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About OBL

Orient Bell Limited (OBL) is amongst the largest manufacturers of Wall & Floor Tiles. It's roots in the tile industry can be traced back to 1977.

OBL has consistently been a pioneer in the industry with a focus on customer-centric innovation. It was the first to manufacture ultra-vitrified tiles. It has 4 patent-pending technologies: Forever Tiles, GermFree Tiles, Cool Tiles & Life Tiles. For OBL, new product design & development is a continuous process. As a result it has an extensive range of tiles with various finishes & textures.

OBL has a chain of signature showrooms to display this extensive range of tiles. It is privileged to be associated with premier architects and construction agencies of the country. It counts most leading developers as well as government & public sector institutions amongst its customers.

Corporate information

BOARD OF DIRECTORS

Mr. Mahendra K. Daga, Chairman & Managing Director
 Mr. Madhur Daga, Managing Director
 Mr. K.M. Pai
 Mr. P.M. Mathai
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

AUDIT COMMITTEE

Mr. Sameer Kamboj (Chairman)
 Mr. K.M. Pai
 Mr. P.M. Mathai
 Mr. R.N. Bansal

STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE

Ms. Tanuja Joshi (Chairperson)
 Mr. Madhur Daga
 Mr. K.M. Pai

NOMINATION AND REMUNERATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. R.N. Bansal
 Ms. Tanuja Joshi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Madhur Daga (Chairman)
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

COMPENSATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. Mahendra K. Daga
 Mr. R.N. Bansal
 Mr. Sameer Kamboj

KEY MANAGERIAL PERSONNEL

Mr. Aditya Gupta, Chief Executive Officer
 Mr. Yogesh Mendiratta, Company Secretary

STATUTORY AUDITORS

M/s B.R. Gupta & Co., New Delhi

BANKERS / LENDERS

State Bank of India
 Punjab National Bank
 Axis Bank
 IndusInd Bank
 IDBI Bank
 ICICI Bank
 IDFC Bank
 Tata Capital Financial Services Limited

SHARE TRANSFER AGENT

M/s MCS Share Transfer Agent Limited
 F-65, Okhla Industrial Area, Phase-I,
 New Delhi – 110 020
 Tel: +91 11 41406149

REGISTERED OFFICE

8, Industrial Area, Sikandrabad – 203 205
 Distt. Bulandshahr (U.P.)
 Tel : +91 5735 222203/22424, +91 8191004575 / 76
 Fax : +91 5735 222642

CORPORATE OFFICE

IRIS House, 16, Business Centre,
 Nangal Raya, New Delhi – 110 046
 Tel : +91 11 47119100
 Fax : +91 11 28521273

PLANTS

1. Industrial Area
Sikandrabad,
Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural)- 562114
Karnataka

CIN: L14101UP1977PLC021546

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Forty First Annual Report and the audited accounts for the financial year ended March 31, 2018.

Financial Results

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017*
Net Sales/ Revenue from Operations (adjusted for taxes)	64,271	61,340
Profit before finance cost, depreciation, taxation and exceptional item	4,936	5,730
Finance Cost	728	1,335
Depreciation	1,502	1,913
Exceptional Item (Net)	2,027	-
Profit before taxation	4,733	2,482
Operating Profit before taxation	2,706	2,482
Tax expense	729	1,123
Profit after tax (PAT)	4,004	1,359
Other Comprehensive Income (Net of Taxes)	78	(120)
PAT with Other Comprehensive Income	4,082	1,239
Earning per share (₹)	28.73	8.79

*regrouped

Performance Highlights

During the year ended March 31, 2018, your Company has registered a growth of 5% in terms of Reporting Revenue (net of Taxes) from ₹ 61,340 Lakhs in previous year to ₹ 64,271 Lakhs in current year as well as in Operating Profit Before Tax (PBT) by 9% from ₹ 2,482 Lakhs in the previous year to ₹ 2,706 lakhs in the current year. Good selling of High Value Products and considerable saving in finance cost has contributed to the growth in Income and Profits during the year. The display of updated portfolio of Company's products at Dealer's Showrooms as well as Company owned Boutiques has improved the efficiency. Regular updating of the Display Centers across the Country to showcase the latest products has also helped in achieving Company's sales targets.

