

# **KAJARIA CERAMICS LIMITED**

J-1/B-1 [Extn], Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044

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E-Mail : investors@kajariaceramics.com Web Site : http://www.kajariaceramics.com

## **NOTICE**

**NOTICE** is hereby given that Twenty Sixth Annual General Meeting of the members of Kajaria Ceramics Ltd will be held on Friday, the 13<sup>th</sup> July 2012 at 12.00 Noon at the registered office of the Company i.e A-27 & 28, Sikandrabad Industrial Area, Sikandrabad, Distt Bulandshahr (U P) to transact the following business: -

### **Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012, the Profit & Loss Account for the year ended on that date together with the Report of the Auditors' and Directors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri R K. Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.P. Bagchi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorize the Board to fix their remuneration.

### **Special Business:**

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution(s) as an Ordinary Resolution(s):

"RESOLVED THAT Mr. H. Rathnakara Hegde, who was appointed as an Additional Director with effect from January 17, 2012 on the Board of Directors of the Company in terms of Section 260 and other applicable provision, of the Companies Act, 1956 and Article 105 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director (independent) of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of directors of the company or any officer(s) authorized by it be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion thinks necessary and desirable."
7. To consider and, if thought fit, to pass, with or without modifications, the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT in modification of the resolution passed in the AGM held on 2<sup>nd</sup> June 2011 and in accordance with the provisions of the Section 198, 269, 309, 310,311,349,350 and other applicable provisions, of the Companies Act, 1956 read with Schedule XIII, as amended up to date, the approval of the members be and is hereby accorded for the revision in the remuneration of Sh. Ashok Kajaria, Chairman and Managing Director of the Company with effect from 1<sup>st</sup> April 2012 for the un-expired period of the Contract (1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2016) as set out in the supplemental agreement dated 27<sup>th</sup> April 2012 entered into by the Company with him and duly specified in the explanatory statement which forms the part of this resolution, with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board Constituted to exercise its powers, including powers conferred by this resolution) to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act 1956 or other statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT for the purpose of giving effect of the above resolution the Board of directors of the company or any officer(s) authorized by it be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion thinks necessary and desirable."
8. To consider and, if thought fit, to pass, with or without modifications, the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT in modification of the resolution(s) passed in the AGM held on 21<sup>st</sup> August 2010 and AGM held on 2<sup>nd</sup> June 2011 and in accordance with the provisions of the Section 198, 269, 309, 310,311,349,350 and other applicable provisions, of the Companies Act, 1956 read with Schedule XIII, as amended up to date, the approval of the members be and is hereby accorded for the revision in the remuneration of Sh. Chetan Kajaria, Joint Managing Director of the Company with effect from 1<sup>st</sup> April 2012 for the un-expired period of the Contract (1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) as set out in the supplemental agreement dated 27<sup>th</sup> April 2012 entered into by the Company with him and duly specified in the explanatory statement which forms the part of this resolution , with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board Constituted to exercise its powers, including powers conferred by this resolution ) to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act 1956 or other statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT for the purpose of giving effect of the above resolution the Board of directors of the company or any officer(s) authorized by it be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion thinks necessary and desirable."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution(s) as an Ordinary Resolution:

“RESOLVED THAT in modification of the resolution(s) passed in the AGM held on 21<sup>st</sup> August 2010 and AGM held on 2<sup>nd</sup> June 2011 and in accordance with the provisions of the Section 198, 269, 309, 310,311,349,350 and other applicable provisions, of the Companies Act, 1956 read with Schedule XIII, as amended up to date, the approval of the members be and is hereby accorded for the revision of the remuneration of Sh. Rishi Kajaria, Joint Managing Director of the Company with effect from 1<sup>st</sup> April 2012 for the un-expired period of the Contract (1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) as set out in the supplemental agreement dated 27<sup>th</sup> April 2012 entered into by the Company with him and duly specified in the explanatory statement which forms the part of this resolution, with a liberty to the Board of Directors (hereinafter referred to as “ the Board” which term shall be deemed to include any committee of the Board Constituted to exercise its powers, including powers conferred by this resolution) to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act 1956 or other statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT for the purpose of giving effect of the above resolution the Board of directors of the company or any officer(s) authorized by it be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion thinks necessary and desirable.”

