of Association and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board or its Committee be and is hereby authorised to do all such acts, deeds, matters and things including to sub-delegate its power(s) and authority(ies) conferred by this resolution, as may be necessary and to execute all such deeds documents and writings as it may in its absolute discretion deem necessary and incur expenses in relation thereto."

## **ITEM NO. 2**

### **TO ISSUE ADDITIONAL STOCK OPTIONS TO THE ELIGIBLE EMPLOYEES OF THE COMPANY'S SUBSIDIARIES UNDER KAJARIA EMPLOYEE STOCK OPTION SCHEME 2015**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62, and other applicable provisions, if any, of the Companies Act, 2013 (the '**Act**') read with rules made thereunder, the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the '**ESOP Regulations**'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars/FAQs/guidelines issued by the Securities and Exchange Board of India (the '**SEBI**') [including any statutory modification or re-enactment thereof for the time being in force] and the Memorandum and Articles of Association and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), on the recommendation(s) of the Nomination and Remuneration Committee & the Board of Directors of the Company and pursuant to Kajaria Employee Stock Option Scheme 2015 (the '**ESOP Scheme 2015**') as approved by the Members of the Company at the Annual General Meeting of the Company held on September 7, 2015 and further modified by the Nomination and Remuneration Committee & the Board of Directors of the Company in their meeting(s) held on January 21, 2022, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as the '**Board**', which term shall include any committee of the Board (hereinafter called as the '**Committee**') to create, offer, grant, issue and allot, from time to time, 5,25,000 (Five Lacs Twenty Five Thousand Only) options in addition to 10,62,000 (Ten Lacs Sixty Two Thousand Only) options (adjusted after subdivision of face value of equity share from Rs. 2 to Re. 1) aggregating to 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only)

options as per ESOP Scheme 2015 to the eligible employees of the subsidiary(ies) of the Company ('eligible employees') as defined under ESOP Scheme 2015 with option giving the right but not the obligation to the option holder to subscribe to one fully paid-up equity share in the Company, of face value of Re.1 each, directly by the Company, in one or more tranches and at such prices and on such terms and conditions, as may be determined by the Board or its Committee in accordance with the provisions of the ESOP Scheme 2015 and in due compliance with the applicable laws and regulations in force.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division/undertaking, split, consolidation of shares, change in capital structure or such other event, the Board or its Committee be and is hereby authorised to make adjustments, as may be required in aforesaid 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) options convertible into 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) equity shares of Re. 1 each and to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under ESOP Scheme 2015 are passed on to the eligible employees.

**RESOLVED FURTHER THAT** the Board or its Committee be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP Scheme 2015 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board or its Committee be and is hereby authorised to make from time to time such modification, variations, alterations or revisions in the said ESOP Scheme 2015 as it may deem fit, which will not pre-judicial to the interest of the eligible employees, subject to approval from Members of the Company (wherever required) and in conformity with the provisions of the Act read with ESOP Regulations, the Memorandum and Articles of Association and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board or its Committee be and is hereby authorised to do all such acts, deeds, matters and things including to sub-delegate its power(s) and authority(ies) conferred by this resolution, as may be necessary and to execute all such deeds documents and writings as it may in its absolute discretion deem necessary and incur expenses in relation thereto."

**By order of the Board  
For Kajaria Ceramics Limited**

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

Place: Gurgaon

Date: January 21, 2022

**Notes:**

1. The Explanatory Statement, setting out the material facts and the reasons/ rationale thereof, pursuant to the provisions of Section 102 of the Companies Act, 2013 (the 'Act'), in respect of the proposed Special Resolution(s) to be transacted through the Postal Ballot is annexed and forms part of this Notice.
2. As per the MCA Circulars, SEBI Circulars and on account of the threats posed by the COVID-19 pandemic, physical copies of this Postal Ballot Notice, Postal Ballot forms and pre-paid Business Reply Envelopes are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through remote e-voting only.
3. In compliance with the MCA Circulars, the Notice is being sent by electronic mode to those Members whose names appear in the Register of Members/ List of Beneficial Owners as received from NSDL and Central Depository Services (India) Limited ('CDSL') and whose e-mail IDs are registered with the Company/Depositories. For Members who have not registered their e-mail IDs, please follow the instructions given in this Notice. Further, the Members whose names appear in the Register of Members/ List of Beneficial Owners as on Friday, February 11, 2022, being the '**Cut-off Date**', are entitled to vote on the resolution(s) set forth in this Notice. A person who is not a Member as on the Cut-off Date should treat this Notice of Postal Ballot for information purpose only.
4. The voting rights shall be reckoned in proportion to the paid-up equity share capital held by the member(s) as on the Cut-off Date i.e. Friday, February 11, 2022.
5. The Notice of Postal Ballot is available at the Company's website i.e. [www.kajariaceramics.com](http://www.kajariaceramics.com) and NSDL's website i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
6. *To support the 'Green Initiative', the Members of the Company who are yet to register/update their e-mail address with the Company/Depositories are once again requested to register/update the same for receiving the Notices, Annual Reports and other documents/ communications through electronic mode.*
7. The Company is pleased to provide electronic voting facility ('**remote e-voting**' or '**e-voting**') to all the Members of the Company to cast their votes electronically and the business stated in the Notice of Postal Ballot may be transacted through e-voting. For this purpose, necessary arrangements have been made with NSDL to facilitate e-voting process.