As per the provisions of Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and in terms of the applicability of the said Rules to your Company, the financial statements for the financial year ended 31.03.2018 has been prepared in compliance with the Indian Accounting Standards (IND-AS).

Your Company has decided to install a new manufacturing line within its Sikandrabad (U.P.) Plant which will produce large format tiles viz. Digital Glazed Vitrified Tiles (DGVIT) and Polished Glazed Vitrified Tiles (PGVT). It is estimated to have a production capacity of around 8,500 sq.mtr. per day. Your Company look forward to reap good benefits out of this investment. The

project is under progress and the production is expected to start in Q3 of FY 2018-19.

During the year under review, your Company has acquired 26% equity stake of a Morbi (Gujarat) based Company, Corial Ceramic Private Limited ('Corial'). Corial has a set up of a tile manufacturing plant in Morbi, Gujarat having a production capacity of about 5.2 million square meters of wall tiles per annum. In another ongoing project in Morbi, Gujarat with Proton Granito Private Limited, the production of Double Charge (Floor) Tiles has started during the year under review. Under these arrangements, your Company will be assured of continuous supply of high quality floor tiles and wall tiles.

During the year under review, your Company has unveiled a new Logo. This contemporary Logo with a vibrant colour scheme and style is liked by all in the market and has already started giving benefits. Under this branding activity, branding replacement activity has been completed. With this, your Company's identity has become more visible. During FY 2017-18 your Company has opened 63 Franchise Boutiques at very prominent locations across the Country. This brand visibility and opening of more display showrooms has improved customer pull for OBL products. In Social media space, your Company has engaged a renowned Social Media Agency for Campaigns on various Social Media platforms and brand promotions through Influencers.

As always, your Company participated in/ sponsored several programs related to the tile industry. During the year under

review, your Company has sponsored India Arch Dialogue meet where World's renowned Architects showcase their work. Architects and Influencers play a pivotal role in growth of a Company like yours. Your Company has, as per regular practice, organized the Architects meets and also a Channel Partners meet at Dubai.

Your Company's Project sale vertical is strong as ever which continued its drive to map the Government (GPS) and Private (PPS) Projects and sell more and more of its High Value Products in these projects. Your Company has represented itself before various GPS and PPS Projects and successfully got its brand "Orient Bell" approved and listed with many more PPS, Government Departments and PSUs. A few of such PPS and GPS and PSU projects include Gannon Dunkerley & Co Ltd, B.G. Shirke Construction Tech. Pvt Ltd., NCC Limited, Som Projects Private Limited, K M V Projects Limited, Bestech India Pvt. Ltd., Ashiana Housing Limited, Wave Infratrade Private Limited, Land Craft Developers Pvt Ltd., NBCC, DDA, Military Engineer Services (MES), Medical College (Telangana/Tamilnadu/Chitrakoot), Golf Link-Ghaziabad, NTPC-Darbhanga, LDA-Lucknow etc.

Dividend

Your Directors have recommended a dividend of ₹ 0.50 per equity share for the financial year ended March 31, 2018. The total outgo of dividend (inclusive of tax of ₹ 14.64 lakhs) would amount to ₹ 85.89 lakhs as against ₹ 85.39 lakhs in the previous year. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Particulars of Loans, Guarantees or Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Public Deposits

Your Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

During the year under review no amount was transferred to Reserves.

Particulars of Contracts or Arrangements made with Related Parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for

approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website. Detail of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Directors and Key Managerial Personnel

During the year under review, Mr. K.M. Pai has resigned from the post of Executive Director & CFO of the Company due to personal reasons to spend more time with his family at Bengaluru. Your Board of Directors has accepted the resignation of Mr. K.M. Pai w.e.f. 01st June, 2018 and also approved his continuation on the Board of the Company as Non-Executive Director w.e.f. 01st June, 2018. Relevant resolution is proposed by the Board in the notice calling 41st AGM.