**By Order of the Board**  
For Kajaria Ceramics Ltd

Regd.Office:  
A-27& 28,Sikandrabad Industrial Area  
Sikandrabad, Distt Bulandshahr (U P)  
Dated: 27.04.2012

R C Rawat  
Sr V.P (A&T) & Co. Secretary

#### **NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
2. Members who hold equity shares in dematerialized form are requested to write their client id and DP-id numbers and those who hold equity shares in physical forms are requested to write their folio number in the Attendance Slip for attending the meeting. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board resolution authorizing representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their copies of Annual Report and Attendance slip at the time of meeting.
4. The relevant Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
5. Register of Members shall remain closed from 4<sup>th</sup> July 2012 to 13<sup>th</sup> July 2012 (both days inclusive).
6. The dividend, if any, declared at this Annual General Meeting will be paid to those members whose names appear on the Register of Members of the Company as on 13<sup>th</sup> July 2012, after giving effect to all the valid transfers in physical forms lodged with the Company and its Registrar and Transfer Agent on or before 3<sup>rd</sup> July 2012. The members whose shares are held in electronic form, the dividend will be paid to those beneficial owners as per details furnished by the depositories at the close of business hours on 3<sup>rd</sup> July 2012.
7. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent of the Company M/s MCS Limited, F-65, 1<sup>st</sup> Floor, Okhla Industrial Area Phase-1, New Delhi 110020: -
  - i) any change in their mailing address;
  - ii) particulars of their bank account & e-mail ids in case the same have not been sent earlier, and share certificate(s) held in multiple accounts in identical manners or joint accounts in the same order of names, for consolidation of such shareholding into one account.

Further, please note that Members holding equity shares in electronic forms, are requested to contact for updation required in address, e-mail ids, bank details, bank mandate, ECS mandate and also requests for registration of nomination are to be intimated to your DP and not to the Company or our Registrar.

8. Members, who have not encashed their dividend warrant for the financial year ended 31<sup>st</sup> March, 2005 and/or the dividend warrants issued after 1<sup>st</sup> April, 2005 or any subsequent financial year so far, are requested to make their claim to the Share Department / Share Transfer Agent of the company. However all the unclaimed dividend pertaining to the financial years before the financial year ended on 31<sup>st</sup> March 2004 have been transferred to the Investor Education and Protection Fund as per the provision of Sec. 205C of the Companies Act, 1956.
9. Brief resume and other particulars of Mr. R.K. Bhargava, Mr. D.P.Bagchi, Mr. H. Rathanakara Hegde, Mr. Ashok Kajaria, Mr. Chetan Kajaria and Mr. Rishi Kajaria are enclosed.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at the Corporate Office of the Company at J-1/B-1(Extn), Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044, 10 days before the meeting enabling the Management to keep the information ready.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

### **1. ITEM NO. 6**

Mr. H. Rathnakara Hegde was appointed as an additional director w.e.f 17th January 2012 by the Board. Mr. H. Rathnakara Hegde has served the banking industry for four decades. His most recent position was as the Executive Director of the Oriental Bank of Commerce (OBC), a premier public sector bank in India. Mr Hegde assumed his responsibilities at OBC on May 16th, 2008. Prior to this, Mr. Hegde held the position of General Manager (Credit, Human Resource, Treasury, Marketing) at Vijaya Bank that was the culmination of 38 years of exemplary service in various capacities. Mr. Hegde has a formidable wealth of knowledge of the Indian banking industry.

Mr. H. Rathnakara Hegde, being independent director, will not be entitled for any remuneration except sitting fees for attending the Board Meeting and committees thereof.

Your Board of Directors recommends the resolution for the approval of the members. None of the Directors except Mr. H. Rathnakara Hegde himself is concerned or interested in this resolution.

### **2. ITEM NO. 7**

Mr. Ashok Kajaria had been appointed as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st April 2011. Now, Considering the outstanding performance of the company and subject to the approval of the members, it is proposed to pay to Mr. Ashok Kajaria, Chairman and Managing Director of the company, a commission @1% of the net profit of the company calculated under the provisions of the sections 349, 350 and other applicable provisions of the companies act 1956, along with the existing remuneration. It is therefore proposed to revise the remuneration of w.e.f 1st April 2012 for the un-expired tenure (1st April 2012 to 31st March 2016) of his appointment.

