



SYMBOL: LEXUS

Dated: July 15, 2023

ISIN: INE500X01013

**To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building, Bandra Kurla
Complex, Bandra East, Mumbai-400 051**

Subject: Reply of the clarification sought in response of the compliance done under sub regulation (4) of regulation 30 of SEBI(LODR), 2015.

Respected Sir,

With reference to the subject captioned above, you have sought the following clarification from us under sub regulation (10) of regulation 30 of SEBI (LODR), 2015 in reply to our intimation under sub regulation (4) of regulation 30 read with sub regulation (6) and sub regulation (9) of regulation 30 and entry number 6 of Part A of Schedule III to the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter or before referred to as '**LODR**') as amended and modification thereof.

1. Nature of Fraud/Default or Arrest
2. Estimated impact on the listed entity
3. Time of Occurrence
4. Estimated amount involved (if any)

We hereby state para wise reply of the clarification sought under sub regulation (10) of regulation 30 of **LODR**.

NATURE OF FRAUD/DEFAULT/ ARREST

1. Arrest

The search conducted, in compliance of sub-section (1) and sub-section (2) of section 67 of the Central Goods and Service Tax Act, 2017 (as amended, re-enactment and modification thereof) read with section 165 of The Code of Criminal Procedure, 1973, by the Superintendent and Central GST Officers, Central Goods and Service Tax & C.Ex. H.Q. Rajkot on July 12th, 2023, at the place stated in the following table-

Place	Address
At the registered of the Company	Survey Number 800, Lakhdirpur Village, Morbi, Gujarat, 363642
At the Showroom of the Company	8-A, National Highway, Near Honest Hotel, At Lalpur, Morbi-363642

In consequent of the inspection held under section 69 of the Central Goods and Service Tax Act, 2017 at the premises mentioned in the table above, the Inspector (A.E) CGST Head Quarter, Rajkot. had framed the ***charge of under invoicing, under valuation and clandestine supply of goods*** under section 132(1)(a) read with section 132(1)(i) and Section 132(5) of the Central Goods and Service Tax Act, 2017 which is Cognizable and Non-Bailable and such inspector and his supporting inspectors arrested the following person by giving the arrest Memo and intimation under the provisions of the Central Goods and Services Tax Act, 2017-

- a. ANIL BABULAL DETROJA, (**MANAGING DIRECTOR OF THE COMPANY**)
- b. HITESHKUMAR BABULAL DETROJA (**WHOLE TIME DIRECTOR OF THE COMPANY**)
- c. RAJESHBHAI RANCHODDBHAI DETROJA (**ACCOUNTANT OF THE COMPANY**)

2. Nature of Fraud/Default

The chapter XIX of the Central Goods and Service Tax Act, 2017 deals with '***Offences and Penalties***'. As defined in para 1 above, the Inspector had framed the ***charge of under invoicing, under valuation and clandestine supply of goods*** under section 132(1)(a) read with section 132(1)(i) and the content of the both are as under: -

Section 132: Punishment for certain offences

- (1) Whoever commits, or cause to commit and retain the benefits arising out of, any of the following offences. Namely-
 - (a) Supplies any goods or services or both without issue of any invoice, in violation of the provisions of the Act, or the rules made thereunder, with the intention to evade tax.
 - (i) Receives or is in way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder.



ESTIMATED IMPACT ON LISTED ENTITY

The proceedings under section 132 of Central Goods and Service Tax Act, 2017 shall have a comprehensive impact on our entity and will impact our external and internal stakeholders of the Company. Moreover, such proceedings shall put the following impact on our management, stakeholders, investors, and other part of the business environment-

1. That our two promoters, namely, **Hitesh Detroja (Promoter and Whole Time Director)** and **Anil Kumar Detroja (Promoter and Managing Director)** have involved in the proceedings conducted by the jurisdictional Goods and Service Tax Department. Mr. Hitesh Detroja is looking after the marketing and administration department of our Company as well as the export operation of the Company. Mr. Hitesh has put his hand to grow the income of the Company in a very short span of time.