The present term of appointment of Mr. Mahendra K. Daga is up to 31st March, 2021 as Chairman & Managing Director of the Company. In view of the fact that Mr. Madhur Daga has completely taken over the responsibilities of Managing Director of the Company and for better Corporate Governance, Mr. Mahendra K. Daga has stepped down from the post of Managing Director but consented to continue as Whole Time Director. The Board of Directors has in its meeting held on 21st May, 2018 subject to the approval of shareholders at forthcoming AGM, approved the change in designation of Mr. Mahendra K. Daga from Chairman & Managing Director to Chairman & Whole Time Director of the Company effective 01st October, 2018. Subject to further approval of shareholders, Mr. Mahendra K. Daga will continue to drive the Company Operations from strength to strength as Whole Time Director. Relevant resolution is proposed by the Board in the notice calling 41st AGM.

The second term of appointment of Mr. R.N. Bansal as an Independent Director will expire on 29th September, 2018 and therefore he shall retire on that date in terms of Section 149 (11) of the Companies Act, 2013. His outstanding contribution and support is appreciated by the Board of Directors.

All the Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Mahendra K. Daga shall retire at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The present term of appointment of Mr. Madhur Daga as Managing Director of the Company will end on 31st March, 2019. The Nomination and Remuneration Committee and the Board of Directors have, subject to the approval of the members vide special resolution at the ensuing Annual General Meeting and such other approvals as may be necessary in this regard, approved the reappointment and remuneration of Mr. Madhur Daga as Managing Director of the Company for a further term of three years from 01st April, 2019 to 31st March, 2022.

During the year under review, your Company has appointed Mr. Aditya Gupta as Chief Executive Officer (in the category of Key Managerial Personnel) of the Company. Mr. Aditya Gupta is a Bachelor of Technology from IIT, Mumbai and a Post Graduate Diploma holder in Marketing & Finance from IIM Bangalore with around 27 years of multi-functional experience in industry leading companies. Throughout his career, he has been recognized & awarded for delivering consistent revenue growth and boosting margins through innovative marketing programs and executional excellence. He is a business leader with strong operational experience in Sales and Marketing, having led new product development, brand initiatives and building large distribution channels across India. For the last decade, he has been responsible for delivering significant revenue (in excess of ₹ 4,500 Cr) and EBITDA targets for business geographies under his control.

Mr. Aditya Gupta started his career with United Spirits Ltd (now Diageo) and also worked at Bharti Airtel Ltd. Mr. Aditya would put immense focus on Purpose, Values, Ethics and Institution Building after spending the last nine years with the TATA group, where he worked in their Telecom and Power businesses at various senior positions. His last role was asset monetization and developing new businesses in the upcoming field of Electric Vehicles, Smart Cities and Distributed Generation for TATA Power. His trademark has been a consistent ability to build and lead cross-functional teams with a relentless focus on execution.

Number of meetings of the Board

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statement:

- that in the preparation of annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the profit of your Company for the year ended on that date;
- that 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;
- that the accounts for the financial year ended March 31, 2018 have been prepared on a 'going concern' basis;
- that internal financial controls were in place and that

such internal financial controls were adequate and were operating effectively;

- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of three Independent Directors namely Mr. Sameer Kamboj (Chairman), Mr. R.N. Bansal (Member) and Mr. P.M. Mathai (Member) and one Non Independent Director Mr. K.M. Pai (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Remuneration Policy

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is appended as **Annexure 1 to the Board's Report**. We affirm that the remuneration paid to the Directors is as per the terms laid under the Nomination & Remuneration Policy of the Company.

Risk Management Policy

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Risk Management Policy as approved by the Board is uploaded on the Company's website <https://www.orientbell.com>.