The terms and conditions of appointment of Mr. Ashok Kajaria, Chairman and Managing Director of the Company w.e.f 1st April 2012 for un-expired tenure (1st April 2012 to 31st March 2016) of his appointment are as follows:

That the Chairman and Managing Director shall be entitled to the following remuneration w e f 1<sup>st</sup> April 2012:

1) **Salary**

Rs 10,30,000 – 180,000 – 15,70,000 /- per month.

2) **Commission**

1% of net profit before tax of the company as calculated under the provisions of section 349 of the Companies Act 1956.

In addition to the salary and commission, Chairman and Managing Director shall be entitled to the following Perquisites:

3) **Perquisites:**

Perquisites are classified into three categories 'A' 'B' & 'C' as follows:

#### **CATEGORY 'A'**

##### **Housing**

Residential accommodation (furnished or otherwise) or house rent allowance at the rate of 60% of the salary.

Allowance towards gas, electricity & water subject to ceiling of 10% of salary

##### **Medical Allowance / Re-imbursment of Medical expenses**

Not exceeding one month's salary per year.

#### **CATEGORY 'B'**

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of tenure will not be included in the computation of ceiling on perquisites.

#### **CATEGORY 'C'**

Provision of Car with Driver and Telephone at the Residence will not be considered as perquisites.

##### **Other Terms and Conditions**

1. he will not be entitled to sitting fee for attending meeting of Board or of a Committee thereof.
2. If during the currency of tenure of the Chairman and Managing Director, the company has no profits or profits are inadequate, in any financial year, the Chairman and Managing Director shall be entitled to remuneration by way of salary and perquisites as per the limits prescribed in Schedule XIII to the Companies Act, 1956.

3. The Chairman and Managing Director hold office as such, subject to the provisions of the Section 283 (1) of the Companies Act 1956.
4. That the Chairman and Managing Director shall not so long as he continues to be Chairman and Managing Director of the Company be liable to retire by rotation.
5. That the Chairman and Managing Director shall not become interested or otherwise concerned directly or through his relatives as defined under the Companies Act in any selling/ buying agency of the company without the prior approval of the Board so long as he functions in such capacity.
6. That the Chairman and Managing Director shall not, during the continuance of his employment or any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whatsoever or make any use for his own or for whatsoever purpose of any confidential information, or knowledge obtained by him during his employment of the business or affairs of the company or of any trade secrets or secret processes of the company and the Chairman and Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person, firm, company, body corporate or concern from doing so.
7. That the Chairman and Managing Director shall, throughout the said term, devote his full attention and abilities to the business of the Company and shall comply with the directions from time to time of the Board and in all respects conform to the regulations made by the Board and shall diligently promote the interest of the Company.
8. In the event of the Chairman and Managing Director being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the company's business or of any other act or omission inconsistent with his duties as the Chairman and Managing Director or any breach of this agreement, which in the opinion of the Board requires termination from the office of the Chairman and Managing Director. The Company shall be entitled to terminate this agreement without any notice and compensation.
9. Unless otherwise contained in Clause 6 above, the Company can at its discretion terminate the contract / agreement by giving three months notice of such termination or on payment of three months' salary and no compensation will be payable to the Chairman and Managing Director for the unexpired portion of this agreement.
10. That the Chairman and Managing Director can also terminate the Contract / Agreement by giving three months' notice in writing to the Company at the Corporate Office. In that event he undertake to peacefully handover the charge including all necessary documents, files and papers to such person or persons as may be informed by the Board in writing.
11. That the Chairman and Managing Director shall have powers as delegated by the Board of Directors for the management and control of the Company.
12. That the Chairman and Managing Director acting as an officer of the company as defined under the Companies Act shall have powers to act, do such things on behalf of the company in respect of the affairs and business of the company and as are not forbidden by the provisions of the companies Act, 1956 or any other statute for the time being to be done by the Chairman and Managing Director or required to be done by the company in General Meeting or by the Directors.
13. That the Chairman and Managing Director shall have power on behalf of the Company to institute, conduct and defend suits, prefer appeals and sign all plaints, written statement, engage solicitors, employ and discharge the officers, staff, workers and other person for the business of the Company and to pay their remuneration.
14. The Board of Directors of the Company may at its discretion revise the terms and conditions from time to time with the approval of the members.
15. This modification / revision in remuneration and terms and conditions of appointment is subject to the approval of the members of the Company.