8. The instruction for e-voting are as under:

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

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

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

Login method for the shareholders holding shares in demat mode is given below:.

Type of shareholders	Login Method
Shareholders holding shares in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> 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's 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.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com</a>. Select 'Register Online for IDeAS' Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please visit the e-voting website of NSDL and open web browser by typing the URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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'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.</li> </ol>
Shareholders holding shares in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email 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.</li> </ol>
Shareholders (holding shares in demat mode) login through their depository participants	<p>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. 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.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-3058542-43

B. Login method 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. 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, click on the icon 'Login' which is available under 'Shareholder/Member' 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, 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 was 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. 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 e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.

- (vi) If the you are unable to retrieve the password or have not received the 'initial password' or have forgotten your password:
  - Click on '**Forget User Details/Password?**', option available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (if your demat account is with NSDL/CDSL)
  - Click on '**Physical User Reset password?**', option available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (if you are holding shares in physical form)
  - If you are still unable to retrieve your password through above said options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - 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, click on 'Login' and the Home page of e-voting will open.

**Step 2: Process to cast your vote electronically on NSDL e-voting system:**

- (i) After successful login at Step -1, you will be able to see the all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- (ii) Select 'EVEN' (Electronic Voting Event Number) of Kajaria Ceramics Limited to cast your vote during the remote e-voting period.
- (iii) Now you are ready for e-voting as the voting page opens.
- (iv) 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(s), 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 Scrutiniser through e-mail at [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com) or [investors@kajariaceramics.com](mailto:investors@kajariaceramics.com) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 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](http://www.evoting.nsdl.com) to reset the password.

**9. 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](mailto: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](mailto:investors@kajariaceramics.com)
- iii. If you are holding shares in demat mode, you are requested to refer to the login method explained at Step 1(A) i.e. Login method for e-voting for the shareholders holding shares in demat mode.
- iv. Alternatively, a shareholder may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- v. In terms of the SEBI's Circular dated December 9, 2020 on e-voting facility provided by listed companies, Individual shareholders holding shares 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.

10. The voting period commences at 9:00 a.m. (IST) on Wednesday, February 23, 2022 and ends at 5:00 p.m. (IST) on Thursday, March 24, 2022. No voting shall be allowed beyond 5:00 p.m. (IST) on Thursday, March 24, 2022. The e-voting module shall be disabled by NSDL for voting thereafter.
11. In case of any queries connected with voting by electronic means ('e-voting'), you may refer the Frequently Asked Questions ('FAQs') for Members and the remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Ms. Pallavi Mhatre, Manager, NSDL, Trade World, A Wing, Fourth and Fifth Floor, Kamla Mills Compound, Lower Parel, Mumbai- 400013 through email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or on Toll Free No. 1800 1020 990 / 1800 22 44 30 or may contact Mr. R.C. Rawat, COO (A&T) & Company Secretary of the Company, through email at [investors@kajariaceramics.com](mailto:investors@kajariaceramics.com) or on telephone at +91-11-26946409.
12. The Special Resolution(s) will be taken as passed effectively on the last date of e-voting Thursday, March 24, 2022, if the results of the Postal Ballot indicate that the requisite majority of the Members of the Company have assented to the Special Resolution(s).
13. The Special Resolution(s) passed by the Members of the Company through the Postal Ballot is deemed to have been passed as if the same has been passed at a general meeting of the Members of the Company.

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

### **ITEM NOS. 1 & 2:**

In order to recognise the contribution of its employees in growth of the Company that the value created by them should be shared with them and promotes culture of employee ownership in the Company, the Company had introduced Kajaria Employee Stock Option Scheme 2015 (the '**ESOP Scheme 2015**') by way of approval of the Members of the Company at the Annual General Meeting of the Company held on September 7, 2015 for 5,31,000 options equivalent to 5,31,000 equity shares of Rs. 2 each of the Company. Consequent upon the sub-division of the face value of equity share of the Company from Rs. 2 each to Re. 1 each, the said options increased to 10,62,000 options equivalent to 10,62,000 equity shares of Re. 1 each of the Company.