Vigil Mechanism cum Whistle Blower Policy

The Company has formulated a Vigil Mechanism cum Whistle Blower Policy to deal with the instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. It provides for a mechanism for Directors and Employees of the Company to approach the Chairman of the Audit Committee of the Company or the Director nominated to play the role of Audit Committee as the case may be, in exceptional cases to report such cases. The Vigil Mechanism cum Whistle Blower Policy of the Company is uploaded on the Company's website <https://www.orientbell.com>.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises Mr. Madhur Daga (Chairman), Mr. R.N. Bansal, Ms. Tanuja Joshi and Mr. Sameer Kamboj (Members). The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <https://www.orientbell.com>.

The CSR activities, as per the provisions of the Companies Act, 2013, may also be undertaken through a Registered Trust. The Company continues to undertake the CSR activities also through M/s Godavari Foundation, a Trust registered under Section 12A of the Income Tax Act, 1961 (registration no. DIT(E) 268-69/8E/196/90-91).

The Company undertakes initiatives in compliance with Schedule VII of the Act.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years (i.e. 2014-15, 2015-16 and 2016-17) was ₹17,07,35,433/-. It was hence required to spend ₹34,14,709/- on CSR activities during the Financial Year 2017-18, being 2% of the average net profits of the three immediately preceding financial years. During the year, the Company has spent ₹34,45,620/- on CSR activities.

The Annual Report on CSR activities is appended as **Annexure 2 to the Board's Report**.

Code for prevention of Insider Trading Practices

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated and adopted 'Code of Conduct for prevention of Insider Trading' and 'Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information' (hereinafter collectively referred to as "OBL Code of Conduct"). The OBL Code of Conduct is uploaded on the website of the company <https://www.orientbell.com>.

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is appended as **Annexure 3 to the Board's Report**.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Employee Stock Option Scheme

The information required to be disclosed in terms of the provisions of SEBI (Share based employee benefits) Regulations, 2014 and Companies (Share Capital and Debentures) Rules, 2014 is appended as **Annexure 4 to the Board's Report**.

Management Discussion and Analysis Report

'Management Discussion and Analysis Report', as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

Corporate Governance Report

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate for compliance of the provisions of Corporate Governance from the Statutory Auditors forms an integral part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is appended as **Annexure 5 to the Board's Report**.

Subsidiary Company

The Company has no Subsidiary Company.

Particulars of Employees

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Auditors

Statutory Auditors

M/s B.R. Gupta & Co., Chartered Accountants, New Delhi Statutory Auditors of your Company have been appointed as such by the Shareholders at the 40th AGM held on 22nd September, 2017 to hold office from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in the year 2022. Their appointment was, however, subject to ratification by the shareholders in every AGM, if required by law. As per the Companies (Amendment) Act, 2017 the said requirement of ratification has been dispensed with. Accordingly, M/s B.R. Gupta & Co., Chartered Accountants will continue to hold office till the conclusion of 45th AGM to be held in the year 2022 as per Shareholders' approval.

Auditors' Report

The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vivek Arora, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit, appended as **Annexure 6 to the Board's Report** does not contain any qualification, reservation or adverse remark.

Material changes and commitments between the end of the financial year and date of report.

There is no material change and/or commitment held between the end of the financial year and the date of report affecting the financial position of the Company.

General

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". Your Directors further state that during the year

under review, one case was received by the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same was disposed of as per said Act and Policy on prevention, prohibition and redressal of Sexual Harassment of Women.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors acknowledge with gratitude and wish to place on record, their deep appreciation of continued support and co-operation received by the Company from various Government authorities, Shareholders, Bankers, Lenders, Business Associates, Dealers, Customers, Financial Institutions and Investors during the year. Your Directors also place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date: 21st May, 2018

Madhur Daga	K.M. Pai
Managing Director	Executive Director & CFO

ANNEXURE – 1 TO BOARD'S REPORT

NOMINATION AND REMUNERATION (AMENDED) POLICY, 2016

1. Introduction

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, Nomination & Remuneration Committee of the Company has formulated this policy and on its recommendation the Board of Directors has approved the same vide Board Resolution dated 03rd November, 2014. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

2. Objective

- i. To formulate the eligibility criteria for determining qualifications, positive attributes, and independence of a Director and to formulate the criteria for evaluating Directors and Senior Management;
- ii. To identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down;
- iii. To carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations;
- iv. To determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Tile Industry;
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- vi. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

3. Effective Date

This policy shall be effective from 01st April, 2014.