For all other terms and conditions not specifically spelt out above, the rules and orders of the Company shall apply.

Your Board of Directors recommends the resolution for the approval of the members.

None of the Directors except Mr. Chetan Kajaria, Joint Managing Director and Mr. Rishi Kajaria, Joint Managing Director being relatives of Mr. Ashok Kajaria and Mr. Ashok Kajaria himself is concerned or interested in this resolution.

The above mentioned terms and conditions may be treated as an abstract of the terms of Contract as desired under section 302 of the Companies Act 1956.

### **3. ITEM NO. 8**

Mr. Chetan Kajaria has been appointed as Joint Managing Director of the Company for period of five years w.e.f 1<sup>st</sup> April 2010. His appointment was approved by the shareholders in the Annual General Meeting held on 21<sup>st</sup> August 2010 and terms of appointment including remuneration were revised / modified by the shareholders in the Annual General Meeting held on 2<sup>nd</sup> June 2011. Keeping in view the excellent performance in the Ceramic division of the company under his dynamic leadership, it is proposed to pay to Mr. Chetan Kajaria Joint Managing Director of the company, a commission @1% of the net profit of the company calculated under the provisions of the sections 349, 350 and other applicable provisions of the companies act 1956, along with the existing remuneration. It is therefore proposed to revise the remuneration of Mr. Chetan Kajaria Joint Managing Director of the company w.e.f. 1<sup>st</sup> April 2012 for an un-expired tenure (i.e 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) of the appointment.

The terms and conditions of appointment of Mr. Chetan Kajaria, Joint Managing Director of the Company w.e.f 1<sup>st</sup> April 2012 for un-expired tenure (1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) of his appointment are as follows:

That the Joint Managing Director shall be entitled to the following remuneration w e f 1<sup>st</sup> April 2012:

1) **Salary**

Rs 8,50,000 – 150,000 – 11,50,000 /- per month.

2) **Commission**

1% of net profit before tax of the company as calculated under the provisions of section 349 of the Companies Act 1956.

In addition to the salary and commission, Joint Managing Director shall be entitled to the following Perquisites :

3) **Perquisites:**

Perquisites are classified into three categories 'A' 'B' & 'C' as follows:

**CATEGORY 'A'**

**Housing**

Residential accommodation (furnished or otherwise) or house rent allowance at the rate of 60% of the salary.

Allowance towards gas, electricity & water subject to ceiling of 10% of salary.

**Medical Allowance / Re-imbursment of Medical expenses**

Not exceeding one month's salary per year.

**CATEGORY 'B'**

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of tenure will not be included in the computation of ceiling on perquisites.

**CATEGORY 'C'**

Provision of Car with Driver and Telephone at the Residence will not be considered as perquisites.

**Other Terms and Conditions**

1. he will not be entitled to sitting fee for attending meeting of Board or of a Committee thereof.
2. If during the currency of tenure of the Joint Managing Director, the company has no profits or profits are inadequate, in any financial year, the Joint Managing Director shall be entitled to remuneration by way of salary and perquisites as per the limits prescribed in Schedule XIII to the Companies Act, 1956.
3. The Joint managing Director holds office as such, subject to the provisions of the Section 283 (1) of the Companies Act 1956.
4. That the Joint Managing Director shall not so long as he continues to be Joint Managing Director of the Company be liable to retire by rotation.
5. That the Jt. Managing Director shall not become interested or otherwise concerned directly or through his relatives as defined under the Companies Act in any selling/ buying agency of the company without the prior approval of the Board so long as he functions in such capacity.
6. That the Jt. Managing Director shall not, during the continuance of his employment or any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whatsoever or make any use for his own or for whatsoever purpose of any confidential information, or knowledge obtained by him during his employment of the business or affairs of the company or of any trade secrets or secret processes of the company and the Jt. Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person, firm, company, body corporate or concern from doing so.
7. That the Jt. Managing Director shall, throughout the said term, devote his full attention and abilities to the business of the Company and shall comply with the directions from time to time of the Board and in all respects conform to the regulations made by the Board and shall diligently promote the interest of the Company.
8. In the event of the Jt. Managing Director being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the company's business or of any other act or omission inconsistent with his duties as the Jt. Managing Director or any breach of this agreement, which in the opinion of the Board requires termination from the office of the Jt. Managing Director. The Company shall be entitled to terminate this agreement without any notice and compensation.
9. Unless otherwise contained in Clause 6 above, the Company can at its discretion terminate the contract / agreement by giving three months notice of such termination or on payment of three months salary and no compensation will be payable to the Jt. Managing Director for the unexpired portion of this agreement.