Under ESOP Scheme 2015, in 1<sup>st</sup> Tranche, 4,58,000 options equivalent to 4,58,000\* equity shares of Re. 1 each had been granted to the eligible employees of the Company and its subsidiary(ies) and the details of 1<sup>st</sup> Tranche of options granted are as under:

Total approved options by members	10,62,000 Options*
Total options granted in 1 <sup>st</sup> Tranche	4,58,000 Options*
Total options lapsed/forfeited	1,37,700 Options
Total options exercised	2,66,050 Options
Vested options yet to be exercised	54,250 Options

*\*Increased consequent upon the sub-division of the face value of equity shares of the Company from Rs. 2 each to Re. 1 each.*

Further, in view of maintaining the momentum of the ownership among the employees, motivate and retain talent as well as make compensation competitive, the Board of Directors (the '**Board**') of the Company has, on recommendation of the Nomination and Remuneration Committee (the '**NRC**'), at its meeting held on January 21, 2022, further approved 5,25,000 (Five Lacs Twenty Five Thousand Only) options in addition to 10,62,000 (Ten Lacs Sixty Two Thousand Only) options (adjusted after sub-division of face value of equity share from Rs. 2 to Re. 1) aggregating to 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) options as per ESOP Scheme 2015 to the eligible employees of the Company and/or its subsidiary(ies) as defined under ESOP Scheme 2015, subject to the approval of the Members of the Company and applicable laws.

ESOP Scheme 2015 envisages grant of share options to eligible employees of the Company and/or its subsidiaries. Disclosures pursuant to the provisions of the Section 62 of the Companies Act, 2013 (the '**Act**') read with the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the '**ESOP Regulations**') are as under:

#### 1. **Brief description of the ESOP Scheme 2015**

The Scheme shall be called as Kajaria Employee Stock Option Scheme 2015 (the '**ESOP Scheme 2015**')

The objective of ESOP Scheme 2015 is to reward tenured employees for their past contribution, and retain the best performing, critical talent to achieve target valuation. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute for the Company in the years to come.

Upon vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the



exercise period and obtain equity shares of the Company which shall be issued/allotted to concerned employees subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and conditions of the ESOP Scheme 2015. The Nomination and Remuneration Committee (the 'NRC') of the Company shall act as the Compensation Committee for administering and supervision of ESOP Scheme 2015.

2. Total Number of Options to be granted under ESOP Scheme 2015

The maximum number of employee stock options that may be granted by the Company under ESOP Scheme 2015 shall not exceed 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) option convertible into 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) equity shares of Re. 1 each fully paid up, from time to time, by making additional provisions of employee stock options of 5,25,000 (Five Lacs Twenty Five Thousand Only).

On October 20, 2015, the Company had granted 4,58,000 (Four Lacs Fifty Eight Thousand Only) convertible into 4,58,000 (Four Lacs Fifty Eight Thousand Only) equity shares of Re. 1 each fully paid up, which includes the options exercised/forfeited/lapsed and yet to be exercised options as mentioned above.

In case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division/undertaking, split, consolidation of shares, change in capital structure or such other event, a fair and reasonable adjustment shall be made to the options granted.

The options granted to an employee shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any manner.

3. Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Scheme 2015

The following employees will be entitled to participate in the ESOP Scheme 2015:

I. For grants made prior to August 13, 2021:

- (a) a permanent employee of the Company, working in India or out of India;
- (b) a director of the Company, whether a whole-time director or not but excluding an independent director;
- (c) an employee as defined in sub-clauses (a) or (b) of a subsidiary, in India or out of India, or of a holding company of the Company.

However, it shall not include any employee who is a promoter or belongs to the promoter group or a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

II. For grants made after August 13, 2021:

- (a) An employee as designated by the Company, who is exclusively working in India or outside India; or
- (b) A director of the Company, whether a Whole Time Director or not, including a Non- executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- (c) An employee as defined in sub-clauses (a) or (b), of a subsidiary company in India or outside India, or of a holding company of the Company.

but does not include:

- (a) An employee who is a Promoter or a person belonging to the Promoter group; or
- (b) A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

4. Requirements of vesting and period of vesting

Vesting of the options shall take place in Five years from the date of grant. The NRC at the time of grant may specify certain criteria linked to the individual and/or organisational performance or any other criteria as it may deem fit for all or a part of the options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 1 (one) year from the date of grant.

5. Maximum Period in which the Options shall be vested

Vesting of the options shall take place in Five years from the date of grant of such options.

6. Exercise Price or Pricing Formula

The Exercise Price shall be the Fair Market Value (the 'FMV') at the time of grant or at a discount to FMV at the time of grant. The NRC shall determine the FMV in line with the SEBI Guidelines or any other applicable guidelines.