4. Definitions

In this Policy unless the context otherwise requires:

- i. 'Act' means Companies Act, 2013 and rules made there under.
- ii. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- iii. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.

- iv. 'Company' means Orient Bell Limited.
- v. 'Directors' means Directors of the Company.
- vi. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- vii. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer and / or Managing Director
 - b. Whole-time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- viii. 'Senior Management Personnel' for this purpose shall mean employees of the company occupying the position of Functional / Department Heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Nomination and Remuneration Committee

The Board has on 24.04.2014, in compliance with the provisions of Section 178 of the Companies Act, 2013 and applicable provisions of Listing Agreement, changed the name of the existing Remuneration committee to Nomination and Remuneration Committee and re-constituted the same to include the members as under:

- (i) Mr. P.M. Mathai – Chairman
- (ii) Mr. R.N. Bansal
- (iii) Ms. Tanuja Joshi

The Committee shall function in accordance with the statutory provisions laid down from time to time. The Board has the power to reconstitute the Committee consistent with the Company's Policy and applicable statutory requirements.

6. Applicability

This policy is applicable to:

- (i) Directors (Whole Time as well as Non Whole Time)
- (ii) Key Managerial Personnel
- (iii) Senior Management

7. Appointment of Director, KMP and Senior Management

- i. 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 on the basis of criteria laid down from time to time.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- iii. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- iv. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy 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.

8. Term/ Tenure of Appointment

a) Managing Director/ Whole Time Director

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Joint Managing Director or Executive Director or Whole Time 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.

b) Independent Director

An Independent Director shall hold office for such term which should not exceed a maximum of five consecutive years on the Board of the Company, as may be recommended by the Committee and approved by the Board and shareholders 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.

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.

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 or such prescribed period by the Statutory Authority from time to time.

9. Evaluation

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The criteria of such an evaluation may be considered as under:

a) Non Whole Time Directors except Nominee Directors:

- i. Attendance in the Board and/or Committee meetings.
- ii. Positive attitude and promptness.
- iii. Contribution in improving financial and other functions of the Company.
- iv. Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures.
- v. Understanding of laws having impact on Company's business and Tile industry as a whole.
- vi. Clear sense of values and integrity.

b) Whole Time Directors:

In addition to the criteria mentioned above the following may also be considered as additional parameters for evaluation of performance of Whole Time Directors:

- i. Implementation of policies and procedures as set out by the Board.
- ii. Efforts in promoting and expanding the business.
- iii. Brand Building and establishing a respectable place in the market.
- iv. Controlling of various functions across the Company and ensuring their proper functioning.
- v. Ensuring smooth business operations across all the units of Company.
- vi. Clear sense of values and integrity.

c) Senior Management:

The parameters of the assessment will be the same as applicable to the Whole Time Directors but in the case of Senior Management, their Key Result Areas (KRA's) may be different based on the uniqueness and domain responsibility of the function. The 360 degree Performance Management System (PMS) adopted by the Company is also applicable to Senior Management. Their Competencies include:

- i. Achievement of Goals / KRA's assigned to him/her;
- ii. Demonstrated understanding of his/her area of operation;
- iii. Integrity;
- iv. Credibility;
- v. Excellent communication skills;
- vi. Competence;
- vii. Leadership;
- viii. Pro-active;
- ix. Quality decision making.

10. Removal

The Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations.

11. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

12. Provisions regarding payment of Remuneration, perquisites to the Managing Director/Wholetime Directors, KMP and Senior Management Personnel

a) General Provisions

- i. The remuneration / perquisites / commission etc. to the Managing Director/ Whole-time Directors, KMP and Senior Management Personnel will be determined