10. That the Jt. Managing Director can also terminate the Contract / Agreement by giving three months' notice in writing to the Company at the Corporate Office. In that event he undertake to peacefully handover the charge including all necessary documents, files and papers to such person or persons as may be informed by the Managing Director in writing.
11. That the Jt. Managing Director shall have powers as delegated by the Board of Directors for the management and control of the Company.
12. That the Jt. Managing Director acting as an officer of the company as defined under the Companies Act shall have powers to act, do such things on behalf of the company in respect of the affairs and business of the company and as are not forbidden by the provisions of the companies Act, 1956 or any other statute for the time being to be done by the Jt. Managing Director or required to be done by the company in General Meeting or by the Directors.
13. That the Joint Managing Director shall have power on behalf of the Company to institute, conduct and defend suits, prefer appeals and sign all plaints, written statement, engage solicitors, employ and discharge the officers, staff, workers and other person for the business of the Company and to pay their remuneration.
14. The Board of Directors of the Company may at its discretion revise the terms and conditions from time to time with the approval of the members.
15. This modification / revision in remuneration and terms and conditions of appointment is subject to the approval of the members of the Company.

For all other terms and conditions not specifically spelt out above, the rules and orders of the Company shall apply.

Your Board of Directors recommends the resolution for the approval of the members.

None of the Directors except Mr. Ashok Kajaria, Chairman & Managing Director and Mr. Rishi Kajaria, Joint Managing Director being relatives of Mr. Chetan Kajaria and Mr. Chetan Kajaria himself is concerned or interested in this resolution.

The above mentioned terms and conditions may be treated as an abstract of the terms of Contract as desired under section 302 of the Companies Act 1956.

#### **4. ITEM NO. 9**

Mr. Rishi Kajaria has been appointed as Joint Managing Director of the Company for period of five years w.e.f 1<sup>st</sup> April 2010. His appointment was approved by the shareholders in the Annual General Meeting held on 21<sup>st</sup> August 2010 and terms of appointment including remuneration were revised / modified by the shareholders in the Annual General Meeting held on 2<sup>nd</sup> June 2011. Keeping in view the excellent performance in the Vitriified division of the company under his dynamic leadership, it is proposed to pay to Mr. Rishi Kajaria Joint Managing Director of the company, a commission @1% of the net profit of the company calculated under the provisions of the sections 349, 350 and other applicable provisions of the companies act 1956, along with the existing remuneration. It is proposed to revise the remuneration of Mr. Rishi Kajaria Joint Managing Director of the company w.e.f. 1<sup>st</sup> April 2012 for an un-expired tenure (i.e 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) of the appointment.

The terms and conditions of appointment of Mr. Rishi Kajaria, Joint Managing Director of the Company w.e.f 1<sup>st</sup> April 2012 for un-expired tenure (1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015) of his appointment are as follows:

That the Joint Managing Director shall be entitled to the following remuneration w e f 1<sup>st</sup> April 2012:

1) **Salary**

Rs 8,50,000 – 150,000 – 11,50,000 /- per month.

2) **Commission**

1% of net profit before tax of the company as calculated under the provisions of section 349 of the Companies Act 1956

In addition to the salary and commission, Joint Managing Director shall be entitled to the following Perquisites :

3) **Perquisites:**

Perquisites are classified into three categories 'A' 'B' & 'C' as follows:

#### **CATEGORY 'A'**

##### **Housing**

Residential accommodation (furnished or otherwise) or house rent allowance at the rate of 60% of the salary.