On the other hand, Mr. Anil Kumar Detroja is the key for implementing the business strategy for growth and expansion and managing the overall business operation.

2. That the proceedings conducted by the jurisdictional Goods and Service Tax Department is Criminal Proceedings with non-bailable offence which can impact the directorship of both promoters as mentioned in para 1 above in terms of section 164(1)(d) of the Companies Act, 2013 subject to the conviction in trial under the Session and District Court in relation to the Goods and Service Tax proceedings.
3. That the proceedings conducted by the jurisdictional Goods and Service Tax Department will impact our business in terms of export, marketing and overall operation as such segments are managed by the both promoters as mentioned in para 1 above. The sale of company from export is 21% out of total sale of the Company. Company is supplying its finished products to almost fifteen countries around the world.
4. That the Both promoters holding in our Company is around 14.77% of total shareholding and the court proceedings under criminal trial will put a huge impact upon the reputation of our Company towards Financial Institutions, our corporate relations and amongst our investors those have invested in our Company.



5. That, However, in reference of the section 137 of Central Goods and Service Tax Act, 2017, if it is proved that the offence under section 132 of Central Goods and Service Tax Act, 2017 committed by the Company was not in the knowledge of the promoter mentioned in the para 1 then all the impact from 1 to 4 above shall be nullified automatically.

TIME OF OCCURRENCE

In terms of sub rule (1) and sub rule (2) rule 139 of Central Goods and Service Tax Rules, 2017 read with section 165 the following table shows the time of occurrence.

Time for giving Form INS-01 (<u>Authorization for Inspection or Search</u>) prescribed under the sub rule (1) of rule 139 of Central Goods and Service Tax Rules, 2017 <i>at the registered office of the Company situated at Survey Number 800, Lakhdirpur Village, Morbi, Gujarat, 363642</i>	11.35 a.m. on July 12 th , 2023 having Document Identification Number 20230764WV000000A89F by C.N. RUPANI Superintendent, CGST, H.Q. Rajkot
Time for giving Form INS-01(<u>Authorization for Inspection or Search</u>) prescribed under the sub rule (1) of rule 139 of Central Goods and Service Tax Rules, 2017 <i>at the show room of the Company situated at 8-A, National Highway, Near Honest Hotel, At Lalpur, Morbi-363642</i>	11.50 a.m. on July 12 th , 2023 having Document Identification Number 2023764WV00002202CB by TEJAS A. JOSHI Superintendent, CGST, H.Q. Rajkot
Search and arrest completed time at the registered office of the Company	8.45 p.m. on July 12 th , 2023 by giving Form No. INS-2 and Inquest report and Arrest on July 13 th , 2023 of Mr. Rajeshbhai Ranchhodbhai Detroja and Mr. Anilkumar Babulal Detroja at 8:35 a.m. and 8:20 a.m. respectively, by giving Arrest Memo
Search completed time at the Show room of the Company	8.10 p.m. on July 12 th , 2023 by giving Form number INS-2 and Inquest report and Arrest on July 13 th , 2023 of Mr. Hiteshkumar Babulal Detroja at 8:15 a.m. by giving Arrest Memo



ESTIMATED AMOUNT INVOLVED (IF ANY)

The sale register (*having column viz. Sr., Reference, Inv., Date, Party, Qty, Gross, Tax, Bill, Cash and Grand Total*) for the F.Y. 2021-22, F.Y. 2022-23. F.Y. 2023-24 (upto July 7th, 2023) were verified by the department with statutory documents viz. invoices. It was noticed that amounts mentioned in the 'Bill' are matched with the valid invoices but amounts shown in Cash are not found in invoices. **The amount has not been quantified by the department yet. The matter is under investigation.**

**Thanking You,
Yours Faithfully,
For Lexus Granito (India) Limited**

**Dimpleben Anilbhai Detroja
(Director)
DIN: 09639482**