7. Exercise Period and Process

The exercise period shall commence from the date of grant of options. The exercise period shall be decided by the NRC subject to a maximum period of 8 (eight) years from the date of grant of options.

The options shall be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the NRC at its sole discretion.

8. The appraisal process for determining the eligibility of employees for the ESOP Scheme 2015

The appraisal process for determining the eligibility of the employee will be specified by the NRC and will be based upon historical performance and future potential feedback from annual appraisals; role; tenure; entity performance and/ or such other criteria as may be determined by the NRC.

The NRC, however, is authorised to change the eligibility criteria from time to time, subject to approval of the Board.

9. Lock-in period

The shares arising out of exercise of vested options under the ESOP Scheme 2015 would not be subject to any lock-in-period after such exercise, except if any lock-in is required pursuant to applicable laws.

10. Maximum number of options to be offered and issued per employee and in aggregate

The NRC will decide the maximum number of options to be granted per employee and in aggregate, subject to applicable laws. The maximum number of employee stock options that may be granted by the Company under ESOP Scheme 2015 shall not exceed 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) option convertible into 15,87,000 (Fifteen Lacs Eighty Seven Thousand Only) equity shares of Re. 1 each fully paid up, from time to time, by making additional provisions of employee stock options of 5,25,000 (Five Lacs Twenty Five Thousand Only). However, the above ceiling, from time to time, shall be adjusted in case of any corporate action(s) as defined in the ESOP Scheme 2015.

11. Maximum quantum of benefits to be provided per employee under the ESOP Scheme 2015

Any benefit other than grant of options or consequential issue of equity shares is not envisaged under the ESOP Scheme 2015. Accordingly, the maximum quantum of benefits for employees under the ESOP Scheme 2015 will be the difference between the market value of Company's equity share on the recognised stock exchange as on the date of exercise of options and the exercise price paid by the employee.

12. Method which the Company shall use to value its options

The NRC shall determine from time to time the valuation and accounting methodology for the options issued under the ESOP Scheme 2015 as per the applicable laws. The Company shall comply with all the relevant disclosures as per the applicable laws.

13. Conditions under which option vested in employees may lapse

If a Grantee's employment (or other service) with the Company terminates due to voluntary resignation on the part of the Grantee, then all the vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of exercise period, whichever is earlier. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished. Further, all unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the NRC whose decision will be final and binding.

Further, in event of termination of employment without a cause, then all the vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of exercise period, whichever is earlier. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished. Further, all unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the NRC whose decision will be final and binding.

14. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

On voluntary resignation on the part of the Grantee or termination of employment of the Grantee, without a cause, then all the vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of exercise

period, whichever is earlier. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished. All unvested options would be forfeited by the Company.

15. Whether the ESOP Scheme 2015 is to be implemented and administered directly by the Company or through a trust  
The ESOP Scheme 2015 shall be implemented through direct route for extending the benefits to the eligible employees by the way of fresh allotment and will follow cash mechanism.
16. Whether the ESOP Scheme 2015 involves new issue of shares by the Company or secondary acquisition by the trust or both  
The ESOP Scheme 2015 will involve issue of new shares by the Company and will not involve any secondary acquisition.
17. The amount of loan to be provided for implementation of the ESOP Scheme 2015 by the Company to the trust, its tenure, utilization, repayment terms, etc.  
Not Applicable
18. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the ESOP Scheme 2015  
Not Applicable
19. A statement to the effect that the Company shall conform to the Accounting Policies specified in Regulation 15 of the ESOP Regulations  
The Company shall follow the Guidance as mentioned under the 'Indian Generally Accepted Accounting Principles' or the relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
20. Statement with regard to Disclosure in Directors' Report:  
If the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report.
21. Terms & conditions for buy-back, if any, of specified securities:  
The NRC has the powers to specify the procedure and other terms and conditions for buy-back of options granted, if to be undertaken at any time by the Company, in compliance with applicable laws.
22. Listing  
The equity shares to be allotted pursuant to the exercise of the employee stock options under ESOP Scheme 2015, will be listed on the Stock Exchanges, i.e. the BSE Limited and the National Stock Exchange of India Limited.

The Board of the Company, at its meeting held on January 21, 2022, recommends the Special Resolution(s) set out in the Item Nos. 1 & 2 of the Notice of Postal Ballot for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolutions set out in Item Nos. 1 & 2, except to the extent of their shareholding in the Company or employee stock options that may be offered to them under the ESOP Scheme 2015.

**By order of the Board**  
**For Kajaria Ceramics Limited**  
  
**Ram Chandra Rawat**  
**COO (A&T) & Company Secretary**  
[FCS No. 5101]

Place: Gurgaon  
Date: January 21, 2022