Allowance towards gas, electricity & water subject to ceiling of 10% of salary.

##### **Medical Allowance / Re-imbusement of Medical expenses**

Not exceeding one month's salary per year.

#### **CATEGORY 'B'**

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of tenure will not be included in the computation of ceiling on perquisites.

## **CATEGORY 'C'**

Provision of Car with Driver and Telephone at the Residence will not be considered as perquisites.

### **Other Terms and Conditions**

1. he will not be entitled to sitting fee for attending meeting of Board or of a Committee thereof.
2. If during the currency of tenure of the Joint Managing Director, the company has no profits or profits are inadequate, in any financial year, the Joint Managing Director shall be entitled to remuneration by way of salary and perquisites as per the limits prescribed in Schedule XIII to the Companies Act, 1956.
3. The Joint managing Director holds office as such, subject to the provisions of the Section 283 (1) of the Companies Act 1956.
4. That the Joint Managing Director shall not so long as he continues to be Joint Managing Director of the Company be liable to retire by rotation.
5. That the Jt. Managing Director shall not become interested or otherwise concerned directly or through his relatives as defined under the Companies Act in any selling/ buying agency of the company without the prior approval of the Board so long as he functions in such capacity.
6. That the Jt. Managing Director shall not, during the continuance of his employment or any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whatsoever or make any use for his own or for whatsoever purpose of any confidential information, or knowledge obtained by him during his employment of the business or affairs of the company or of any trade secrets or secret processes of the company and the Jt. Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person, firm, company, body corporate or concern from doing so.
7. That the Jt. Managing Director shall, throughout the said term, devote his full attention and abilities to the business of the Company and shall comply with the directions from time to time of the Board and in all respects conform to the regulations made by the Board and shall diligently promote the interest of the Company.
8. In the event of the Jt. Managing Director being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the company's business or of any other act or omission inconsistent with his duties as the Jt. Managing Director or any breach of this agreement, which in the opinion of the Board requires termination from the office of the Jt. Managing Director. The Company shall be entitled to terminate this agreement without any notice and compensation.
9. Unless otherwise contained in Clause 6 above, the Company can at its discretion terminate the contract / agreement by giving three months notice of such termination or on payment of three months salary and no compensation will be payable to the Jt. Managing Director for the unexpired portion of this agreement.
10. That the Jt. Managing Director can also terminate the Contract / Agreement by giving three months' notice in writing to the Company at the Corporate Office. In that event he undertake to peacefully handover the charge including all necessary documents, files and papers to such person or persons as may be informed by the Managing Director in writing.
11. That the Jt. Managing Director shall have powers as delegated by the Board of Directors for the management and control of the Company.
12. That the Jt. Managing Director acting as an officer of the company as defined under the Companies Act shall have powers to act, do such things on behalf of the company in respect of the affairs and business of the company and as are not forbidden by the provisions of the companies Act, 1956 or any other statute for the time being to be done by the Jt. Managing Director or required to be done by the company in General Meeting or by the Directors.
13. That the Joint Managing Director shall have power on behalf of the Company to institute, conduct and defend suits, prefer appeals and sign all plaints, written statement, engage solicitors, employ and discharge the officers, staff, workers and other person for the business of the Company and to pay their remuneration.
14. The Board of Directors of the Company may at its discretion revise the terms and conditions from time to time with the approval of the members.
15. This modification / revision in remuneration and terms and conditions of appointment is subject to the approval of the members of the Company.

For all other terms and conditions not specifically spelt out above, the rules and orders of the Company shall apply.

Your Board of Directors recommends the resolution for the approval of the members.

None of the Directors except Mr. Ashok Kajaria, Chairman & Managing Director and Mr. Chetan Kajaria, Joint Managing Director being relatives of Mr. Rishi Kajaria and Mr. Rishi Kajaria himself is concerned or interested in this resolution.

The above mentioned terms and conditions may be treated as an abstract of the terms of Contract as desired under section 302 of the Companies Act 1956.

**FOR KAJARIA CERAMICS LIMITED**

**DATE: 27.04.2012**  
**PLACE: NEW DELHI**

**R C RAWAT**  
**SR. VP (A & T) & CO SECRETARY**